PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 421 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-THIRD PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-THIRD YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2003–04

COMPRISING PERIOD
10 May—27 May 2004

£105
(Two parts not sold separately)

CAMBRIDGESHIRE
LIBRARIES

Com Ref
C 11(04)

HER MAJESTY'S GOVERNMENT

MEMBERS OF THE CABINET

(FORMED BY THE RT. HON. TONY BLAIR, MP, JUNE 2001)

PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt. Hon. Tony Blair, MP
DEPUTY PRIME MINISTER AND FIRST SECRETARY OF STATE—The Rt. Hon. John Prescott, MP
CHANCELLOR OF THE EXCHEQUER—The Rt. Hon. Gordon Brown, MP
SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS—The Rt. Hon. Jack Straw, MP
SECRETARY OF STATE FOR THE HOME DEPARTMENT—The Rt. Hon. David Blunkett, MP
SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS—The Rt. Hon. Margaret Beckett, MP
SECRETARY OF STATE FOR TRANSPORT AND SECRETARY OF STATE FOR SCOTLAND—The Rt. Hon. Alistair Darling, MP
SECRETARY OF STATE FOR HEALTH— The Rt. Hon. Dr. John Reid, MP
SECRETARY OF STATE FOR NORTHERN IRELAND—The Rt. Hon. Paul Murphy, MP
SECRETARY OF STATE FOR DEFENCE—The Rt. Hon. Geoffrey Hoon, MP
SECRETARY OF STATE FOR WORK AND PENSIONS—The Rt. Hon. Andrew Smith, MP
SECRETARY OF STATE FOR TRADE AND INDUSTRY—The Rt. Hon. Patricia Hewitt, MP
SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT—The Rt. Hon. Tessa Jowell, MP
PARLIAMENTARY SECRETARY TO THE TREASURY—The Rt. Hon. Hilary Armstrong, MP
SECRETARY OF STATE FOR EDUCATION AND SKILLS—The Rt. Hon. Charles Clarke, MP
CHIEF SECRETARY TO THE TREASURY—The Rt. Hon. Paul Boateng, MP
LEADER OF THE HOUSE OF COMMONS, SECRETARY OF STATE FOR WALES AND LORD PRIVY SEAL—The Rt. Hon. Peter Hain, MP
MINISTER WITHOUT PORTFOLIO—The Rt. Hon. Ian McCartney, MP
LEADER OF THE HOUSE OF LORDS AND PRESIDENT OF THE COUNCIL—The Rt. Hon. The Baroness Amos
SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS AND LORD CHANCELLOR (FOR THE TRANSITIONAL PERIOD) —The Rt. Hon. The Lord Falconer of Thoroton, QC
SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT—The Rt. Hon. Hilary Benn, MP

DEPARTMENTS OF STATE AND MINISTERS

Office of the Deputy Prime Minister—
DEPUTY PRIME MINISTER AND FIRST SECRETARY OF STATE—The Rt. Hon. John Prescott, MP
MINISTERS OF STATE—
Minister for Local and Regional Government—The Rt. Hon. Nick Raynsford, MP
Minister for Regeneration and the Regions—The Rt. Hon. The Lord Rooker
Minister for Housing and Planning— The Rt. Hon. Keith Hill, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Yvette Cooper, MP
Phil Hope, Esq, MP

Cabinet Office—
MINISTER FOR THE CABINET OFFICE AND CHANCELLOR OF THE DUCHY OF LANCASTER—Douglas Alexander, Esq, MP

Constitutional Affairs—
SECRETARY OF STATE FOR CONSTITUTIONAL AFFAIRS—The Rt. Hon. The Lord Falconer of Thoroton, QC
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Christopher Leslie, Esq, MP
David Lammy, Esq, MP
The Lord Filkin, CBE
Anne McGuire, MP (Parliamentary Under-Secretary of State for Scotland)
Don Touhig, Esq, MP (Parliamentary Under-Secretary of State for Wales)

Culture, Media and Sport—
SECRETARY OF STATE FOR CULTURE, MEDIA AND SPORT—The Rt. Hon. Tessa Jowell, MP
MINISTERS OF STATE—
Minister for Sport and Tourism—The Rt. Hon. Richard Caborn, MP
Minister for the Arts—The Rt. Hon. Estelle Morris, MP
PARLIAMENTARY UNDER-SECRETARY OF STATE—
The Rt. Hon. The Lord McIntosh of Haringey (Minister for Media and Heritage)

Defence—
SECRETARY OF STATE—The Rt. Hon. Geoffrey Hoon, MP
MINISTER OF STATE—
The Rt. Hon. Adam Ingram, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Lord Bach (Minister for Defence Procurement)
Ivor Caplin, Esq, MP

Education and Skills—
SECRETARY OF STATE—The Rt. Hon. Charles Clarke, MP
MINISTERS OF STATE—
Minister for School Standards—David Miliband, Esq, MP
Minister for Children—The Rt. Hon. Margaret Hodge, MP
Minister for Lifelong Learning, Further and Higher Education—The Rt. Hon. Alan Johnson, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Baroness Ashton of Upholland
Ivan Lewis, Esq, MP
Stephen Twigg, Esq, MP

Environment, Food and Rural Affairs—
SECRETARY OF STATE—The Rt. Hon. Margaret Beckett, MP
MINISTERS OF STATE—
Minister for Rural Affairs and Local Environmental Quality—The Rt. Hon. Alun Michael, MP
Minister for the Environment— Elliot Morley, Esq, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Lord Whitty
Ben Bradshaw, Esq, MP

Foreign and Commonwealth Affairs—
SECRETARY OF STATE—The Rt. Hon. Jack Straw, MP
MINISTERS OF STATE—
Minister for the Middle East—The Rt. Hon. The Baroness Symons of Vernham Dean
Minister for Europe— Denis MacShane, Esq, MP
Minister for Trade and Investment—Mike O'Brien, Esq, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Bill Rammell, Esq, MP
Chris Mullin, Esq, MP

Health—
SECRETARY OF STATE—The Rt. Hon. Dr. John Reid, MP
MINISTERS OF STATE—
The Rt. Hon. John Hutton, MP
Rosie Winterton, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Miss Melanie Johnson, MP
Dr. Stephen Ladyman, MP
The Lord Warner

Home Office—
SECRETARY OF STATE—The Rt. Hon. David Blunkett, MP
MINISTERS OF STATE—
Minister for Crime Reduction, Policing and Community Safety— Ms Hazel Blears, MP
Minister for Criminal Justice System and Law Reform—The Baroness Scotland of Asthal, QC
Minister for Citizenship and Immigration—Desmond Browne, Esq, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Paul Goggins, Esq, MP
Caroline Flint, MP
Fiona Mactaggart, MP

International Development—
SECRETARY OF STATE—The Rt. Hon. Hilary Benn, MP
PARLIAMENTARY UNDER-SECRETARY OF STATE—Gareth Thomas, Esq, MP

Law Officers' Department—
ATTORNEY-GENERAL—The Rt. Hon. Lord Goldsmith, QC
SOLICITOR-GENERAL—The Rt. Hon. Harriet Harman, QC, MP
ADVOCATE-GENERAL FOR SCOTLAND—Dr. Lynda Clark, QC, MP

Leader of the House of Commons—
LEADER OF THE HOUSE OF COMMONS—The Rt. Hon. Peter Hain, MP
DEPUTY LEADER OF THE HOUSE OF COMMONS—Phil Woolas, Esq, MP

Northern Ireland Office—
SECRETARY OF STATE—The Rt. Hon. Paul Murphy, MP
MINISTER OF STATE—
The Rt. Hon. John Spellar, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Ian Pearson, Esq, MP
Angela Smith, MP
Barry Gardiner, Esq, MP

Paymaster General's Office—
PAYMASTER GENERAL—The Rt. Hon. Dawn Primarolo, MP

Privy Council Office—
LORD PRESIDENT OF THE COUNCIL AND LEADER OF THE HOUSE OF LORDS— The Rt. Hon. The Baroness Amos

Trade and Industry—
SECRETARY OF STATE AND MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Patricia Hewitt, MP
MINISTERS OF STATE—
Minister for Energy, E-Commerce and Postal Services—Stephen Timms, Esq, MP
Minister for Trade and Investment—Mike O'Brien, Esq, MP
Minister for Industry and the Regions and Deputy Minister for Women and Equality— The Rt. Hon. Jacqui Smith, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Lord Sainsbury of Turville (Minister for Science and Innovation)
Nigel Griffiths, Esq, MP (Minister for Small Business and Enterprise)
Gerry Sutcliffe, Esq, MP (Minister for Employment Relations, Competition and Consumers)

Transport—
SECRETARY OF STATE—The Rt. Hon. Alistair Darling, MP
MINISTER OF STATE—
Dr. Kim Howells, MP
PARLIAMENTARY UNDER-SECRETARY OF STATE—
David Jamieson, Esq, MP
Tony McNulty, Esq, MP

Treasury—
PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt. Hon. Tony Blair, MP
CHANCELLOR OF THE EXCHEQUER—The Rt. Hon. Gordon Brown, MP
CHIEF SECRETARY—The Rt. Hon. Paul Boateng, MP
PAYMASTER GENERAL—The Rt. Hon. Dawn Primarolo, MP
FINANCIAL SECRETARY—Ms Ruth Kelly, MP
ECONOMIC SECRETARY—John Healey, Esq, MP
PARLIAMENTARY SECRETARY—The Rt. Hon. Hilary Armstrong, MP
LORDS COMMISSIONERS—
John Heppell, Esq, MP
Nick Ainger, Esq, MP
Jim Murphy, Esq, MP
Derek Twigg, Esq, MP
Joan Ryan, MP
ASSISTANT WHIPS—
Fraser Kemp, Esq, MP
Charlotte Atkins, MP
Gillian Merron, MP
Vernon Coaker, Esq, MP
Paul Clark, Esq, MP
Margaret Moran, MP
Bridget Prentice, MP

Work and Pensions—
SECRETARY OF STATE—The Rt. Hon. Andrew Smith, MP
MINISTERS OF STATE—
Minister for Work—The Rt. Hon. Jane Kennedy, MP
Minister for Pensions—Malcolm Wicks, Esq, MP
PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Rt. Hon. The Baroness Hollis of Heigham
Maria Eagle, MP
Chris Pond, Esq, MP

Her Majesty's Household—
LORD CHAMBERLAIN—The Rt. Hon. The Lord Luce, GCVO
LORD STEWARD—The Duke of Abercorn, KG
MASTER OF THE HORSE—The Lord Vestey
TREASURER—Bob Ainsworth, Esq, MP
COMPTROLLER—Thomas McAvoy, Esq, MP
VICE-CHAMBERLAIN—Jim Fitzpatrick, Esq, MP
CAPTAIN OF THE HONOURABLE CORPS OF GENTLEMEN-AT-ARMS—The Rt. Hon. The Lord Grocott
CAPTAIN OF THE QUEEN'S BODYGUARD OF THE YEOMAN OF THE GUARD—The Lord Davies of Oldham
LORDS IN WAITING—The Lord Bassam of Brighton, The Lord Evans of Temple Guiting
BARONESSES IN WAITING—The Baroness Farrington of Ribbleton, The Baroness Andrews, OBE, The Baroness Crawley

---

SECOND CHURCH ESTATES COMMISSIONER, REPRESENTING CHURCH COMMISSIONERS— Sir Stuart Bell, MP

HOUSE OF COMMONS

THE SPEAKER—The Rt. Hon. Michael J. Martin, MP

CHAIRMAN OF WAYS AND MEANS—The Rt. Hon. Sir Alan Haselhurst, MP

FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS—Mrs. Sylvia Heal, MP

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS—Sir Michael Lord, MP

CHAIRMEN'S PANEL—
Mrs. Irene Adams, MP, David Amess, Esq, MP, Janet Anderson, MP, Nigel Beard, Esq, MP, Miss Anne Begg, MP, Joe Benton, Esq, MP, Sir John Butterfill, MP, Martin Caton, Esq, MP, David Chidgey, Esq, MP, Derek Conway, Esq, MP, Frank Cook, Esq, MP, James Cran, Esq, MP, John Cummings, Esq, MP, The Rt. Hon. Eric Forth, MP, Roger Gale, Esq, MP, Win Griffiths, Esq, MP, Mike Hancock, Esq, MP, Jimmy Hood, Esq, MP, Kevin Hughes, Esq, MP, Alan Hurst, Esq, MP, Eric Illsley, Esq, MP, John McWilliam, Esq, MP, Bill O'Brien, Esq, MP, Edward O'Hara, Esq, MP, Bill Olner, Esq, MP, Peter Pike, Esq, MP, Mrs. Marion Roe, MP, Jonathan Sayeed, Esq, MP, George Stevenson, Esq, MP, David Taylor, Esq, MP, The Rt. Hon. Miss Ann Widdecombe, MP, Sir Nicholas Winterton, MP

HOUSE OF COMMONS COMMISSION—
The Rt. Hon. The Speaker (Chairman), The Rt. Hon. Peter Hain, MP, Oliver Heald, Esq, MP, Sir Archy Kirkwood, MP, Sir Stuart Bell, MP, Sir Patrick Cormack, FSA, MP

SECRETARY OF THE COMMISSION—Robert Rogers

ASSISTANT SECRETARY —Shona McGlashan

AUDIT COMMITTEE—
Oliver Heald, Esq, MP (Chairman), Sir Archy Kirkwood, MP, Sir Thomas S. Legg, KCB, QC, David Taylor, FCA

SECRETARY OF THE AUDIT COMMITTEE—Dr. Mark Egan

BOARD OF MANAGEMENT—
Roger Sands, (Chief Executive), George Cubie, CB (Clerk of Committees, Department of the Clerk of the House), Sir Michael Cummins (Serjeant at Arms), Priscilla Baines (Librarian), Andrew Walker (Director of Finance and Administration), Bill Garland (Editor of the Official Report), Sue Harrison (Director of Catering Services)

SECRETARY OF THE BOARD OF MANAGEMENT—Richard Ware, DPhil

SPEAKER'S SECRETARY—Roger Daw

SPEAKER'S COUNSEL—John Vaux

SPEAKER'S CHAPLAIN—Rev. Canon Robert Wright

MEDICAL ADVISER TO THE SPEAKER—Dr. Ron Zeegen, OBE, FRCP, MRCS, DObst, RCOG

PARLIAMENTARY COMMISSIONER FOR STANDARDS—Sir Philip Mawer

10 May 2004

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-THIRD PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 13 JUNE 2001]

FIFTY-THIRD YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 421**

SEVENTH VOLUME OF SESSION 2003–2004

House of Commons

Monday 10 May 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Asylum Seekers (Benefits)

1. **Mr. David Kidney** (Stafford) (Lab): If he will exempt from the arrangements for withdrawal of benefits from failed asylum seekers those whom his Department fails to remove from the UK within a reasonable time. [171316]

The Minister for Citizenship and Immigration (Mr. Desmond Browne): The Government do not believe that failed asylum seekers should be provided with benefits or support from the state. Failed asylum seekers have had every opportunity to make their case and, importantly, have exhausted the legal process, but have been found to have no right to remain in the UK. Providing support to those who are not removed within a certain time would act as a perverse incentive for failed asylum seekers deliberately to frustrate removal. However, those failed asylum seekers who are destitute and unable to leave the UK immediately for reasons entirely beyond their control can seek the provision of accommodation under section 4 of the Immigration and Asylum Act 1999.

Mr. Kidney: I thank my hon. Friend for that reply, and it is a pleasure to see him in the position that he now has.

When the Select Committee reported on the Asylum and Immigration (Treatment of Claimants, etc.) Bill, it said that the priority should be the removal of failed asylum seekers. Will my hon. Friend confirm that there is no official encouragement for the view that taking away benefits is a good enough job done and that removals are still the priority? If he does not like the incentive that I have suggested, is there one that he thinks is better?

Mr. Browne: I thank my hon. Friend twofold—first, for his welcome, and secondly, for his question. He is right to place an emphasis on removal. After all, as I said in reply to the substantive question, those who have failed in their claim for asylum and who have had the opportunity to make their case have been found to have no right to remain in the United Kingdom. The Government's approach to support is part of a package of measures that are designed to improve our ability to be able to remove those failed asylum seekers. We have had conspicuous success in that regard, with removals now running at about twice the level that they were in 1997 and increasing.

Alistair Burt (North-East Bedfordshire) (Con): I, too, welcome the hon. Gentleman to his position. I have known his predecessors well.

As the Minister knows, I paid a visit to the Yarlswood detention centre last week and saw a number of detainees and immigration officials. I was staggered by the number of pieces of paper and claims from detainees about the wrongful advice that they had received from those who had allegedly been advising them, whether in relation to

benefits, their status or anything else. Does he share our concern about that, and will he say how he intends to tackle the issue now that he has the opportunity?

Mr. Browne: I thank the hon. Gentleman for his contribution. In the short time that I have been in the job, I have already had constructive discussions with him about matters relating to his temporary constituents, as I trust they will be, at Yarlswood. I know that he has recently visited there.

The hon. Gentleman is right to identify the damage that is done not only to the system, but to individuals' expectations by inappropriate, improper and often misleading advice. Indeed, I am struck by the number of reports that I have heard from removal centres of not only legal advisers but others raising false hopes in the minds of the people detained. He will know that, with the help of the Legal Services Commission, we have been able to make significant improvements to the quality of the service that has been provided. He will also know that there are provisions in the Bill that is currently before the other place in relation to legal aid, which is an important part of the process. If those provisions are enacted, they will improve the quality of that advice.

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): I agree with my hon. Friend the Member for Stafford (Mr. Kidney) that we need the rapid removal of failed asylum seekers. Is not the real sense of grievance and outrage directed at the judges who persistently seem to favour those who seek to thwart our entitlement rules at the expense of the very people in this country who have to pay for it all?

Mr. Browne: My hon. Friend makes a point in relation to criticism of our judiciary to which I do not think he would expect me, as an Executive Minister, to respond from the Dispatch Box. My responsibility as a Minister is to ensure that we are properly equipped to make our arguments before the courts, to explain the law as passed by Parliament and to ensure that it is enforced. For so long as I have these responsibilities, I will seek to discharge them.

David Davis (Haltemprice and Howden) (Con): May I crave your indulgence, Mr. Speaker, and welcome the Minister to his position? I hope that it is not too harmful to him to say that, the instant that he was appointed, I was approached by Lord Brooke, the previous Secretary of State for Northern Ireland, to tell me how intelligent, straightforward and energetic the Minister is. He will need all those attributes in his new task.

To return to the question, the confusion of the policy is unsurprising given how the Government create policy. One category of asylum seekers are those from eastern Europe, who are now covered by a new set of regulations that were laid before Parliament only days before they came into force on 1 May. The relevant Committee of the House of Lords said:

"The need for these regulations has been known for some time: the decision of the Government to open United Kingdom borders to workers from all Accession States from 1 May was announced in December 2002. In view of this, the House may wish to invite the Government to explain why the regulations were not laid sooner."

What is the Minister's answer?

Mr. Browne: I am very grateful to the right hon. Gentleman for his welcome, which he coupled with remarks by Lord Brooke. That delighted me even more. Lord Brooke is someone with great erudition, humanity and humour. Indeed, he may have been exercising his humour when he phoned the right hon. Gentleman. If Lord Brooke's regard for me is high, it is surpassed only by my regard for him. However, with the pleasantries over, let us go to battle.

First, the right hon. Gentleman consistently conflates the two issues of immigration and asylum. I am never sure whether he does that deliberately or accidentally, but the more he does it, the more I am persuaded that he does it deliberately. If that is the case, it is dangerous for social cohesion in this country.

Secondly, there is no second category of asylum seekers. The right hon. Gentleman well knows that people were seeking asylum in this country at the point of accession and we are obliged to continue to process those applications in relation to the convention and our laws if they do not wish to withdraw them. They will be treated in exactly the same way as all other asylum applications.

Thirdly, the right hon. Gentleman mentioned the timing of the regulations in relation to the workers registration scheme. As he knows, the most important thing about turning up for a play is to be there when it starts. In this case, the play did not start until 1 May and the regulations were fully in place.

David Davis: It is unsurprising that the Minister has learned the habits of the Home Office quickly and did not answer the question. The late delivery reflects the complete shambles of the Government's immigration and asylum policy. It is such a disaster that their own Social Security Advisory Committee said of the regulations:

"We recommend that the proposals in their current form should not be proceeded with."

How does the Minister explain this disaster?

Mr. Browne: If the right hon. Gentleman writes his supplementary questions before he hears the answer, he has the problem that they bear no relationship to the answer. I answered every part of the question that he asked me. If he checks the record tomorrow, he will see that that is the case.

On the package of regulations, of course the Social Security Advisory Committee had the opportunity to consider the benefits regulations and to have an opinion on them. The House had the final opinion, however. If it is the right hon. Gentleman's view that the regulations are as set out in the Social Security Advisory Committee's report, he knows exactly what he should do about it.

Glenda Jackson (Hampstead and Highgate) (Lab): Is it not the case that the speed of removal of a failed asylum seeker is not exclusively the responsibility of the Home Office, but relates also to the fact that the receiving country's officials are extremely slow to undertake their paperwork? In both instances, the failed asylum seeker has no responsibility whatever. Surely it is

wrong to penalise not only the asylum seekers but, most markedly, their children by removing support and possibly shelter.

Mr. Browne: I am grateful to my hon. Friend for giving me the opportunity to explain that we do not remove support in those circumstances. She is right to point out that our ability to remove asylum seekers, especially to their countries of origin, is often a function of our ability to get those countries to redocument them to enable them to travel. That is why the Prime Minister is today discussing that very issue with the Premier of China.

Mr. Mark Oaten (Winchester) (LD): I also welcome the Minister to his new post. If he has a chance, will he look again at the Government's plans to remove benefits from the children of asylum seekers, planned under the Asylum and Immigration (Treatment of Claimants, etc.) Bill? Given last week's U-turn on the right to appeal, is it not also right to have a U-turn on this draconian measure? Given that the right to appeal has gone, the removal of this measure may enable him to get cross-party support for the Bill.

Mr. Browne: I am grateful to the hon. Gentleman for his welcome. I have read the record of the debates on this issue, which was recently debated in the other place, and I know that he understands the Government's position. If an asylum application has failed, people should return to their home if they are free to do so. It would be a dereliction of our duty to those people whose asylum applications succeed and move on to refugee status, and to our ability to provide that level of refuge in future, if we did not have rules about the cut-off point.

Let us take as an example those people whom the right hon. Member for Haltemprice and Howden (David Davis) chose to question me on, whose countries are now members of the European Union and have reached the threshold in relation to human rights that allows them to join the European Union. What does the hon. Member for Winchester (Mr. Oaten) want the Government to do about them? He wants us to remove them. If the impediment to the removal of those people is their own behaviour, why should the taxpayers of this country support them?

Abandoned Cars

2. **Syd Rapson** (Portsmouth, North) (Lab): What plans his Department has to encourage the police to deal with abandoned cars. [171317]

The Parliamentary Under-Secretary of State for the Home Department (Caroline Flint): As part of our Together initiative on antisocial behaviour, which is one of the No. 1 issues for the people of this country, we have tackled abandoned cars by introducing stronger, tougher measures, including the opportunity to remove cars within 24 hours. We are working to improve that by supporting trailblazers to share best practice and show that the police, along with other agencies, have a key role to play.

Syd Rapson: I thank the Government for ensuring that, at last, we have good legislation that benefits areas such as mine, but there is a problem. Will the Minister consider giving the police extra powers to deal with cases where an unscrupulous driver abandons his vehicle in somebody's private driveway? The local authority ignores such vehicles because they are not on public land and the Driver and Vehicle Licensing Agency will not get involved because they are not on the highway, so the police end up having to do something. The owner of the private driveway, who is innocent in all this, has to pay £30 to have the vehicle removed. The issue seems to be going round in circles. Can we close that loophole and make our good legislation better for everyone?

Caroline Flint: My hon. Friend makes a good point about some of the problems caused by vehicles being abandoned on private land. The first is establishing whether the vehicle has been abandoned. The local authority can put a notice on the car and if, after 15 days, it has not been claimed it can take action to remove it. Other measures are available if the car is claimed by the owner: it is possible to use powers provided by environmental and waste legislation and, in certain instances, antisocial behaviour legislation. I ask my hon. Friend to get in touch with me about the particular problem that he mentioned, and I will ask the antisocial behaviour unit to look into it. We are cracking down on such behaviour wherever it occurs, and we know that that is important because our people tell us so.

Mr. Robert Key (Salisbury) (Con): Does it not depend on what one means by "abandoned" and "deal with"? Will the Minister call for a report from chief constables on a practice that is causing distress throughout the country? I refer to cases in which a vehicle is stolen and then abandoned many miles away, the police then telephone a company to remove the vehicle from the highway, and the company then charges the person from whom it was stolen. In normal circumstances, the police would phone up the owner, who would then go and get the vehicle, but in these cases many people are being treated very harshly by the police.

Caroline Flint: The hon. Gentleman makes a fair point. The police should be sensitive to these issues and we should investigate whether insurance would cover the costs. I think that he would acknowledge, however, that in dealing with abandoned or stolen vehicles and those without tax or insurance we are using antisocial behaviour powers from legislation that the Liberal Democrats voted against in its entirety—and we are investing money that the Conservative Opposition plan to take away. By using automatic number plate recognition and other measures we are making sure that the people who drive on our roads are safe and that they are legally entitled to do so.

Brian White (Milton Keynes, North-East) (Lab): My hon. Friend will be aware that action taken by a parish council in my constituency to remove abandoned vehicles was thwarted because a member of the local authority said that the land in question was public open space, not highway, so the parish council had to return the abandoned vehicles to the site. What advice is the Home Office giving to councils so that jobsworths cannot prevent the strong action that is required to deal with abandoned vehicles?

Caroline Flint: We are providing local authorities with a number of powers to deal with that problem. We have extended their access to the DVLA registration database and we have given them powers, including wheel clamping, that were once the preserve of the DVLA. We are saying, "Here are the powers. It's a no-can-do situation. Get on with it."

Sir Sydney Chapman (Chipping Barnet) (Con): Will the Minister make it plain to the police and local authorities which of them is responsible for removing abandoned vehicles? I have certainly had cases in my constituency in which the police say that it is the responsibility of the local authority and vice versa. I understand that, two years ago, local authorities removed almost 300,000 abandoned vehicles. Will the Minister give the House the latest figure and confirm that it is likely to rise considerably when the appropriate EU directive comes into force in, I think, 2006?

Caroline Flint: The responsibility lies with many agencies, which is why we have given powers to take action to local authorities as well. The Removal and Disposal of Vehicles Regulations 1986 give the police the power to remove any vehicle that is in breach of local traffic regulation orders, causes obstruction, is a danger to the public, is broken down or is abandoned. We have brought local authorities into the partnership and they, too, can take action. It is part of the national policing plan to ensure that police understand the issues surrounding antisocial behaviour, including graffiti, abandoned cars and the dispersal of groups of youths who are causing intimidation and harassment. That is all part and parcel of policing today, but we have a wider police family to help us to achieve the end results.

Domestic Violence

3. **Vera Baird** (Redcar) (Lab): What his plans are to tackle domestic violence and to bring more perpetrators to justice. [171318]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): Domestic violence is an horrific crime, which affects one in four women and causes the death of two women each week. The Domestic Violence, Crime and Victims Bill is the biggest overhaul of domestic violence legislation for 30 years. It includes a range of measures that will provide additional protection and support for victims and help to bring perpetrators to justice.

Vera Baird: I thank my hon. Friend for that answer and congratulate him on the Bill. Is he aware of the work of local domestic violence advocacy services, which attach a worker to every domestic violence sufferer who rings the police to help that person through benefit changes and all that can follow a complaint, and to support that person through the justice system, upping the courts' success rate quite significantly and very cheaply? Will he consider piloting such services more widely?

Paul Goggins: I thank my hon. and learned Friend for her positive welcome for the Bill. I congratulate her and other members of the all-party group on domestic violence on the tremendous work that they have done to bring such issues to the attention of the House. Following February's joint inspection report, we are looking closely at the role of local advocates: we see that the idea has merit, and we want to assess it further. I fully endorse her comment about the need to support victims of domestic violence through the whole process. The practice and philosophy of the Crown Prosecution Service and the police has been transformed in recent years, so that victims of domestic violence are much better supported than they used to be.

Mr. Henry Bellingham (North-West Norfolk) (Con): How many convictions were there last year and the year before, and how many does the Minister think there will be once the legislation is in place?

Paul Goggins: The hon. Gentleman needs to be slightly more precise about which charges he is inquiring about. We will implement a range of measures under the Bill, including extending the availability of restraining orders and non-molestation orders and making common assault an arrestable offence. Such measures will bear down on domestic violence and make sure that its perpetrators are dealt with severely. I hope that those on both sides of the House will support that approach.

Community Support Officers

4. **Siobhain McDonagh** (Mitcham and Morden) (Lab): How many community support officers there are. [171319]

16. **Dr. Nick Palmer** (Broxtowe) (Lab): How many community support officers are operating.

The Secretary of State for the Home Department (Mr. David Blunkett): At the end of April this year, we had more than 3,500 community support officers in 38 police force areas. They provide complementary support with the uniformed police, whose number has risen by 6,000 in the past year alone. They concentrate on the low-level violence, antisocial behaviour and nuisance behaviour that blight the lives of so many of our constituents. They make a vital contribution to the provision of high-visibility and high-accessibility patrols, free police officers for other duties and give reassurance to communities.

That record flies in the face of the claims that the policy would be a failure, that forces would not take it up, that the police would not welcome it and that local communities would reject it. Those claims were simply untrue and the Opposition parties, in particular the Liberal Democrats, were entirely wrong—as they usually are.

Siobhain McDonagh: I thank my right hon. Friend for his answer. I concur with him on the benefits provided by police community support officers in my constituency and, I am sure, in every constituency that is lucky enough to have them. Lucy Heddon, chair of Glebe Court tenant management organisation, said today that, in the short time that they have been in post, her local PCSOs, Mick and Terry, have transformed her life and that of other people on her estate because they

are available at night, they are a high-visibility presence, and they are there to tackle the small misdemeanours that were ignored in the past.

The problem in outer-London, however, is that PCSOs are paid outer-London weighting, while just up the road, they receive £1,500 more for inner-London weighting. Those rules do not apply to ordinary police officers. Surely that could be extended to our PCSOs, because we need to retain the likes of Mick and Terry currently working in Mitcham.

Mr. Blunkett: I concur strongly with my hon. Friend's example. There must be a boundary in terms of outer and inner zones and payments, and although an additional £1,350 is paid to officers in Merton, that does not compare with what is paid in the inner boroughs. I appreciate that that is a real challenge. The good news for my hon. Friend and her constituents is that another 10 community support officers are coming out of training at Hendon and will be employed in Merton in two weeks' time. That will be a considerable improvement and a great tribute to my hon. Friend, who has campaigned vigorously on this matter and against antisocial behaviour in Mitcham and Morden.

Dr. Palmer: Does my right hon. Friend accept that in Broxtowe we are extremely enthusiastic about our CSOs and we hope that the application for further CSOs made by Nottinghamshire police will be successful? Does he share my concern that other parties might seek to abolish this post? Will he consider creating a good long-term career structure for police community support officers, because those to whom I talk hope in the long term to work in the police force? I am a little concerned that the best people in the CSO force will be promoted to the point at which they are no longer working on the beat. Will he try to ensure that we provide a good career structure so that that does not happen?

Mr. Blunkett: I, too, hope that we can add to the 62 CSOs currently employed in the Nottinghamshire force, and the third round is being evaluated at this moment. I share the challenge to ensure that people who are recruited can have a long-term career path. Many choose to become uniformed officers, which is good in terms of diversity because the number of people of ethnic minority origin and women coming through from the CSOs is much greater than in recruitment to the police service as a whole. I agree entirely with my hon. Friend that it would be a terrible tragedy if, for instance, a party cut more than £660 million out of the Home Office budget, and if community support officers were done away with as a result.

Mr. James Gray (North Wiltshire) (Con): The Home Secretary, of course, repeats an oft-quoted error by suggesting that any such cuts will be made by the Conservative party when it comes into government in about a year from now. Will he comment on the funding of community support officers? I am the first to support the community support officer who is doing good work in Chippenham, and I hope that the chief constable will recruit the second one for whom she is currently advertising. However, is not the difficulty that the funding from the Home Office lasts for a total of only four years, and after that contributions from town councils and parish councils across the patch will be required? The cost of community support officers will be transferred from the Home Office to the unfortunate council tax payer, who is already screaming.

Mr. Blunkett: Let us be absolutely clear: a whole range of individuals and organisations have joined together to supplement the amount that has been provided, both through direct funding for CSOs and through the general police grant. We cannot have two different versions of the same budget from the Opposition. Either the Treasury spokespeople for the Conservative party are right or they are wrong when they say that there will be necessary pain in reducing budgets. When that budget is applied across the board, other than to schools and the NHS, it is inevitable that there will be cuts. Under our proposals, however, and under the forthcoming spending review, there will be additional resources to pay both for additional CSOs and for the continuing rise in the police service, which has shown an increase of 6,000 in the past year alone. With a Conservative budget, cuts would be bound to occur in every part of our service and every part of our country.

Mr. James Paice (South-East Cambridgeshire) (Con): The Home Secretary knows full well that a Conservative Government will add 40,000 police officers. What is more, we will tell police authorities that they can choose whether to spend the money on CSOs or on real police officers. That is real local accountability.

Can the Home Secretary tell us about training for CSOs and how much they have had? Can he confirm that the length of training can vary from just one week to five weeks or more, whereas basic training for real police officers is being cut from 15 weeks to 12? Is it any wonder that people suspect that the Government have a hidden agenda to de-skill policing and use CSOs on our streets to replace real police officers?

Mr. Blunkett: I am very happy to let the hon. Gentleman into a secret: we do have a hidden agenda. It involves providing thousands more CSOs and thousands more police officers at the same time, and decentralising training from the current residential arrangements so that people can be nearer to home and get more into the three months' training for uniformed officers. That is being welcomed by the Police Federation and the Association of Chief Police Officers.

We have heard the comments of the shadow Home Secretary, the right hon. Member for Haltemprice and Howden (David Davis), on the budget for the 40,000 extra police officers. That was to come from the abolition of the immigration and nationality directorate, but when we announced a month ago that we were going to reduce headquarters costs, the right hon. Gentleman said that that was an outrage and a disgrace. He will not even help us to reduce the administration costs, let alone switch the whole budget into paying for the police force.

Mr. Martin Salter (Reading, West) (Lab): The Home Secretary will know that the Police Federation objected vehemently to the introduction of community support officers. Wherever I go, I hear police officers saying what a valuable task CSOs perform on the streets of their

areas. Has the federation formally withdrawn its objection, or has it eaten a little bit of humble pie recently?

Mr. Blunkett: My hon. Friend will forgive me: as I am to visit the federation in two weeks, I shall not ask it to eat anything. I shall, however, ask its members to join us in welcoming the extra police officers, the extra CSOs, the extra powers against antisocial behaviour, the introduction of the Criminal Courts (Sentencing) Act 2000—all the elements that we are putting into a jigsaw to provide the powers, legislative backing, resources, and manpower and womanpower to make it possible to clean up our streets and give people safety in their homes.

Children (Sexual Exploitation)

5. **Mr. Shaun Woodward** (St. Helens, South) (Lab): What his plans are to combat the trafficking and sexual exploitation of children within the UK; and if he will make a statement. [171320]

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): The Sexual Offences Act 2003, which came into force on 1 May, includes offences that criminalise trafficking into, within and out of the country for the purpose of sexual exploitation. The offences carry a maximum penalty of 14 years imprisonment. The Act also introduces comprehensive offences covering the sexual exploitation of children.

Mr. Woodward: The provision of safe accommodation for children who are victims of this appalling trade is essential if we are to break the cycle and protect children more. It is also essential because a trade that is estimated to be worth $7 billion a year requires us to do all that we can. Given the Government's commitment to establishing a safe house, and the establishment of Integrated Care's first safe house for these children, what proposals have the Government to support them further and to expand the safe houses service?

Fiona Mactaggart: I thank my hon. Friend for his question and for his determined pursuit of this issue. We know of the new safe house established by Integrated Care and believe that it provides an important service to which all local authorities can refer children. It is for local authorities to decide how best to discharge their responsibilities to children in need under the Children Act 1989—some choose services of this kind, while others opt for foster care or other provision—but I am certain that the safe house will be a useful resource for social services departments to consider when dealing with trafficked children. Our new legislation will ensure that children in such circumstances are given better protection.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): Does my hon. Friend agree that it is essential for joint working to take place between the immigration service, the police and social services at every port—and I mean every port in the country—to ensure that children who may be being trafficked are identified at that crucial stage, that they are given all possible help, and that all possible work is undertaken to deal with those who are trafficking them into the country? Will she have further discussions with the Minister for Children to ensure that that crucial aspect of joint working goes ahead based on the best practice available?

Fiona Mactaggart: I thank my hon. Friend, and I note his continued commitment to the issue. I think that, like me, he will welcome the additional work that has come out of the Sexual Offences Act 2003: tough new offences, better collaboration between social services and immigration, action to prevent the problem by working with source and transit countries and, as he pointed out, other appropriate support for victims. We are working across key agencies at principal entry points to identify children at risk. Operation Paladin has just been concluded. It involved a range of different authorities dealing with unaccompanied children, or children accompanied by someone other than their parents, to see what situation they are coming to and what the child protection issues are. We will be learning the lessons from that. Child victims of trafficking are likely to need welfare services and, in many cases, protection under the Children Act 1989. We look forward to working with our colleagues in the Department for Education and Skills to ensure that that happens.

Prison Capacity

6. **Ross Cranston** (Dudley, North) (Lab): What assessment he has made of the impact of the long-term prison population projections on prison capacity. [171321]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): It is estimated that a continuation of recent trends in the use of custody would result in a prison population of 93,000 by the end of the decade. The reforms that we are making should enable us to rebalance the system and achieve a stable and lower population.As a result of the investment that we are making, there will be 79,500 available prison places by 2006.

Ross Cranston: I know of my hon. Friend's personal commitment to prisoner welfare. The Criminal Justice Act 2003 means that there will be more robust community sentences and a reduction in the number of short sentences, which are ineffective in reducing wrongdoing, but there is concern out there that the increase in the number of prisoners and the small number of new places coming on stream make the situation unsustainable. Can he give an assurance that that pressure will be relieved in the near future?

Paul Goggins: My hon. and learned Friend is right to point to that pressure. We will continue to expand the capacity of prison places. By next year, we will have 77,600 prison places. By 2006, we will have 79,500 places. He is right to point out that many very short prison sentences are a waste of time. They are long enough for people to lose their homes and jobs but not long enough to do the resettlement and educational work that such

prisoners need. It is far better for non-dangerous offenders, particularly first-time offenders, to be dealt with in the community with a robust community sentence.

Mr. John Bercow (Buckingham) (Con): Given the projected increase in the prison population and the urgent need to cut recidivism, the hon. Gentleman will certainly agree, as he has just indicated, that prison education must be a top priority. In that context, what proportion of people currently leaving prison still can neither read nor write and what is the Government's public service agreement target for improvement in that regard?

Paul Goggins: What I can say to the hon. Gentleman, and I am sure that he will be pleased to hear this, is that, as this has been an area in which the Government have invested, we have seen a significant increase in the number of people who learn to read and write while in prison. The most salient point is that, last year, 50,000 basic skills qualifications were gained in our prisons. Those prisoners can now read and write, take their place in society and reform their behaviour.

Mr. Neil Gerrard (Walthamstow) (Lab): My hon. Friend will know that one of the key objectives of the National Offender Management Service was to reduce the projected figure from 93,000 to 80,000 by the end of the decade. Can he tell us exactly how he expects NOMS to do that, because it is not NOMS that will be in charge of sentencing policy, but the Sentencing Guidelines Council?

Paul Goggins: My hon. Friend is right. In the end, it is not politicians or legislators who send people to prison, but sentencers. That is why the role of the Sentencing Guidelines Council will be central to our reforms. The chief executive of the National Offender Management Service has a key role to play in informing the council about what is effective in sentencing. The NOMS will provide, for the first time, effective management of offenders through the whole system, joining the bit of the sentence served in prison with the bit served in the community. By doing that, we believe that we will further reduce reoffending rates.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Minister is responsible for planning for the prison population. So serious is the overcrowding in our prisons that 64 per cent. are over the limit for keeping prisoners in decent conditions and 15 are over the danger line for safety as we speak. There are more suicides and self-harming by prisoners and the justice unions report increases in acts of organised indiscipline, hostage situations and threats. What is the Minister going to do about this shambles of Government policy? Will he speed up the prison building programme, or will he rebalance the programme by letting more and more prisoners out early to join the 1,100 who have committed further crimes while under curfew orders?

Paul Goggins: Those figures are not correct, but I welcome the hon. Lady's concern for the welfare of the people in our prisons. For example, it is welcome that she is concerned about the number of people who committed suicide in our prisons last year. I hope, therefore, that she will join us in supporting the strategy that I put in place for reducing self-inflicted deaths in custody. But services such as that cost money and given she and her colleagues want to wipe £700 million out of the budget of the Home Office, where would that money come from? I have set out our prison-building programme and the extra places that we intend to provide, but that costs money. We will provide it and she would not.

Designated Public Places Orders

7. **Mrs. Anne Campbell** (Cambridge) (Lab): What assessment he has made of the effectiveness of designated public places orders. [171322]

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): The effectiveness of DPPOs is being monitored and evaluated in the trailblazer areas that are focusing on tackling the antisocial street scene. Those areas are Camden, Westminster, Brighton and Leeds. As of March, around 100 authorities have been operating the system successfully. This indicates that they have been found useful.

Mrs. Campbell: What would my hon. Friend say to the Liberal Democrat leader of Cambridge city council who, despite petitions requesting DPPOs totalling thousands of signatures, has refused to use the legislation on the grounds that it is, he says, impractical and illiberal?

Fiona Mactaggart: I would say that he was a hypocrite. I have noticed the eagerness with which his Liberal Democrat colleagues in election campaigning have said that they would crack down on the yobs. We know from the British crime survey that 44 per cent. of all victims of violent crime describe their assailant as being under the influence of alcohol at the time. Yet, in practice, when we provide effective tools to deal with exactly that problem, they fail to use them. Typical.

Mr. Jonathan Djanogly (Huntingdon) (Con): Has not the hon. Member for Cambridge (Mrs. Campbell) provided a first-class example of how the Government's proposals to control violent and drunken youths—while perhaps well meaning—have failed because the cost, red tape and hassle involved in getting antisocial behaviour orders, curfew orders and now designated public places orders mean that, despite the Government's spin, most councils do all they can to avoid using them?

Fiona Mactaggart: The world that the hon. Gentleman describes is not the one in which I live. I have noticed how our efforts to ensure that we slim down the things that need to be done to obtain an ASBO—as well as our work on the availability of interim orders—have meant that, where there is a dynamic and effective partnership between the local authority and the police, the order is a useful tool for dealing with antisocial behaviour. At last, we have the methods to tackle the problem, but I am not surprised that the hon. Gentleman and other Opposition Members are determined to put it down. They are wrong; they should

welcome these powers, like the people of Britain in the communities that are the victims of antisocial behaviour.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Will my hon. Friend join me in congratulating Inspector Frank Firth in my constituency, who has successfully used those orders on several occasions to great effect, which has been welcomed by local residents? Does she agree that the one further development that would be welcome would be the courts underpinning those orders by using custodial sentences to reinforce them when necessary?

Fiona Mactaggart: I thank my hon. Friend for his question. I apologise to the hon. Member for Huntingdon (Mr. Djanogly), whom I should have welcomed to his new place. I got carried away and I hope that the House will forgive me for my enthusiasm on this occasion.

My hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) pointed out that, in his constituency, that power is being effectively used because of the determination of his local police service. Where there is effective collaboration between the police and others, it is a very useful power indeed. I agree with my hon. Friend that it depends on the effective use by courts and sentencers of their powers, and I am glad to see the participation of magistrates and others in some of the academy events and other "Together" events that are being organised to support the antisocial behaviour strategy. They are part of a partnership to deliver an effective clampdown on antisocial behaviour and drunkenness in our communities.

Binge Drinking

8. **Mr. Ben Chapman** (Wirral, South) (Lab): What measures he proposes to combat antisocial behaviour caused by binge drinking. [171323]

The Secretary of State for the Home Department (Mr. David Blunkett): On 15 March, we launched our alcohol harm reduction strategy. Taken together with the new slimmed-down antisocial behaviour orders, the dispersal and curfew powers and the ability to levy fixed penalty notices, we believe that the new clampdown by Paul Evans, the head of the standards unit in our Department, will help to tackle head-on under-age drinking, binge drinking and chronic drinking. He will be able to assist us with all that from his experience as police chief in Boston, where he had tremendous success in turning a city with a major problem of violence and alcohol abuse into a city that is now, as I found when I was there at the beginning of March, easy, fit and clean to walk in.

Mr. Chapman: Notwithstanding all the measures that have been put in place, antisocial behaviour by young people, fuelled by alcohol, remains a major problem in Wirral, South. It causes mayhem, from the knocking off of car badges to the knocking down of gravestones and the wilful destruction of bus shelters and telephone kiosks. That all creates a climate of fear and, in effect, no-go areas at night for some of my constituents. What further measures could be put in place to free my constituents from that scourge?

Mr. Blunkett: I do not disagree at all with my hon. Friend: this is a scourge. About one third of those who are arrested in town and city centres have been involved in alcohol abuse and more than two fifths of those involved in violent crime have been indulging in the overuse of alcohol. That is a major scourge. However, it is not only the legislation or enforcement measures that I have already enunciated that are crucial; also crucial are the partnership with the industry that produces and retails alcohol and a change in the education process, along with the sensible use of family pressure. We also need to give a message to those who give planning consent for large-volume, or vertical drinking, establishments, to get across that there is a need for social responsibility from the business and commercial community as well as from everyone else—*[Interruption.]* Yes, vertical drinking often leads to horizontal sleeping and, unfortunately, too many people stagger out on to the street to cause mayhem before they do fall asleep.

Mr. Mark Field (Cities of London and Westminster) (Con): In the blizzard of announcements and initiatives in the Home Secretary's answer to the hon. Member for Wirral, South (Mr. Chapman), there was no mention of the Licensing Act 2003. How does the right hon. Gentleman feel that the introduction of 24-hour drinking under that Act will improve the Government's record on binge drinking and antisocial behaviour?

Mr. Blunkett: The guidance that we have established between the Home Office and the Department for Culture, Media and Sport makes clear the powers that are available and the restrictions that should be put in place and, under the Anti-social Behaviour Act 2003, there is now the ability to close establishments immediately there is a problem. The lessons learned from Scotland and the evidence from across the continent were the driving force behind the Licensing Act, and I thought that there had been varying degrees of support from all parties in the House for the experiment of trying to ensure that people drink sensibly over a longer period. I would also advocate that they eat more while drinking at the times of day when drinking is most likely to cause abuse, inconvenience and damage to other people. *[Interruption.]* To judge from some of the heckling, it sounds as though one or two people probably indulged a bit at lunch time.

Judy Mallaber (Amber Valley) (Lab): Binge drinking and social disorder in town centres as a result of drinking were among the major issues raised in a big conversation event concerning community safety that I held last week. Two specific issues were raised, one about planning and the proliferation of licensed premises, and the other about the responsibilities of licensed premises, some of which have totally irresponsible promotions such as, "All you can drink for £10" and "Two drinks for the price of one." Is there anything that could be done about the responsibilities of the drinks industry?

Mr. Blunkett: Following the announcement on 15 March, the Prime Minister established a forum in

which representatives of the industry are being invited to come and talk through the measures that the industry is prepared to take to act responsibly. In the end, of course, if it does not do so, and if those very large premises, and the consequent antisocial behaviour that spills out on to the street, persist, we shall inevitably have to seek further powers. It is therefore in the best interests of all those involved in the industry, tourism and entertainment to be prepared to make themselves available as partners rather than opponents and ensure that we all gain from sensible drinking and entertainment and from city and town centres that are free and secure to walk in at night.

Dr. Vincent Cable (Twickenham) (LD): Following the Home Secretary's trenchant comments on the retail sector, can he explain why, since 1997, an average of only 12 prosecutions a year have been brought against landlords for maintaining disorderly premises?

Mr. Blunkett: First, the powers for immediate closure were not available, so the bureaucracy that has been referred to in other contexts this afternoon often got in the way of the police and the Crown Prosecution Service when they tried to pursue such matters. With the new measures, including those involving licensing and planning, it will be possible for both the police and environmental health departments to intervene. Local authorities that become licensing authorities will be able to respond to their local communities, so it really will be up to local councillors—including Liberal Democrat councillors who so vehemently rejected the Anti-social Behaviour Act 2003, but who are so keen on putting out leaflets to pretend that they did not—to take action on behalf of their local electorate.

Community Safety

9. **Huw Irranca-Davies** (Ogmore) (Lab): What assessment has been made of the impact of partnership working on community safety in police authority areas since 1997. [171324]

The Parliamentary Under-Secretary of State for the Home Department (Caroline Flint): Partnership working is essential for ensuring the safety of our communities. Her Majesty's inspectorate of constabulary, jointly with the Local Government Association, Ofsted and the social services inspectorate, have inspected agencies within community safety partnerships, as has the Audit Commission. It was confirmed that substantial progress had been made. More needs to be done, but we are helping to reduce crime.

Huw Irranca-Davies: Does the Minister agree that one of the greatest achievements of the Government is that we have extended community safety beyond mere policing to the wider community? Does she therefore share my dismay that when I attended the Nant-y-Moel neighbourhood watch the other evening, the more than 25 people there were not aware of the great powers that we have passed to them? Does she agree that, to paraphrase Citizen Smith, we have given the power to the people but some of them do not know about it?

Caroline Flint: It is always distressing to hear of such things. My hon. Friend had a visit not so long ago from my noble Friend Baroness Scotland and I understand that the partnership in his constituency is working better. However, there is no excuse for those involved in such partnerships not making themselves aware of the powers available. We have produced good practice guidelines and a new unit is looking at performance and support to ensure that the highest standards can be reached everywhere. We will consider intervening in areas that are not using the powers that are clearly available to them. This is an important issue and people deserve to have such powers used on their behalf.

Mr. Edward Garnier (Harborough) (Con): The Minister will perhaps agree that the expression "the impact of partnership working on community safety" is pretty meaningless. What is important to my constituents—particularly those in South Wigston, which is the least well off part of my constituency—is that youngsters engaged in binge drinking, to whom the hon. Member for Wirral, South (Mr. Chapman) referred a moment ago, are kept out of shops selling drink and off the streets. For the second time in five years, I shall address a conference in my constituency on antisocial behaviour. What we would like—I hope that the Minister can help us to achieve this—is more police officers patrolling the streets of South Wigston and more community support officers. They provide a uniformed presence and deter youngsters from misbehaving in public places.

Caroline Flint: I am glad to hear that the hon. and learned Gentleman has made it to his constituency twice in five years. He argues for more police and community support officers, but this Government have delivered in that regard. What are required are resources and an attitude that recognises that tackling crime today is not only a matter for the police. It is also a matter for local authorities and, where drugs are concerned, for primary care trusts and others involved in that issue. We want more police officers, community support officers and others, but we will get them under a Labour Government and certainly not under a Conservative one.

National Offender Management Service

10. **Mr. David Drew** (Stroud) (Lab/Co-op) What assessment he has made of the likely budgetary impact of the creation of the National Offender Management Service. [171325]

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): The National Offender Management Service will become operational on 1 June with an overall budget of £3.5 billion. As with all other areas of public expenditure, the current spending review will determine funding levels for 2005–06 to 2007–08.

Mr. Drew: As my hon. Friend will be aware, several hon. Members will address a mass lobby of probation officers tomorrow. Those officers are worried about the rush to introduce the National Offender Management Service and the apparent lack of local accountability and genuinely concerned that an element of back-door

privatisation seems to be involved. Will my hon. Friend give me a message to pass on to those probation officers that will at least ease some of their fears?

Paul Goggins: I thank my hon. Friend for raising this issue, in which he takes a keen interest. Today's probation service has been transformed from the service that existed when we took in office in 1997. There are 5,000 additional staff and a further 2,600 staff will be recruited in the next two years. My message to it is that we will continue to invest in the important work that it does and that we understand the pressure it is under. As the Minister with responsibility for such matters, I want to engage in a constructive dialogue with the probation service and the Prison Service to ensure that we introduce the National Offender Management Service effectively.

Identity Cards

11. **Mr. George Osborne** (Tatton) (Con): If he will make a statement on his plans to introduce identity cards. [171326]

The Minister for Citizenship and Immigration (Mr. Desmond Browne): As my right hon. Friend the Home Secretary announced last November, we intend to build the base for a compulsory identity card scheme and on 26 April we published for consultation plans for identity card legislation. The Home Affairs Committee will undertake pre-legislative scrutiny of that Bill, which I welcome. If the hon. Member for Colchester (Bob Russell) can keep his eyes open without discomfort, he will doubtless make a significant contribution to such scrutiny.

Mr. Osborne: Since the abolition of ID cards in the 1950s, Home Office officials have tried to persuade successive Home Secretaries to reintroduce them. Why does the Minister think that this Home Secretary is the first one gullible enough to produce a White Paper on them?

Mr. Browne: My right hon. Friend the Home Secretary advises me that a previous Home Secretary did produce such a document on that matter. However, the point of the hon. Gentleman's question is not who produced it, but gullibility. The hon. Gentleman should test the temperature of the hour and understand the view of the people of this country who need secure identity and security of their borders. The people are overwhelmingly in favour of developing this policy, but they want it done carefully and delivered appropriately. That is exactly what the Government will do.

Iraq: Security/Mistreatment Allegations

3.30 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): With your permission, Mr. Speaker, I would first like to bring the House up to date in relation to the current security situation in Iraq. Recent weeks have seen British forces, our coalition allies and the Iraqi police facing violent attacks in southern Iraq. This weekend saw the most violence so far, with more than 100 engagements between violent insurgents and coalition forces. Eleven British soldiers and one Dane were injured in those clashes. Our forces have captured a very large quantity of arms and ammunition from the Muqtada militia. The insurgents are armed with mortars, rocket-propelled grenades, and a wealth of automatic weapons. We have captured 10 multi-launch rocket tubes, 300 mortar rounds and three wire-guided missiles just over this weekend.

The upsurge in violence appears to have followed calls at some Friday prayers for attacks against the coalition. Many of those who responded have a violent and criminal background that pre-dates the arrival of the coalition in Iraq last year. They are thugs, not freedom fighters. They do not enjoy the support of the majority of people in Iraq, who welcome the strong security action that we are taking. These attacks against Iraqis and Iraqi institutions are a challenge to the rule of law—an attempt to disrupt reconstruction efforts and deliberately to damage the transition to a democratic Iraq. No sensible person can condone these attacks: everyone should support our efforts to deal with them in the interests of the Iraqi people.

The situation in both Basra and al-Amarah remains tense, but the Iraqi police are patrolling and are engaged in other security tasks. Further violence cannot be ruled out in the coming days, and British and Iraqi forces will continue to confront such challenges. As ever, they will do so with the minimum necessary use of force and with great care to avoid unnecessary impact on the wider population.

Last week, my right hon. Friend the Minister with responsibility for the armed forces made a statement about allegations of abuse by UK forces in Iraq. I would like to deal with developments since that statement. There have been further details and images of abuse by US forces, and further claims against British soldiers, published mainly in the *Daily Mirror*. Last week my right hon. Friend made it clear that, if the allegations are found to be true, those responsible for damaging the otherwise excellent reputation of our armed forces will be rooted out and dealt with. The unauthorised actions of a very few must not be allowed to undermine the outstanding work of tens of thousands of British soldiers and civilians who have served with distinction, compassion and sensitivity in Iraq now for over a year. We regret the shadow that has been cast across the excellent work being undertaken, under very difficult circumstances, to establish security and to rebuild Iraq.

The United Kingdom requires its forces to act at all times within UK law, which means that they must comply with the Geneva convention and international humanitarian law. Allegations of improper behaviour will be thoroughly investigated. We are not in any way complacent about such allegations. The 33 cases of Iraqi civilian deaths, injuries and ill treatment, which my right hon. Friend mentioned last week, which have been or are under investigation testify to our determination. As he mentioned, 15 have already been resolved as having no case to answer and a further six are proceeding.

Those investigations were not begun in response to the International Committee of the Red Cross, to Amnesty International or, indeed, as the result of any pressure through the media. We investigate through the Royal Military Police special investigations branch immediately evidence is brought to hand. In those investigations, it is essential that the integrity of the criminal justice process be maintained. That can involve detailed and lengthy processes, but those are crucial to allow the necessary impartial evaluation of the evidence. I can confirm today that two cases have reached an advanced stage with decisions on prosecutions pending.

Obviously, it is important that the legal processes should be completed independently, but I want to say on behalf of the British Government that we unreservedly apologise to any Iraqis where the evidence shows that they have been mistreated, whether that is, as Amnesty International has set out in recent correspondence, during the general interaction between British troops and Iraqi citizens on the ground, or in the more specific issues raised by the ICRC about Iraqis detained in British-controlled facilities.

The confidential report from the ICRC to Ambassador Bremer in February dealt with detention issues. We have always maintained a close and constructive relationship with the Red Cross in Iraq. My right hon. Friend the Minister of State for the armed forces had a meeting with Dr. Jacob Kellenburger, the ICRC president, in May last year, and officials from the Ministry of Defence met the ICRC in April. It has been the practice of the ICRC to keep such reports confidential, not only to maintain a positive working relationship between Governments and the ICRC, but to protect those mentioned in them. It is important that that confidentiality is respected. Roland Hugenin-Benjamin of the ICRC said at the weekend:

> "We usually do this in direct confidential contact with the detaining power. We do not believe very much that there is a lot of interest for the prisoners themselves of having those kind of issues exposed in the public domain."

The interim report in February dealt with ICRC visits to coalition facilities between March and November last year. It raised three specific concerns in respect of British forces' treatment of prisoners and internees. Since those issues are already in the public domain, it is appropriate for me to comment further.

The first issue is in respect of the death in custody of Baha Mousa, also known as Baha Maliki, last September. A Royal Military Police investigation was launched at the time. The case has featured frequently in the media since then and was raised by the hon. Member for East Carmarthen and Dinefwr (Adam Price) during an Adjournment debate in January. It was the subject of an Amnesty International letter-writing campaign. My right hon. Friend the Minister of State for the armed forces wrote to Amnesty about the case on 11 November 2003 and again on 27 January. It follows, therefore, that by the time the ICRC referred to the case in its interim report in February, a thorough investigation was well under way and the Government had made frequent public comment on it.

[Mr. Geoffrey Hoon]

The second concern raised by the ICRC in relation to the United Kingdom was in respect of the routine hooding of prisoners. That practice had already ceased in UK facilities from last September, and that change had been confirmed publicly.

In the third case, a detainee had claimed that his car was confiscated. We were not able to shed light on that case. The individual was briefed on our claims procedure and provided with a claim form. Nothing more has been heard from him.

The interim ICRC report was not seen by Ministers until very recently. That is because it was an interim report to Ambassador Bremer, passed to the United Kingdom in strict confidence. A follow-on, UK-specific report was, in any event, anticipated, and in the cases relevant to the UK armed forces, the action necessary to address the ICRC's concerns had been taken some five months before the report was actually issued. In February, therefore, officials at the permanent joint headquarters judged that there was no action that Ministers needed to take, at least until any further reports were received. Essentially, all the material the report contained dealing with issues relevant to the United Kingdom had already been dealt with.

Since the programme of ICRC visits last year, we have opened a new divisional temporary detention facility in southern Iraq. The ICRC visited the site before it opened and has visited it twice since, in February and April. It is due to visit again next week. We remain committed to consultation with the ICRC and to complying fully with ICRC requests for access. The ICRC has yet to submit a formal report to the Government in respect of the two visits carried out, but it has provided working reports to our forces in theatre. It is fair to say that the ICRC is generally satisfied with our approach and describes conditions of internment as "fairly good".

We will obviously continue to work closely with the ICRC to ensure that prisoners' concerns are addressed. In the light of recent publications, we judge that if the ICRC were willing to publish its report, the United Kingdom Government would have absolutely no objection.

In addition, recent representations have been made by a number of other groups, including Amnesty International, making allegations about incidents, including some of which the Ministry of Defence was not previously aware. Those incidents do not involve allegations about detainees. We will always take such credible allegations seriously. As a consequence, at the beginning of March, we began a thorough trawl of the records of units produced in Iraq since the commencement of operations last year. That is a considerable task, and we expect it to last a few more weeks. I assure the House that if it reveals further examples of incidents that merit formal investigation, investigations will follow. In turn, if British forces are found to have acted unlawfully, the appropriate legal action will be taken. That has happened in every single case so far.

Those thorough and detailed investigations have also been necessary in relation to the photographs published by the *Daily Mirror* some days ago. Those photographs are central to accusations concerning the behaviour of British troops, in particular, the Queen's Lancashire Regiment. I can tell the House that as a result of those further investigations the SIB has informed me that there are strong indications that the vehicle in which the photographs were taken was not in Iraq during the relevant period. Additional lines of inquiry are being pursued to corroborate that fact.

The SIB has interviewed at length the soldier described by the *Daily Mirror* as "Soldier C". We are grateful to "Soldier C" for coming forward. However, I can assure the House that the allegation at the centre of his evidence, which is once again the case of Baha Mousa, has already been investigated and the case is currently with the Army legal services for consideration. When interviewed by the RMP, "Soldier C" did not have any new evidence to add to what was already known as a result of our investigations. Indeed, as I have already mentioned, those allegations were widely covered in other newspapers many months ago. I leave it to the House to judge why they have been recycled in that way.

In conclusion, we are determined to see through the task in Iraq according to standards of behaviour set out in the Geneva convention and international humanitarian law. We will not hesitate to act where those high standards are not followed, and we will investigate when serious allegations are brought to our attention. But we should not lose sight of the fact that thousands of our service personnel continue to serve their country with great distinction in Iraq and around the world. We are appalled by the allegations made against an unrepresentative small number, but that will not diminish our admiration of, respect for and pride in those who continue to serve their country with such distinction.

Mr. Nicholas Soames (Mid-Sussex) (Con): I thank the Secretary of State for his statement and for providing an advance copy earlier today. Nothing should detract from the fact that we on the Conservative Benches have the highest confidence in, and admiration for, the professionalism, courage and skill of the men and women of the British armed forces serving in Iraq and elsewhere.

Will the Secretary of State agree that, as the coalition seeks to bring democracy, stability and freedom to the broken country of Iraq, the promotion of the rule of law in the chaotic and disastrously ill-planned post-conflict environment must come first? Will he further agree that the military do not see themselves as being above the law and that the hard lessons of earlier counter-insurgency operations have been well learned by the British Army?

The House will be aware that Britain ratified the additional 1977 protocols to the 1949 Geneva conventions and that article 75 of the first protocol specifically prohibits

"outrages upon personal dignity, in particular humiliating and degrading treatment . . . and any form of indecent assault".

As I said in the House last week, if the recent allegations against British soldiers are found to be true, they must be proceeded against with the full rigour of military law.

I understand that Amnesty International has reported to the MOD on several occasions since May of last year, alleging that abuses by British soldiers were

taking place in Iraq. When did the Secretary of State first see those reports? What steps did he then take and what actions were taken by the chain of command to deal with them? If he did not see those reports, who in his Department did and what did they do about them?

In respect of the ICRC, is the Secretary of State really being serious in telling the House that neither he nor any other Minister in the MOD was made aware of the ICRC report until very recently because it was given to the British Government in confidence? For goodness sake, who on earth is running the MOD? Who is authorised to see important and confidential documents from the ICRC?

The Government's failures in that regard must lend further credence to the view that they have lost their grip on their policy in Iraq. If the Secretary of State did not know about the document, he most emphatically should have done and he is unacceptably complacent and negligent in not having done so. Even if he did not see it himself, when exactly was the ICRC report received by the MOD and who dealt with it? When were investigations commenced into the assertions that it made?

When precisely did the Secretary of State himself see the report and did he ensure that a copy was passed to the Prime Minister? And if not, why not? As the document has been published today, will the Secretary of State officially publish the ICRC report in full on this side of the Atlantic? Surely, there can now be no reason for him not to do so.

How can the Secretary of State account for the reply of the Minister of State for the armed forces, given to my hon. Friend the Member for Westbury (Dr. Murrison) in the House last Tuesday, that:

> "To date, I have received no such reports, but some may be in the process of being compiled"? —[*Official Report*, 4 May 2004; Vol. 420, c. 1216.]

Does that not show that at the very least the Minister was in dereliction of his duty, or had the Secretary of State or his officials simply forgotten to tell him? Was it just the Government's continual, serial complacency?

Can the Secretary of State confirm that the ICRC brought its concerns to the attention of the coalition forces on several occasions, orally and in writing, throughout 2003? When were British commanders in MND—multinational division—south-east first made aware of the alleged abuse of prisoners by British forces?

In the light of these allegations, how many members of the British armed forces have been investigated and how many are currently being investigated? How many Iraqis are currently in British detention and how have they been graded? Given the seriousness of the cuts by the Government in the military training programme, is the Secretary of State himself entirely satisfied that British troops deployed to Iraq, including members of the Territorial Army, were given a full and detailed training package on handling prisoners and on their obligations under the Geneva conventions? Did the British servicemen who took part in investigations at Abu Ghraib make complaints at any time about maltreatment and irregularities at the prison?

The Government are causing a great deal of unwanted and unnecessary uncertainty by their persistent and wilful failure to give substantial answers to clear questions on those matters. At one moment, the Prime Minister claims that he is in discussion with the Americans over further troop deployments; yet within hours his spokesman denies it. At one moment, the Minister for the armed forces comes to the House to claim that he has not received the ICRC report, only for it to be announced yesterday that the MOD received that report in February this year. The Government's handling of these events is part and parcel of their fundamental and tragic incompetence and failure in the post-conflict planning for Iraq.

The Government must now set to and set out with clarity their plans for the remaining 51 days—only 51 days—leading to the transfer of power, and deal in detail with the many questions that my right hon. and learned Friend the Leader of the Opposition has been asking, but which remain as yet unacceptably, and for the Government embarrassingly, unanswered. Today, the Secretary of State has a chance to come clean.

Finally, there are no circumstances under which the brutal and disgusting humiliation of disarmed and helpless prisoners can be excused. The replaying of those images day after day throughout the middle east and indeed the wider world has the potential to undermine the significant gains that have been made towards the goals of peace, stability and freedom in Iraq. Furthermore, the apparent ignoring of the Geneva conventions invites our enemies to do the same and increases the existing dangers to our servicemen and women.

The Government's greatest and most immediate task is to restore the confidence of the British people and the people of Iraq both in what we are seeking to do in that country and, most especially, in the reputation and good name of the British Army.

Mr. Hoon: I regret to say that the hon. Gentleman uncharacteristically failed to listen to my statement; otherwise he would have noticed that I had answered all the questions—[HON. MEMBERS: "No."]—that he set out in his bluster, but I will repeat them. *[Interruption.]*

Mr. Speaker: Order. I will not allow anyone to shout down the Secretary of State.

Mr. Hoon: I will repeat the answers so that the hon. Gentleman can hear them, yet again, having had the benefit of reading the statement. Unfortunately, he obviously prepared his bluster before he came into the Chamber.

Amnesty International has written a number of letters to the Ministry of Defence about allegations concerning British troops, but, as I set out in my statement, most of those allegations—indeed, all but one letter—concerned the general interaction between British troops on the ground and Iraqi citizens, as British soldiers have gone about their security tasks in Iraq. That is obviously important. I am in no way condoning any manner of illegality by British troops, but that is quite different from the nature of the allegations made in relation to detainees. As far as I am aware, Amnesty International wrote one letter to the Department specifically about the concerns that it had last May, a year ago. That was replied to, and investigations were undertaken by the Ministry of Defence into those allegations. I have not received any further letter from Amnesty International

[Mr. Hoon]

about those allegations. Indeed, a letter was received today and I saw a letter from two weeks ago—neither of which mentioned those early, year-old allegations, which, as I say, have been thoroughly investigated.

As for the ICRC, again, my right hon. Friend the Minister of State for the armed forces said that he had not read that report. Again, I set out very carefully the reasons for that. That was an interim report in February, and by the time that it had been considered in the Ministry of Defence, each and every allegation—the three allegations specifically dealing with the role of British troops—had already been dealt with. That was the judgment of officials in the permanent joint headquarters, having dealt with those matters already, as a result of action by Ministers. I make no apology for saying that. Ministers instructed that those investigations should take place. Those investigations were continuing and continue today because, obviously, it is not a matter for Ministers to decide whether soldiers should be prosecuted. It is however a matter for Ministers to decide whether investigations should be properly pursued. That is precisely what happened.

The further point that I made in my statement was that this was an interim report, pending a further specific report from the ICRC in relation to the United Kingdom's responsibilities to detainees. As I set out in that statement, it clearly indicates that, as far as the United Kingdom is concerned, the ICRC is generally happy with the steps that we have taken at our facilities. The material that has been put before the ICRC and the consultation that we have had on regular basis with it has satisfied it that we are imposing proper standards and proper procedures in those areas for which we are responsible.

I mentioned as well that 33 cases had been the subject of investigation—going back to the more general matters, not matters concerned with detainees. I indicated to the House that 15 of those had been resolved without there being any case to answer and that a further six were still being pursued through the system.

Mr. Paul Keetch (Hereford) (LD): I welcome the statement and thank the Secretary of State for early sight of it. I know from my experience that the vast majority of armed forces measure up to the highest possible standards of professionalism and conduct and are a credit to our nation, but wrongdoing, if proven, must be punished. So may I ask the Secretary of State about the Red Cross report? That report clearly refers, as he accepts, to UK forces, including the death in custody of one individual. That report should have been brought directly to the attention of UK Ministers and to Parliament. Why was it not? If the Minister of State for the armed forces has not read the report, did he know of its existence?

The Red Cross says that it notified UK officials at Doha of potential problems in April 2003. Can the Secretary of State now confirm that? If UK military advisers in the region were informed of potential problems, why did they not pass on those concerns to the Government? It has sometimes been suggested that the UK Government wield little influence with the coalition, but can it really be the case that a report from the Red Cross that directly referred to the role of UK forces was given to coalition authorities, including Paul Bremer, but that he did not bother to tell UK Ministers?

Can I ask about the report from Amnesty International? Did the Secretary of State see this report last May when Amnesty says that it sent it?

On another specific matter, last week, I asked the Minister for the armed forces about a fusilier who was arrested last year after developing photos apparently showing the abuse of Iraqi prisoners. What charges have been brought against this man? Will the Secretary of State say?

This House of Commons voted to send our troops to war. If there is any doubt whatsoever about their actions, it is this House of Commons that should be told immediately. Why were we not?

Mr. Hoon: A common thread runs through each of the three examples that the hon. Gentleman has raised. In each of those cases, there was a thorough and proper investigation the moment those allegations were notified to the Ministry of Defence. Let me make it clear. They were not notified to the Ministry of the Defence by the ICRC, by Amnesty International or by the press. They were notified as a result of the proper procedures that are undertaken to safeguard the Iraqi people and, indeed, our own forces from these kinds of allegations. Not all of the allegations will be founded. A thorough, proper investigation took place in each of the examples that he has cited. Therefore, it was not necessary to act upon the ICRC recommendation five months later after the investigation was under way.

In a similar respect, the so-called Amnesty International report that the hon. Gentleman mentioned was a letter. I have dealt with the letter already. It was sent a year ago, and it was investigated properly and thoroughly. Amnesty International has not subsequently raised those cases. Similarly, with regard to the fusilier that he mentioned, that soldier is the subject of a process that could lead to criminal prosecutions.

In conclusion, I say in relation to each of the three examples that the hon. Gentleman cites that he would not wish Ministers, Members of Parliament or anyone else in a position of political authority to be interfering in a proper legal process to determine whether those individuals are or are not subject to criminal prosecution.

Ann Clwyd (Cynon Valley) (Lab): As my right hon. Friend knows, I have supported action to topple the regime of Saddam Hussein since the 1990s. As he also knows, I was appointed as special envoy to the Prime Minister on human rights in Iraq in May 2003. Can my right hon. Friend the Secretary of State explain why his officials failed to show me the ICRC reports when they arrived?

Mr. Hoon: I am in exactly the same position in answering my hon. Friend's question as I was in answering questions from the Opposition. As far as officials were concerned, the interim report contained material about the United Kingdom that had already

been resolved. Therefore, there was no need, as far as the interim report was concerned, for Ministers to be involved.

Mr. Ian Taylor (Esher and Walton) (Con): Of course, the Secretary of State is right to say that the overwhelming majority of British troops are doing what they have to do properly in Iraq, but they are likely to come more into harm's way as a result of these exposures and also because of the way in which we went into this conflict in the first place. Many of us said that it would make us look much more like an army of occupation than an army of liberation. Can the Secretary of State just clarify what General Sir Michael Walker meant at the recent Defence Committee sitting when he said that we fight with the Americans, but not as the Americans?

Mr. Hoon: General Sir Michael Walker was responding to a specific observation from—if my memory serves me well—General Sir Mike Jackson and he was saying that the way in which British troops are trained, organised and deployed particularly on peacekeeping operations is not precisely the same as that of the United States or, indeed, of any other country. Each country rightly maintains its own discipline, ethos and way of committing forces into operations.

Mr. Robin Cook (Livingston) (Lab): My right hon. Friend has clearly now had an opportunity to read very carefully the Red Cross report. Can he therefore confirm to the House that the Red Cross report is not just about individual cases, but concludes that there was a consistent pattern of brutal behaviour and that the abuse and humiliation of detainees was systematic? If his case is that this is not relevant to the UK because it was carried out by US service personnel, can he tell the House what concerns and protests were expressed to the US authorities about the report? Does he accept that brutality by any member of the coalition forces is bound to increase the resistance and the risks to all members of the coalition forces? In retrospect, would it not have been wiser and more effective for those protests and concerns, if they happened, to have been expressed at the highest ministerial level and not at some operational level?

Mr. Hoon: I do not disagree with my right hon. Friend, especially in his closing comments. Obviously, the report, passed by the ICRC to Ambassador Bremer, an American, was for American consideration, just as it was for British consideration. As I have repeatedly said, the United Kingdom carefully considered the cases that the report raised which affected the position of British troops, and we had already dealt with those matters, specifically as far as the UK was concerned.

Mr. Desmond Swayne (New Forest, West) (Con): Why was not Operation Stewart implemented as planned last autumn? The Secretary of State will know that had it been so, the arrest warrant issued by the Islamic court against Muqtada al-Sadr would have ensured that he was lifted at a time both of a relatively benign security environment and of our choosing, so avoiding much chaos later.

Mr. Hoon: The hon. Gentleman would not expect me to go into precise operational detail. I can, however, say that he is right: an opportunity was being considered for the most appropriate occasion on which to execute the arrest warrant. That appropriate occasion has still to arise.

Mrs. Helen Liddell (Airdrie and Shotts) (Lab): My right hon. Friend will be aware that the morale of the families of serving troops will be badly affected by the allegations, and that will not have been helped by the opportunism of some Opposition Members. Will he confirm that UK troops are given training and are aware of their obligations under the Geneva convention and of their other international responsibilities, and that every allegation is investigated rapidly?

Mr. Hoon: I am grateful to my right hon. Friend for her observations. I assure her and the House that appropriate training is given to our armed forces on their legal obligations. There are appropriate people at each level to give appropriate advice. In this conflict, perhaps more than in any other conflict, lawyers have been close to the front line providing up-to-date information and advice on the obligations that British forces have in international law.

Mr. Alan Duncan (Rutland and Melton) (Con): War tends to magnify anyone's personal qualities. The good can become heroic, but the bad can become sickeningly depraved. Will the Secretary of State confirm that nothing reported to him so far about the British Army in any way compares with the seemingly bestial conduct of some elements of the American army?

Mr. Hoon: I have to say that there have been some allegations about British troops which, if they stand up, are not allegations that any other member of the armed forces would want to be engaged with. That is why it is so important that we deal with these matters vigorously. That is the assurance I give to the House: when any allegations have been made, they are properly and seriously investigated. If appropriate, they are handed over to an independent authority to determine whether charges should be laid. There are actions that involve British troops which, once resolved—if they are resolved—against the individuals concerned, would worry us extremely, which is why I gave the apology that I did.

Mr. Ronnie Campbell (Blyth Valley) (Lab): I have the utmost respect for the professionalism of the British forces, as does every hon. Member. I include my son in that, who is serving in the Royal Marines and was in Basra for the invasion. Last week, however, a mother of a recruit at Catterick garrison came to see me with allegations of what he and his comrades had to endure. They were made to parade naked in front of their superiors while they made fun of their private parts. When they tried to cover their private parts, they were punched in the face if they did not uncover them. That needs to be investigated, but it shows that the problem is endemic in the British forces and needs to be rooted out at home.

Mr. Hoon: I do not for a moment accept that it is endemic. I know that my hon. Friend has raised the problem with the Minister for the armed forces and

[Mr. Hoon]

there will be a thorough and detailed investigation. Those allegations will be considered in the same detail and treated with the same concern as the investigations of those cases that I dealt with today.

Mr. Michael Weir (Angus) (SNP): Whatever the truth or otherwise of the allegations against British forces in Iraq, the reputation of the UK's armed forces has been undermined by the constant drip of allegations. Does the Secretary of State accept that, to bring the matter to a head, we need a clear, independent investigation, rather than one conducted by the Royal Military Police? Only then can we be satisfied that justice has not only been done but been seen to be done.

Mr. Hoon: That is precisely what happens: there is an independent investigation conducted by those who are expert in and knowledgeable about military procedures. It is important that we give them our confidence in recognising the abilities that they bring to bear in looking at these cases. Moreover, if they judge that a case has proceeded sufficiently far, it is then handed over to an independent prosecuting authority to determine whether charges should be laid, so there is a significant degree of independence in the system that we already have.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): Does my right hon. Friend recognise that, having won the war, we are in acute danger of losing the peace, mainly because of the lack of a coherent peacekeeping policy by the United States? Does he accept that, in the context of any allegations against British soldiers, we need to be particularly visible in conducting our judicial processes? One thing that the people of Iraq know, and which we need to remember, is that far worse actions happened daily under Saddam Hussein, but those never got in the press or were raised in a court or anywhere else. The crucial difference in this situation is that we must be seen to be doing something about these allegations in a proper, judicial and public way.

Mr. Hoon: My hon. Friend is quite right in his conclusion. I would not in any way want to condone any unlawful mistreatment of Iraqi civilians by British soldiers simply because it was less bad than that perpetrated against the Iraqi people by Saddam Hussein. We cannot at any stage afford to depart from the high standards that we have set.

Mr. John Maples (Stratford-on-Avon) (Con): The Government simply have to realise the devastating effect that the allegations are having on our policy, our reputation and our effectiveness in the middle east, and the only way of solving the problem is by ensuring complete openness.

I refer the Secretary of State again to an Amnesty press release from last Friday, which said:

"Last July Amnesty raised allegations of torture and ill-treatment of Iraqi detainees"—

not just people whom they met on the street, but detainees—

"in a memorandum to the US Government and the Coalition Provisional Authority in Iraq."

When did the Secretary of State first see that? Is he saying that it was only very recently? It seems that he did not see it until allegations started to appear in the newspapers, whereas we would have expected him to have got a personal grip on the situation the first time that any such allegation was mentioned, to make sure that it did not happen again. It has happened, again and again. We want to know when the Secretary of State saw that information, and if he did not see it until about eight months after it was delivered to the CPA, why that was.

Mr. Hoon: I am not sure whether the hon. Gentleman is confusing two different reports. I made it clear in my statement that, this time last year, there was a letter from Amnesty International making certain allegations about UK treatment of detainees. That was responded to and indications were given to Amnesty that there would be, as there was, a thorough investigation. Since then, Amnesty has raised a number of further cases; indeed, in a long memorandum submitted in April, repeated in a letter that arrived shortly before I left the Ministry of Defence this afternoon, it set out a considerable number of cases concerned not with detainees but with the interaction of British troops on the ground. Each of those cases has been thoroughly investigated.

Other cases brought forward by public interest lawyers have raised one or two matters that we were not aware of, but as I indicated to the House in my statement, a thorough search of all our files is under way to establish whether those are genuinely new cases or matters that have previously been investigated.

Helen Jackson (Sheffield, Hillsborough) (Lab): Does the Secretary of State understand the depth of feeling among civilians in Iraq and their affront at the humiliation and torture that has been going on in their country in the name of the coalition forces? What will he and the US coalition forces do, from now, to reassure the civilian population in Iraq? Does he accept that an independent organisation such as Amnesty International is needed to start to rebuild any confidence among that population about what we are there to do?

Mr. Hoon: I broadly agree with my hon. Friend. She is right. I share the revulsion at the allegations and we need to investigate them thoroughly. However, may I give her an assurance? She says that we need to deal with matters now, but from the moment that any of the allegations were raised, the same process of thorough investigation has gone on—the same detailed co-operation with the appropriate independent organisation, which, incidentally, is not Amnesty International, but the International Committee of the Red Cross. We have co-operated consistently with the ICRC and we will go on co-operating with its staff—providing facilities, allowing them to enter facilities, receiving their recommendations, and acting on them, where appropriate. However, the fact is that, by the time the ICRC's interim report was received, in each of the cases affecting British soldiers and British civilians, action had already been taken months and months and months previously. That is what I expect the House to hear from Ministers, and that is what I am saying.

Mr. John Burnett (Torridge and West Devon) (LD): Do the events that have given rise to today's statement and the Secretary of State's experience in office lead him to the conclusion that there should be an immediate extension in the period of basic training given to Army recruits?

Mr. Hoon: A substantial review of training is under way. I recognise as a result of recent experience and of allegations of failures in the training system that we still have more work to do in that respect. If there is the slightest suggestion that British forces are not adequately trained to deal with the sometimes increasingly complex legal issues in international law, that must be addressed.

Jeremy Corbyn (Islington, North) (Lab): The Secretary of State made it clear in his statement that the ICRC report was sent to Paul Bremer in February this year. Was that information shared with Sir Jeremy Greenstock, who was his deputy? To whom was it passed in the Ministry of Defence or the armed services here? What has happened to those who apparently concealed the information from the Secretary of State or other Ministers, which has led to the disgraceful impasse we are in today?

Mr. Hoon: May I make it clear that there was no concealment? The report to Ambassador Bremer was passed to Sir Jeremy Greenstock, then to the military representative in Iraq, and from there to the Permanent Joint Headquarters.

Dr. Andrew Murrison (Westbury) (Con): Last Tuesday, I asked the Minister for the armed forces whether he had received any reports from the ICRC. He replied:

"I have received no such reports".—[*Official Report*, 4 May 2004; Vol. 420, c. 1216.]

He said "received", not "read", as the Secretary of State appears to be saying now. Will the Secretary of State clarify what the Minister of State meant? For the report to have been given to Members today by journalists seems most extraordinary, given the Minister of State's previous comments.

Mr. Hoon: I have set out the process very clearly and I have just answered the specific question on how the report was received by Government. I stand by my earlier point: there was no detailed analysis of the interim report specifically because officials judged—rightly—that each and every action affecting British soldiers had already been dealt with.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): The morale of our troops in Iraq, who are overwhelmingly committed, loyal and determined, will undoubtedly have been dented by the events of the past 10 days, but does the Secretary of State accept that their real problem is that the task is unclear and they are bogged down in the political basement, having entered without a clear strategy and with almost no exit strategy? Cannot our international reputation be restored only by going back to the United Nations and making it clear that, with the Americans, we will carry out a phased withdrawal of troops if the UN establishes a force to try to bring security and stability to Iraq?

Mr. Hoon: I simply do not accept my hon. Friend's premise that the task is not clear. As I set out in the opening part of my statement, dealing with current events in Iraq, there is a determined effort, supported by the overwhelming majority of Iraqi people, to resolve the security situation in Iraq. If my hon. Friend is seriously saying that we should abandon that effort and simply leave Iraq to the mercy of those with the biggest weapons and the most powerful guns, I think that he is wrong.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): The Secretary of State consistently misrepresents his own position, and he misrepresents the Minister of State. He never answered the question about which words were employed last Tuesday in this House. The Minister of State said that he had "received" no such material, not that he had not read it. When did the Secretary of State receive it? Downing street tells us that it received it in February. Therefore, at what time did he discuss it with the Prime Minister, and when did he respond and read it? Furthermore, is this not just another example of his not being accountable to anyone or responsible for anything?

Mr. Hoon: The hon. Gentleman is uncharacteristically unfair and unkind. He misrepresents several points, not least what Downing street said about receiving the report. What Downing street said was that Government received it. It was indicating in the broadest sense that Government had received the report, and that officials, as I indicated in my statement, had acted on it. Officials made a proper consideration of the content of that interim report, which was analysed and dealt with, not least because, previously, appropriate action had properly been taken. If the hon. Gentleman were saying to the House that Ministers had failed to take action, I might just understand his criticism. The truth, however, is that Ministers dealt with the issue and made sure that appropriate action had already been put in hand.

Joyce Quin (Gateshead, East and Washington, West) (Lab): Given the seriousness of the prisoner abuse in Abu Ghraib jail, and in view of the statement by Secretary Rumsfeld that it occurred on his watch, is it not important, in order to show Iraqi civilians and the Arab and Muslim world our determination that these events should not recur and our revulsion at them, that at the very least Secretary Rumsfeld should resign? Nothing short of a dramatic signal of contrition at this stage will do.

Mr. Hoon: The Defence Secretary in the United States has set out his position. I know that there will be a thorough US investigation. What I am saying to the House is that at each stage, when proper allegations have been made, there have been thorough investigations of any such allegations. If such allegations require further action to be taken, that will be dealt with.

Adam Price (East Carmarthen and Dinefwr) (PC): The Secretary of State has just confirmed that hoods

[Adam Price]

were used on detainees in Iraq between April and September last year? Does he not accept that prolonged use of hoods on detainees can itself constitute degrading treatment? Putting a hessian sack on someone's head is often the first step in the process of dehumanising a victim. Is he aware that following the publication of the Parker report on allegations of torture in Northern Ireland, the then Conservative Prime Minister, Edward Heath, gave a solemn undertaking in the House that the British Army would never again use hoods as part of its interrogation purposes, which was enacted through a directive issued to the British Army by the Attorney-General? When did the policy change, and why was the House not informed?

Mr. Hoon: The policy did not change, and it was stopped.

Angela Eagle (Wallasey) (Lab): Does my right hon. Friend agree that part of the difficulty in the American sector is not only the lack of training and lack of knowledge of the Geneva convention, but the apparent use of private security consultants, who appear to have egged on some of the abuses that have gone on in the American sector, and who are outside military discipline and military accountability? Will he assure the House that no such use is being made in British sectors of such personnel?

Mr. Hoon: My hon. Friend is right to raise this issue, which I know is the subject of the US investigation. I give her the assurance for which she is looking.

Mrs. Angela Browning (Tiverton and Honiton) (Con): In view of the fact that the report has been so widely leaked, will the Secretary of State publish the ICRC document and put it in the Library, so that we can all read it?

Mr. Hoon: As I set out in my statement, and as Conservative Front-Bench Members should be aware, one or two of them having previously been Ministers, the ICRC is an independent body. The ICRC made it clear this weekend that it regrets the publication of its report. In the course of my statement, I said that I am certainly willing, in the light of what has been published, to write to the ICRC and say that the Government have no objection whatever to the further publication of the report dealing specifically with the United Kingdom. Ultimately, it is a matter for the Red Cross, since it is its report, and it asserts confidentiality. Both the former Ministers on the Opposition Front Bench—the hon. Member for Mid-Sussex (Mr. Soames), and especially the right hon. and learned Member for Devizes (Mr. Ancram), who had responsibility for events in Northern Ireland, where the Red Cross has from time to time intervened—who are waving reports that have been leaked as if a leaked report having been published proves anything, really ought to grow up.

David Winnick (Walsall, North) (Lab): Much more needs to be done about investigating the serious allegations against British military personnel. No distinction is made in the Arab world between the United States and us where the Iraqis are concerned. When we see these sickening and degrading photographs of all the abuses that have been perpetrated, how is it possible to believe that such practices took place without the knowledge of senior people, right up to the United States Defence Secretary? How can we take his apologies of last week seriously when he clings so pathetically to office? If those apologies carry any credibility he should go, and go quickly.

Mr. Hoon: I hear my hon. Friend's words. I have made it clear that the United Kingdom will consistently conduct proper investigations whenever allegations of this kind are made.

Mr. Edward Leigh (Gainsborough) (Con): The Government were warned repeatedly before the war that invading a Muslim country would make terrorism worse, not better, and that the country was virtually ungovernable. The Secretary of State mentioned the wider security position. Can he tell us any more about his strategy? Are more troops to be sent? Are existing troop numbers adequate? What is the Government's eventual strategy for extricating us from this morass—or are they just hoping for the best while our troops are put in more and more danger?

Mr. Hoon: The hon. Gentleman is right to draw attention to the wider security position, which is what I tried to do at the beginning of my statement. It is important for the House to understand the complexity and difficulty, from time to time, of the security position. That is why we keep the question of sending more troops under constant review. There have been occasions on which we have sent more troops to deal with specific problems, as and when the commanders on the ground judge it to be necessary. Obviously we will respond accordingly if that happens, but no decisions have yet been made to that effect.

Mr. Robert Marshall-Andrews (Medway) (Lab): Does the Secretary of State not understand that we are part of a collective enterprise—that he and the Prime Minister have taken credit in the past for what the United States has done, and that now we must take responsibility for what it has done as well? In doing that, will he answer the question put earlier by my right hon. Friend the Member for Livingston (Mr. Cook)? What representations, in detail, have been made to the Americans about the sickening and proved allegations that have been made in recent weeks?

Mr. Hoon: The hon. and learned Gentleman may suggest that we have taken credit. I do not recall his giving us any credit. While I accept that we are part of a coalition, we have direct responsibility, as should be the case, for the conduct of our troops. That is why I have expressed so clearly and emphatically our determination to ensure that the highest standards of British troops down the ages will be maintained in this Iraq operation.

Mr. Robert Key (Salisbury) (Con): Will the Secretary of State confirm that, regularly and as a matter of routine, every British serviceman and woman of

whatever rank is taught not only about the rules of engagement but about the provisions of the Geneva convention?

Mr. Hoon: That is absolutely right, and it is central to training. As I said earlier, however, if training turns out to be insufficient in the light of the increasing complexity of modern international law, we shall certainly look at that again.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): Does the training include a proper reporting mechanism for our troops and for civilians? Does my right hon. Friend agree that persons reporting on matters in the public domain need to use very temperate language in the interests of our serving troops? As he knows, the Cheshire Regiment is in Iraq at the moment.

Can my right hon. Friend throw any light on the use of black-and-white photographs by the *Daily Mirror*? It was an unusual choice of medium.

Mr. Hoon: As I have said, further investigations of the *Daily Mirror* photographs are continuing. As I have also said, it does not appear that the truck used in the photographs was in Iraq during the relevant period. Obviously, the investigations would include investigations of the photography and, indeed, the use of black-and-white photography. That may have surprised my hon. Friend; it certainly surprised me.

As for my hon. Friend's first question, it is important to have an appropriate reporting mechanism in which people can have confidence. I apologise for repeating this so often, but it is vital for us to have an effective investigatory system.

Mr. Paul Marsden (Shrewsbury and Atcham) (LD): On the eve of war last year, the Prime Minister promised that a war would bring about an end to

> "The brutality of the repression—the death and torture camps, the barbaric prisons for political opponents, the routine beatings for anyone or their families suspected of disloyalty".—[*Official Report*, 18 March 2003; Vol. 401, c. 772.]

When does the Secretary of State expect such brutality to end under the coalition's jurisdiction, and is not it time that we understood that such brutality is giving succour and encouragement to would-be terrorists around the globe?

Mr. Hoon: I resisted earlier the suggestion that, because Saddam Hussein treated his people appallingly, that was an excuse for anyone acting on behalf of coalition forces to behave in a similar manner, but I invite the hon. Gentleman to think carefully—perhaps he will look at what he has just said in tomorrow's *Hansard*—and ask whether he is comparing the activities of British troops with those of Saddam Hussein. I am sure that, when he looks at his words, he will regret having said them.

Mrs. Alice Mahon (Halifax) (Lab): The Secretary of State did not answer my right hon. Friend the Member for Livingston (Mr. Cook) and my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews); so may I put the question to him again? We are in a coalition. We know that part of that coalition has been torturing, humiliating and killing prisoners in custody. That not only corrupts them; it corrupts us in the eyes of the world. Is not it time to go back to the United Nations, to get a credible force in there to help to secure the country, and to pull our troops out immediately?

Mr. Hoon: My hon. Friend will be aware that the United Kingdom is determined to see a further United Nations Security Council resolution and that we are already in discussions with other members of the Security Council and of the United Nations to determine a resolution that will provide further legal authority for our forces in Iraq.

Mr. Edward Garnier (Harborough) (Con): My hon. Friend the Member for Westbury (Dr. Murrison) asked the Minister of State for the armed forces a direct question on 4 May: had he received any external or other reports? The Minister of State responded without equivocation, "I have not". It is at column 1216 of *Hansard*—it is being shown to him now. That was, in the light of what we have heard today, a confusing answer. What was the time lag between external reports arriving in the Ministry of Defence and landing on Ministers' desks, and what was the time lag between the reports leaving Ministers' desks and going to the Army legal service, the Crown Prosecution Service or the Attorney-General? We need the answers.

Mr. Hoon: The hon. and learned Gentleman is far too expert in matters of law to need me to suggest to him that there are no specific dates for the time scale between each of those separate events that he has described. It is entirely a matter for those investigating a case how long the investigation should be before the case is put before the authority deciding on prosecution. It is then for the prosecution authority to decide how long it should take and indeed whether it requires any further investigation or evidence to determine whether charges should be brought. I did indicate in my statement that, in two cases in particular, we are close to that point.

Mr. Malcolm Savidge (Aberdeen, North) (Lab): Can we seek the agreement of our coalition partners that, as far as possible, all Iraqi deaths, whether in custody or not, should be registered, recorded, counted and where appropriate investigated?

Mr. Hoon: I would like to be able to agree with my hon. Friend; it would certainly make my life easier in answering questions of that kind. In the course of military operations, it is extraordinarily difficult to identify casualties—whether an individual has been seriously wounded, lightly wounded or killed. Unfortunately, that information is simply not always available. Clearly, where it is available, we try to record it, but there is a risk in recording it of under-recording the number of casualties.

Mr. John Redwood (Wokingham) (Con): Did Ministers at any point discuss the conduct of our guards of prisoners and the way in which intelligence was extracted from Iraqis? Did they ever send out any instructions about how they wished those things to be

[Mr. John Redwood]

conducted? Would it not have been better if Ministers had read the ICRC report and responded to the general allegations in it as well as the specific ones?

Mr. Hoon: Ministers did respond to the general allegations—one of which, as I said in my statement, concerned the practice of hooding, which by then had been stopped. It was not specifically related to the United Kingdom, but was taken as a reference to a previous practice that had been ended. Ministers and officials responded to the criticisms in the interim report, as they should have.

Several hon. Members *rose—*

Mr. Speaker: Order. We now come to the main business.

Points of Order

4.30 pm

Dr. Andrew Murrison (Westbury) (Con): On a point of order, Mr. Speaker. Is it in order for the Minister of State to mislead the House? In his statement last Tuesday, he said that he had received no reports from international organisations. That has been partly clarified but not fully. May I quote from a letter that I have just received—

Mr. Speaker: Order. The hon. Gentleman is seeking to extend the questioning of the Secretary of State. [HON. MEMBERS: "He is not."] I say that he is, and that is the important thing. He had an opportunity to question the Secretary of State; others did not. I ask him to refrain from extending his question through a point of order. I also point out to the House that there is a 10-minute limit on Back Benchers for the business that we are about to take. It is unfair to take any time out of that debate.

Harry Cohen (Leyton and Wanstead) (Lab): On a point of order, Mr. Speaker. I draw your attention to the conventions of the House. I am aware of at least a couple of Members who stood up during questions on the Minister's statement last week but were not called and who stood up again today and were not called. Generally, it is a convention that that is taken note of and that those Members are given an opportunity to speak on future occasions.

Mr. Speaker: Order. It is usually down to my fairness, so perhaps the hon. Gentleman will be called next time. He will be remembered; I will not forget him.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. It is obviously important that our proceedings be held in public and that commentators and others outside should be aware of what is happening. I understand that there is a document in which the Minister of State explains why he made his remarks to the House last week when reports had been received. Is it possible to find a way in which this document can appear in *Hansard*?

Mr. Speaker: I do not have powers to do so. It is up to the Minister, who will have heard what the shadow Leader of the House has had to say.

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Further to that point of order, Mr. Speaker. Perhaps I could help the House. I have submitted a letter to the hon. Member for Westbury (Dr. Murrison), who raised the question last week, and I passed a copy to the main spokesmen of the Conservative and Liberal Democrat parties. We tried to contact the hon. Gentleman by telephone today to tell him that the letter was coming; we could not do so. We faxed it to him and I personally put the letter on the board when I came to the House to try to make sure that he had it in advance of today's statement. [HON. MEMBERS: "Put it on the record."] I am coming to that point. It has also been placed in the Library of the House.

Mr. Heald: Further to that point of order, Mr. Speaker. One of the great problems with documents placed in the Library is that they are not on the record. That is one of the practices in this place that has arisen on occasion. There used to be 200 "will writes"; there are now 2,000. Should not this important letter be on the record in *Hansard*?

Mr. Speaker: Order. Documents placed in the Library—*[Interruption.]* Perhaps I can answer without any interruption from the hon. Member for Crewe and Nantwich (Mrs. Dunwoody). Such documents are public records when they are put in the Library. Hon. Members can therefore use them in debate or in any other discussion.

Mr. Peter Luff (Mid-Worcestershire) (Con): On a point of order, Mr. Speaker. I am not always a fan of modernisation but perhaps it would be in order if you reminded the Minister of State of the existence of written ministerial statements.

Mr. Speaker: Order. It is not for me to remind the Secretary of State. It is for me to get on with the main business.

Orders of the Day

Energy Bill *[Lords]*

[Relevant documents: Ninth Report from the Transport Committee, Session 2003–04, on Navigational Hazards and the Energy Bill (HC 555); Evidence taken before the Transport Committee on 28th April and appendices thereto, relating to Navigational Hazards (uncorrected typescripts are available in the Vote Office).]

Order for Second Reading read.

4.34 pm

Secretary of State for Trade and Industry (Ms Patricia Hewitt): I beg to move, That the Bill be now read a Second time.

The Bill is an important step towards fulfilling the Government's commitment to a sustainable energy policy, which we set out last year in the energy White Paper and which is designed to deal with three major challenges facing our nation. The first is the challenge of climate change, the second is the shift from being a net exporter of energy to becoming a net importer, and the third is the need to modernise our energy infrastructure to cope with changing technologies and needs. The Bill implements proposals on renewable energy and on competition in the energy market that we made in the White Paper. It also gives effect to the commitments on managing nuclear energy that we made in the 2002 White Paper.

Important though it is, this legislation is not the whole picture. Since the energy White Paper was published, we have been active on many fronts, set out fully in our first annual report two weeks ago. For example, we have agreed principles for a new framework treaty with Norway for a new gas pipeline capable of delivering 20 per cent. of our annual gas supplies by 2006–07. We have submitted our draft national allocation plan for the European emissions trading system to the European Commission. We have put in place stringent new social and environmental guidelines to help Ofgem—the Office of Gas and Electricity Markets—to regulate markets, while making a sustainable energy supply more achievable.

We have already given consent to, or have under consideration, applications for some 4.6 GW of new renewable capacity. Together with the existing capacity, that amounts to more than 60 per cent. of what is needed to achieve our 2010 target. The round 2 offshore proposals will add substantially to that figure. We have also lifted more than 750,000 vulnerable households out of fuel poverty through the Warm Front programme.

Mr. Kevin Hughes (Doncaster, North) (Lab): Does my right hon. Friend believe that taking this country into being a net importer of energy complies with part 1, clause 1, which states:

"The Secretary of State shall have a duty to ensure the integrity and security of electricity and gas supply"?

That seems a little strange to me.

Ms Hewitt: My hon. Friend raises an important point, and I shall come in a moment to clause 1 as currently drafted. However, as he knows, because we have discussed it on other occasions, although the United

[Ms Hewitt]

Kingdom has been in the fortunate position for some decades now of being a net energy exporter, most developed countries are not energy exporters, and that in no way damages their capacity for economic growth.

Mrs. Gillian Shephard (South-West Norfolk) (Con): Further to the previous intervention, when the Secretary of State comes to give that explanation to her hon. Friend the Member for Doncaster, North (Mr. Hughes), will she also explain what she means by saying in part 1 of the Bill that the Government should be required

"to develop effectively sources of energy enabling the UK to avoid undue reliance on imports"?

That chimes with what the hon. Gentleman said, and I am sure that the Secretary of State will want to expand on both those statements in part 1.

Ms Hewitt: I am grateful to the right hon. Lady for that intervention, and I shall return to that point in a moment.

Before I do that, may I underline the fact that the Bill has already benefited from extensive scrutiny? The part of the Bill that creates the single wholesale electricity market for Britain, the BETTA—British electricity trading and transmission arrangements—system, was published for pre-legislative scrutiny in January last year. The draft Nuclear Sites and Radioactive Substances Bill, which contained provisions on the nuclear decommissioning authority, was published for pre-legislative scrutiny last June. I am grateful to right hon. and hon. Members on the Trade and Industry Committee for their reports, which have been of great assistance in the preparation of this legislation.

The Bill has also benefited from full and thorough debate in another place. Indeed, there have been 75 hours of debate on it already, and some valuable changes have been made as a result. For example, we have clarified the scope of and extended the time limit for appeals in part 4.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Before my right hon. Friend leaves the point about the amendments made in those 75 hours, can she assure me that her Department's position now is that it does not intend to make changes to clauses 100 and 101?

Ms Hewitt: I shall come to that point in a moment. I shall deal with the amendments made in another place as I deal with each of the issues in the Bill.

The Bill has three main themes—competitive markets that will deliver for consumers, renewable energy and nuclear clean-up—and I shall deal with each in turn.

Norman Baker (Lewes) (LD): The Secretary of State did not mention energy efficiency, which as she knows can play a major part in tackling climate change. Why is energy efficiency not a central part of the Bill, and why was the Government's target sunk last week?

Ms Hewitt: Both my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs and I are acting to ensure that we achieve the substantial improvements in energy efficiency that are necessary, and which we set out in the energy White Paper. My right hon. Friend the Deputy Prime Minister, in his review of building regulations, is considering what more needs to be done to raise standards of energy efficiency in homes and offices.

The first central issue in the Bill is competitive markets, and how they will deliver for consumers. Security of supply is a major concern for domestic consumers, for business and for Government. The current law places obligations relating to security of supply on me, as Secretary of State, and on Ofgem as the independent regulator. As hon. Members would expect, those duties are taken extremely seriously.

I believe that the existing regulatory framework is best placed to deliver security of supply—a properly functioning market framework rather than command and control, or intervention by the Government.

Mr. Crispin Blunt (Reigate) (Con): While the right hon. Lady is making clear the value of the competitive market, will she also tell us that that competitive market has lifted far more people out of fuel poverty than her Warm Front initiative?

Ms Hewitt: The significant fall in electricity prices resulting from our reforms of the previously rigged market have indeed helped many low-income households out of fuel poverty, as have the substantial improvements in low-income families' incomes resulting directly from benefit improvements and the tax credits introduced by my right hon. Friend the Chancellor of the Exchequer. All that is in addition to the Warm Front programme.

Let us consider what happened last winter. The House will remember that at the beginning of the winter, just before Christmas and subsequently, we continually heard from various prophets of doom that there would be a winter of black-outs. *[Interruption.]* No, we did not hear that from the hon. Member for Eddisbury (Mr. O'Brien), but we heard it from many people who were extensively quoted in the press.

What actually happened was that early in the winter, National Grid Transco signalled its prediction of the plant margin that might be available. The result of that clear information was that generators brought mothballed plant back, in response both to the NGT signals and to rising prices. Capacity increased, the lights stayed on and the scaremongers were proved wrong.

Mr. Martin O'Neill (Ochil) (Lab): My right hon. Friend is to be congratulated on getting the mothballed plant into place, but the only problem—or perhaps I should say the advantage—was that it was never tested, because last winter was a good winter. It cost money for the companies to hold that hitherto mothballed plant in readiness for dramatic drops in temperature. How can we encourage them to do the same next winter? I hope that, again, it will not be cold, but the companies will still have the expense of keeping the kit ready for immediate switch-on.

Ms Hewitt: My hon. Friend makes an important point. As that mothballed plant, which had been

withdrawn in response to low prices, was brought back on stream, the margin was about the same as it had been in previous winters. That was the market operating properly.

I am concerned that as drafted, clause 1, which was introduced in another place, undermines the principle of properly working markets and independent regulation. We are therefore working with the energy industry to determine the best way forward. Members may have noticed a letter of 26 April to the *Financial Times* from the chief executive of Centrica and the managing director of British Gas. They said that what is certain is that if the Government change the rules now, regulatory risk would increase and potential investors in new capacity, including British Gas, would reconsider.

Ms Joan Walley (Stoke-on-Trent, North) (Lab): Irrespective of the changes and the discussions that my right hon. Friend is having on clause 1, can she assure the House that she will speak to the Association for the Conservation of Energy, which is obviously very concerned about this issue?

Ms Hewitt: If ACE has not already been part of those discussions, I am happy to give my hon. Friend that assurance.

Part 4 of the Bill contains a number of provisions to promote competition in the energy market. Chapter 1 establishes a single wholesale electricity market for Great Britain—British electricity trading and transmission arrangements, or BETTA—which will provide access to a larger market for all generators. That is especially important to those in Scotland, where capacity already outstrips demand by 70 per cent., and where many of the new renewable generation projects are being built. But the new system will also help consumers: we estimate that Scottish customers' electricity bills should fall by some £13 a year on average.

Chapter 2 implements European electricity and gas legislation—

Paddy Tipping (Sherwood) (Lab): Prices have fallen in real terms for many years, but the renewables obligation, the need to rewire Britain, emissions trading and energy efficiency will all add to costs. Is it not true that the days of relatively cheap power have gone, and that we need to think through the social, economic and political cost of increasing prices?

Ms Hewitt: As my hon. Friend says, energy prices have fallen very significantly; in most cases, they are at a 20 or even 30-year low. We have to ensure that a market framework is in place—the White Paper made this case in some detail— that gives proper signals about the cost of environmental pollution, which is why we are so committed to the principle of the European emissions trading scheme. We also have to ensure much more investment in, and emphasis on, energy efficiency, which we all accept is by far the cheapest and most effective way of achieving our environmental, fuel poverty and security of supply objectives.

Mr. Andrew Stunell (Hazel Grove) (LD): Will the Secretary of State give way?

Ms Hewitt: I shall give way one more time on this point and then I will make some progress.

Mr. Stunell: I am very encouraged to hear the Secretary of State's comments on energy efficiency, but can she explain, therefore, why the energy efficiency targets published last week reduced the original figures, rather than maintaining or increasing them?

Ms Hewitt: I have already dealt with our determination to ensure that we make progress on energy efficiency, in response to an intervention from the hon. Member for Lewes (Norman Baker).

Chapter 2 implements European electricity and gas legislation and, crucially, ensures fair access for third parties by extending the current licensing regimes to the electricity and gas interconnectors that will become increasingly important as we diversify and become dependent on imported gas supplies. Chapter 3 provides for an energy administration regime to be available in the event of the actual or threatened insolvency of a protected energy company.

Chapter 4 provides for a mechanism for appeals to the Competition Commission against decisions of the Gas and Electricity Markets Authority—a key outcome of our consultation with industry. That will deliver greater accountability without unduly increasing regulatory uncertainty or delay. But the mechanism is tightly constrained to prevent trivial and vexatious appeals, involving a tightly defined process to ensure a swift outcome. The remaining clauses in chapter 4 and part 5 cover a number of smaller market-related items.

I return to the point that my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) made about clauses 100 and 101, which deal with shipping. We do indeed intend to retain the substance of those clauses. We are considering whether they need to be amended to make them work in practice, and we shall of course reflect on the Transport Committee's recommendations.

The second main area of the Bill deals with renewable energy. Every developed country is turning to renewable energy technology to deal with the increasingly urgent problem of climate change. Renewable energy undoubtedly offers huge business opportunities, as well as being a way of addressing an urgent environmental imperative.

Mr. Michael Jack (Fylde) (Con): I was personally delighted to discover the terms of clause 128 on renewable transport fuel obligation, because the clause reflects exactly the line that I put to the House a year ago when I spoke about the development of a biofuels industry. Does the Secretary of State have any intention of exercising the powers in the clause, according to which, she

"may, by regulations, introduce a renewable transport fuel obligation."?

Is it her intention so to do?

Ms Hewitt: In association with my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs and her colleagues, we are looking into that matter. The right hon. Gentleman made an important point last year, and we certainly believe that there is the possibility of that power being extremely valuable in future. We are looking further into the detail at present.

[Ms Hewitt]

I stress that, although we are making progress on renewable energy, we start from a very low base, particularly by comparison with some of our European colleagues. In 2002, less than 2 per cent. of the UK's electricity was generated from renewable sources, so hitting the target of 10 per cent. by 2010 will require about 10 GW of renewables regeneration capacity.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): There has been intense debate about the performance and innovation unit report and the White Paper. The expectation in many quarters was that the legislation arising from that would make considerable advances in the deployment of renewable energy. I have to say that, per se, this Bill contains little that will contribute to the more rapid deployment of renewable energy. Will the Secretary of State tell us whether the Bill represents the last word on Government policy, or can we look forward to a further Bill that will actually drive renewable energy?

Ms Hewitt: As I explained earlier, the Bill is not all that we are doing in respect of renewables or other aspects of the White Paper. The renewables obligation itself will build up by 2010 to be worth support of £1 billion a year. We have also extended the obligation to 15.4 per cent. by March 2016, so that investors can have no doubt at all about our commitment to renewable energy in the longer term. Indeed, we now have the first large-scale offshore wind farm at North Hoyle, which is already generating electricity. By the time it is fully operational, it will be capable of powering 50,000 households. Scroby Sands is under construction and consents have been given to a further 12 projects around the coast.

The effect of clause 120, however—it was also inserted by the other place—will be to take combined heat and power out of the renewables obligation base. That will mean either less renewable energy or, if compensating measures were in place to keep the obligation level, additional costs to electricity consumers of some £90 million a year by 2010. We continue to look for practical ways to support combined heat and power, which is facing particularly difficult times with high gas prices and low electricity prices, but we should not do so at the expense of renewable energy. My hon. Friend the Minister for Energy, E-Commerce and Postal Services will therefore seek to reverse that provision later in the Bill's passage.

Brian White (Milton Keynes, North-East) (Lab): My right hon. Friend will be aware that many renewables companies, such as Powergen and British Sugar, have said that support for the combined heat and power industry is necessary. They believe that use of the renewables obligation is the right way forward because the state of the industry requires such a step forward. Will my right hon. Friend take into account the views of those major renewables companies that are pressing for the clause to remain?

Ms Hewitt: We have worked extremely closely with the CHP industry but we do not want to support CHP at the expense of the renewable electricity sector or the renewables obligation itself.

Mr. Andrew Robathan (Blaby) (Con) *rose—*

Mr. Bob Blizzard (Waveney) (Lab) *rose—*

Ms Hewitt: If hon. Members will forgive me, I intend to make a little more progress.

Part 3 creates the right legal framework to support future renewable energy developments further offshore, beyond the UK's territorial waters. It will pave the way for developments that could harness wave and tidal power, as well as wind, and it makes provision for new transmission networks to connect groups of developments to the shore. Part 3 will also allow us to move to a UK-wide system of tradable certificates for renewables electricity, once certificates can be issued in Northern Ireland and once Northern Ireland has implemented a corresponding system of mutual recognition.

The Bill provides for new arrangements for nuclear clean-up. The nuclear industry makes a significant contribution to our economy, but the liabilities of waste and decommissioned plants that date right back to the 1940s add up to some £48 billion, and they will need proper management well into the next century. Our White Paper in 2002 spelled out how we would manage that nuclear legacy safely, securely and cost-effectively in a way that ensures protection of the environment. Chapters 1 and 2 of part 2 implement that commitment.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): As the Secretary of State said, nuclear clean-up is a long-term commitment. The Government have insisted on a segregated account for that, rather than putting the money into a separate fund. Why do the Government feel they need a segregated account to allow flexibility when that will undermine confidence in future generations that the money will definitely be there? A segregated account will make it easy for future Chancellors to decide not to allocate money.

Ms Hewitt: The arrangements that we are making will make it quite clear, and transparently so, that the resources being dedicated to managing the nuclear legacy are used for that purpose.

The Bill will establish a non-departmental public body, the nuclear decommissioning authority, to manage those liabilities better, and that will be operational by April 2005, subject to the Bill's safe passage. The NDA will have further strategic control over all public sector civil nuclear liabilities. It will operate clearly and transparently, and by fostering competition for the management of sites, it will ensure that the best skills and expertise deliver the highest standards of clean-up most efficiently.

Chapter 3 modernises the existing policing arrangements for the nuclear industry, transferring the current UK Atomic Energy Agency constabulary to a newly created civil nuclear police authority, which will have responsibility for it. Chapters 4 and 5 include more minor updates and amendments to nuclear legislation, dealing with our international obligations in the event of a nuclear accident, and security of equipment and software relating to uranium enrichment and sensitive nuclear information.

Mr. David Drew (Stroud) (Lab/Co-op): In order to meet our international obligations, we have to maintain the basic integrity of our nuclear industry. Will my right hon. Friend ensure that the Bill underlines the need to train and upskill the existing work force and to get younger people into the industry? If it does not, with the best will in the world, it will never fulfil its potential.

Ms Hewitt: My hon. Friend makes an extremely important point, which we underlined in the White Paper. Since we published the White Paper and made our commitment to working with the nuclear industry to sustain and grow the skills it needs, we have established a sector skills council, Cogent, which is moving forward on that matter. Quite apart from any issue about new nuclear build, the nuclear decommissioning and waste management operation will offer extremely interesting, well paid and highly skilled jobs for a very long time to come. The industry therefore offers wonderful career opportunities for young engineers and technicians.

Mr. Michael Weir (Angus) (SNP): Before the Secretary of State moves on from chapter 5, will she tell us something about the thinking behind clause 82 and the extra expenditures allowed by the Government to buy out nuclear power stations that may have been sold on to third parties?

Ms Hewitt: I am delighted to say that my hon. Friend the Minister for Energy, E-Commerce and Postal Services will deal with that point when he winds up.

I stress that we all appreciate the world-class scientific, professional and engineering skills of the people who work in our nuclear industry. I can also confirm to the House that the chosen location for the NDA is west Cumbria. I hope that there, and in the other places where the NDA will have responsibility for sites, we will develop even stronger clusters of nuclear business and talent. We will also give the NDA a statutory function to encourage and support the socioeconomic life of local communities and to work in partnership with people in those communities. It will have a key part, therefore, to play in the strategic taskforce for west Cumbria that is led by the Northwest Development Agency and which we announced in December last year.

Dr. Jack Cunningham (Copeland) (Lab): My right hon. Friend has been generous in allowing interventions. As she is talking specifically about my constituency and that of my hon. Friend the Member for Workington (Tony Cunningham), it is appropriate to say that we applaud and appreciate her decision to locate the headquarters of the NDA in west Cumbria and to set up a strategic taskforce to provide some joined-up thinking across Whitehall on the future of west Cumbria. However, there is a sting in the tail. To our great pleasure and the satisfaction of local authorities and the work force in the industry, the Secretary of State took that initiative in November last year, but the taskforce has not yet met. Can she tell us why?

Ms Hewitt: I am grateful to my right hon. Friend for the work that he did in bringing together some of the key partners in Cumbria to visit me, so that we could discuss exactly what was needed. My understanding is that the Northwest Development Agency is already in discussions with the local councils in Cumbria and that we are awaiting proposals from them. If it is not making satisfactory progress, I will make inquiries and ensure that progress is made because, like my right hon. Friend, I understand its importance to his constituents and the community.

I stress that the energy industries contribute 4 per cent. directly to the gross domestic product of this country and they power all the rest of our economy. There is no issue that is more fundamental to our economy, to the quality of our lives and to sustainable development and our environmental future. In the White Paper, we set out a 50-year vision of sustainable energy and how that could contribute to the shift to a low-carbon economy. It was a 50-year vision, but action started immediately. The Bill will move us even closer to the cleaner, secure and affordable energy that our people and our businesses all depend on. I commend the Bill to the House.

5.3 pm

Mr. Stephen O'Brien (Eddisbury) (Con): This is a Bill of modest ambitions in the context of even the White Paper, especially when measured against the burgeoning resources of the Department responsible for drafting it and, even more importantly, against the context of our country's medium to long-term security of energy supplies—an issue from which the Secretary of State and her Department continue to shy away.

The Bill, which started its passage in the other place, contains some positive provisions, not least because it was improved enormously by some constructive amendments from my colleagues in the other place and some from Liberal Democrats and Cross Benchers. I pay tribute to their success and I am sure that the House will recognise the great and, in some cases, incomparable experience that some noble Lords bring to such matters.

It is invidious to single out one contribution, given the first-class team, ranging across shadow departmental briefs, that the official Opposition put together to work on the Bill, but the House will wish to join me in thanking warmly Baroness Miller of Hendon for her steadfast, indefatigable and insightful leadership and outstanding work on the Bill in the other place. We shall not, therefore, seek to oppose the Bill, but we will want to continue the excellent work commenced by our colleagues to improve it in Committee and beyond.

A Government spokesman in the other place said that the Bill

"provides . . . solutions to a number of legislative problems related to parts of our energy strategy." —[*Official Report, House of Lords*, 11 December 2003; Vol. 655, c. 834.]

With a few qualifications, I do not dissent from that view, other than its pretence that the Government's policies amount to an energy strategy taken—to use a Blairism—in their totality. My main concern is that the Bill represents a missed opportunity, which we may all shortly come to regret, to set out a coherent and realistic strategy to ensure secure, safe, sustainable and affordable low-carbon energy supplies to UK domestic and business customers in the medium to long term. That is particularly regrettable since, when all is said and

[Mr. Stephen O'Brien]

done, it is hard to conceive of a more basic responsibility for any Government than to create the framework and enable conditions whereby the market ensures that the nation's lights stay on.

It is not the presence of the Bill that I object to, but the absence of a different energy Bill that addresses the big and pressing problems at a time when a nexus of factors combine to make the matter an acute national consideration. The reasons for that are familiar, but I shall summarise them again. To put it bluntly, there is a looming black hole in the nation's energy mix. Taking breakdowns into account, normal operative standby energy capacity is more like 16 per cent. than the 21 to 23 per cent. habitually claimed. That scenario has prompted Professor Dieter Helm of Oxford university to remark:

"We are very close to the margins, when this is something we should really be very risk averse about . . . The costs to everybody of any failure are so enormous. If there's a catastrophic failure in the shoe industry, nobody suffers very much. If electricity goes wrong, everybody is in big trouble."

Meanwhile, we are committed to reducing our carbon dioxide emissions by 60 per cent. by 2050. We are becoming increasingly reliant on gas supplies, just as we are set to become net importers of gas for the first time—primarily through pipelines, as well as by shipments of liquefied natural gas—at a period when global terrorism and geopolitical instability show little sign of receding. Nuclear power's share of electricity generating capacity is in steep decline. It is expected to fall from 21 per cent. today to just 2 per cent. in 2023—just under 20 years. In addition, in the absence of so-called clean coal technology, coal-derived energy remains in decline and we shall also see an imminent decline in domestic oil supplies from the North sea. The latter has less to do with energy production and more to do with powering transportation and commercial and domestic heating.

There is an enormous weight of expectation about the planned major expansion of renewable energy and energy efficiency. That is, of course, to be relentlessly encouraged, but the expectation, created by the Government, is that that will fill the looming gap in our energy supply. However, the Government have just had to revise downwards both their energy efficiency and carbon emissions targets. They are expected to miss their combined heat and power target for 2010 by about 20 per cent. Likewise, experts do not expect the Government to come close to meeting their ambitious target of 10 per cent. of power being generated by renewables by 2010, even when the loosest definition of "renewables" shows that we have remained stubbornly between 2 and 3 per cent. since 1997.

We should keep a beady eye on the Government's definition of renewables. Changing the definitions is the surest way to avoid admitting a series of missed Government targets. It does not take a genius to see that if nuclear power were replaced by renewables, no carbon emissions reduction would be achieved by such a mere substitution. Only 11 days ago, the Department of Trade and Industry told the *Financial Times*:

"Plainly, our policies on energy efficiency, emissions trading, renewable sources, transport and others will need to deliver more in future."

Energy policy cannot simply rely on the hope that the Government's policy will miraculously start to deliver more at some unspecified date in the future. It is too important to be determined by the aspirational target setting in which the Government specialise.

That is why I am delighted that Conservative peers tabled an amendment that will require the Government to make specific progress reports on the development of new energy sources. I am also pleased that they succeeded in securing a separate amendment to clause 106, which strengthens the Government's insubstantial policy on energy efficiency by allowing energy produced by CHP to be exempted from the renewables obligation. As we have seen, without such incentive the Government are currently on course to fall well short of their targets. I was disappointed to hear that the Secretary of State wants to amend that. The £90 million that she claims as a fiscal cost has to be seen in the context of the fact that offshore wind turbines currently receive a subsidy of £117 million. So this is a matter of choices, rather than absolutes.

We welcome the use of biofuels. The use of biodiesel and bioethanol can result in the reduction of carbon emissions. I have a very fine example in my constituency—e-diesel, produced by Stephen Whittaker. We welcome the fact that the Treasury is currently consulting on the fiscal regime. The Government must report their plans to the EU by July 2004, and we await the report with interest. The development of biofuels is expected to produce long-term benefits for the environment and can certainly bring economic gains for agriculture.

Mr. Jack: Does my hon. Friend think, however, that there is a need for greater clarity of leadership on biofuels, given that the Treasury currently sets the fiscal regime, that the Department for Transport is dealing with the consultation paper on the introduction of biofuels in transport, that the Department of Trade and Industry deals with matters connected with biofuels and energy and that the Department for Environment, Food and Rural Affairs deals with the agriculture side of the issue?

Mr. O'Brien: I am glad that my right hon. Friend has demonstrated how one can be joined up in opposition, even when that is not apparent in the Government. I very much hope, therefore, that the Government will consider his joined-up approach and deliver a package that can give him the confidence to report positively to his constituents and the interests that he represents on an important initiative in biofuels.

Mr. O'Neill: Does the hon. Gentleman agree that there are some dangers in going overboard in this respect? Only a limited amount of timber is available, and a number of timber processing plants across the country, such as the one in my constituency, convert wood into timber for the construction industry. If there were an undue demand for such wood, it could affect the availability of timber for house building and the like, thus producing the opposite effect in terms of doing the business.

Mr. O'Brien: I am grateful to the Chairman of the Select Committee on Trade and Industry for raising that

point, because it must be recognised that we are talking not just about timber but about rape seed and other matters. We must consider encouraging a package of contributions to renewables, rather than banking on any particular approach, because it will be enough of a struggle to meet not just the Government's renewables targets but any substantial, worthwhile renewables targets in the overall energy mix. We must be extraordinarily careful and not simply talk about timber, as that would be a distortion.

Mr. Richard Page (South-West Hertfordshire) (Con) *rose—*

Mrs. Dunwoody *rose—*

Mr. O'Brien: I give way first to my hon. Friend, and then to the hon. Lady.

Mr. Page: After you.

Mrs. Dunwoody: I am doubly honoured that both hon. Gentlemen have given way.

May I put the hon. Gentleman's mind at rest? Recently, while questioning a member of a very powerful environmental lobby group, we were informed that we should insist that people take only six flights a year, and that if they insist on taking more they should plant a tree every time they do so. On that basis, judging by the number of flights taken by the environmental groups, the United Kingdom would soon be reforested.

Mr. O'Brien: I most grateful to the hon. Lady for that intervention. We work closely on a non-party basis as, I hope, friendly neighbours in our constituencies, and I now look forward to the border between our constituencies being marked by some impenetrable forests, although I do not think that either of us would welcome an airport at Nantwich.

Mr. Page: My intervention will not be as amusing as the hon. Lady's, but perhaps a little more serious. May I ask my hon. Friend not to press so quickly for a biofuels obligation? We do not have the production plants in this country to convert and produce the necessary biofuels. In that respect, the only thing that we do effectively is to process used fish and chip oil, whereas the Government should be developing plants to use timber and other products as biofuels. Let us get the production plants first, and then have the obligation.

Mr. O'Brien: My hon. Friend raises a very important issue, which will be fully explored in Committee, as hon. Members on both sides of the House find it interesting. On the pace of introduction, which is dealt with in clause 128, the expectation is that such things should be phased in. That should give him some assurance and comfort, but the principal issue is to consider the vast variety and mix, even of the initial raw materials.

My constituent, Stephen Whittaker, has taken redundant vegetable fats from cooking oils and produced the extraordinarily successful product of e-diesel, which I am glad to say is now being used by the lorry fleet of one of the large supermarket chains. In addition to all the great environmental benefits, it has the attractive smell of almonds when it emerges from the exhaust.

Mrs. Shephard: I hope the House will not be misled into thinking that the only sources of biofuel production are used fish and chip cooking oil and timber: rape, sugar beet and cereals can also be used. Is not the only reason that we do not have any plants the fact that we do not have a Government policy, let alone Government action, despite their oft-repeated statements in support of their environmental commitments?

Mr. O'Brien: I am grateful to my right hon. Friend. I know that she has taken a long and distinguished approach to this subject on behalf of her constituents. She underlines the point about the multifarious sources that can lead to a successful biofuels policy. Signals from the Government are required and I hope that she will have the opportunity to develop that point if she catches your eye, Mr. Deputy Speaker.

I shall now move from biofuels to the wider issue at stake, which goes to the heart of everything that is or is not in the Bill—the responsibility of Government to provide strategic leadership and to make the hard choices that inevitably lie ahead. Indeed, I am reminded of the words of the Chancellor of the Exchequer, who observed in *The Guardian* recently:

"The Britain that will fail is the Britain that would duck the hard choices."

I suggest, in a similar fashion, that the Government who would duck the hard choices are the Government who will fail, let people down and let the lights go out.

That is why my colleagues in the other place inserted the security and supply amendment that formalises in statute a fact that is already implicit and well understood, not least by politicians, the energy industry and the wider public and the electorate. If, beyond a catastrophic act of God or a few hours of temporary or partial geographic failure, the lights go out, the fact cannot be ducked that the Secretary of State and the Minister for Energy, E-Commerce and Postal Services would have to resign. The Government of the day would have to take the urgent steps to enable the lights to be put back on again by the market. That is why it is plain wrong to suggest that the amendment is in any sense radical or that it represents a material shift in the role of the state in a competitive and liberalised energy market. It is categorically not an invitation to renationalisation.

The Secretary of State surely recognises that she has duty to

"maintain the reliability of our energy supplies",

not least because that is the phrase used in the White Paper that she signed off last year. Furthermore, the logic of the amendment is no different from that of clause 153, which records the commitment that Ofgem has already made to being guided by best regulatory practice. No one is suggesting that that this confers greater regulatory powers on Ofgem; it just acknowledges those that already exist.

It would be wrong to suggest that the amended clause is a prelude to interventionism. In codifying the de facto position today, it delineates the Government's duty and

[Mr. O'Brien]

places on them the responsibility to create the framework that enables the conditions whereby the market can deliver security of supply.

Paddy Tipping: Does the hon. Gentleman accept that clause 1 now gives the Secretary of State the duty to intervene? Does he also accept that it is the market that will produce the energy? Is there not a danger that, by giving the Secretary of State the power to intervene, long-term investment from the private sector will be turned away?

Mr. O'Brien: I am glad that the hon. Gentleman has raised that point. As I have just explained, the amendment codifies the current de facto position, not least in respect of the Norwegian gas pipeline. It takes Governments, by treaty, to negotiate the framework and conditions that enable the market to deliver the security of energy supplies. That is precisely what the amendment sought to do and, it can be argued, has achieved. I have made it crystal clear that the intention is not to be interventionist in the way that the hon. Gentleman implied. I do not think that the amendment can be interpreted in that way.

With that clear statement, the Government's stubborn opposition to the security of supply amendment tabled in another place is a surprise and reflects their failure to apply themselves to the creation of a sustainable and long-term framework in which markets can deliver energy supplies. Since then, we have had the undignified and somewhat stealthy approach by the DTI, which has apparently urged, behind cupped hands, certain members of the industry to contact us on its behalf to drop the amendment. As it happens, my team and I heard not a word before the debate from the Secretary of State or her Ministers. There has been no attempt to forge a sensible dialogue in the national interest. Why? Perhaps the Government are afraid of tabling an amendment so that they cannot be held responsibility for delaying the Bill, which needs to be on the statute book to create the British electricity trading and transmission arrangements and the nuclear decommissioning agency by the summer. It is clear that amending the security of supply may engage the hostility of their lordships—there is certainly a good argument to be had—and risk delaying the Bill. The Secretary of State may want to take the opportunity to clarify that, but it seems that she does not.

It has been suggested that the Bill is a misnomer and that it would more properly have been called the Energy (Miscellaneous Provisions) Bill or even the waste Bill. That is because its objectives—not in themselves invaluable—relate in large part to creating an effective framework for cost managing the nuclear legacy at the same time as ducking the debate on whether we are to have a nuclear future. As we just heard from the Secretary of State, that would take the form of the nuclear decommissioning authority and, appropriate at a time of heightened security needs, the creation of a civil nuclear constabulary.

Subject to appropriate scrutiny in Committee, I have no overriding objections to either provision, although my colleagues will look closely at the arrangements by which qualified companies can apply for contracts to manage NDA sites as the legislation progresses. In relation to the civil nuclear constabulary, I reiterate the calls, repeatedly made from Opposition Benches, for a Minister for homeland security, who would be responsible for providing overarching strategic leadership on all security issues.

Another important feature is the establishment of the new British electricity trading and transmission arrangements. The creation of a competitive wholesale electricity market, based on the same rules throughout England, Scotland and Wales, is rational given the interpenetration of power companies across borders. I wonder whether the Government considered the possible difficulties of implementing such legislation when they drew up their eye-catching devolution initiative on the back of an envelope. Has the Secretary of State stopped to consider what will happen if the democratically elected MSPs in the Scottish Parliament do not agree to the provisions? How then—if at all—should Scottish MPs in this House vote?

Part 3 deals with wind power and renewables. I accept fully the reality of climate change and the importance of low-carbon energy supplies. The issue, however, is establishing the appropriate response to that challenge. The Government have placed renewables, in particular onshore and offshore wind energy, at the heart of their policy. It is clear from the Bill that they are prepared to subsidise wind power, which costs about three times as much as conventional power. Leaving aside the structural confusion of having a regulator who tries to promote a competitive energy market and a Government whose ambition is to promote distorted markets—whether through the climate change levy or by subsidising renewables, possibly to the tune of £1 billion a year by 2010—taxpayers will quite properly wish to know whether the Government are spending their money wisely or whether they are making the most giant mistake about windmills since Don Quixote. To rely heavily on wind and, for that matter, on wave and tidal energy to be a major contributor to the long-term energy mix, when renewables contribute just 3 per cent., and to do so in the absence of a plan B, is a high roll of the dice.

Let us not be hoodwinked. That 3 per cent. was derived in 2002 from 1.41 per cent. from biofuels, 1.26 per cent. from hydropower and a mere 0.33 from wind. To increase production without warning customers of the inevitable rise in energy costs is even less forgivable. I am indebted to Lord Jenkin of Roding for his successful amendment to clause 157, which requires transparency in the way in which consumers are properly informed of the financial ramifications of subsidising renewable energy sources. The Royal Academy of Engineering's report two months ago demonstrated that the costs per kilowatt of wind generation, including stand-by capacity, is almost three times the cost of the average power produced by coal, gas or nuclear.

Wind energy is not without its drawbacks. Onshore, wind turbines are a blemish on the landscape. Do the Government not realise that they will be held to blame for the terrible despoliation and blight that they will inflict on Orton fell in Cumbria if, through subsidies for wind turbines and their proposals to change planning guidelines—I refer specifically to planning policy statement 22—they force that ugly scar of a scheme through?

Offshore, wind turbines can interfere with and disrupt ships' essential navigation systems. Again, I note that my colleagues have already secured important amendments limiting the siting of wind farms in shipping lanes and acknowledging the cumulative dangers posed to navigation by offshore wind farms. What is the Secretary of State's answer to the points raised by the British Chamber of Shipping in its letter to MPs just three days ago on clauses 100 and 101? I was glad to hear the response to the intervention of the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), which is that the Government propose to retain the substance of the amendments. However, with so many interests at stake and with such expertise available, I urge the Government, for once, not to table amendments late; we need plenty of time to consider them in advance of the Committee, where, I assure the Secretary of State, they will be explored in detail.

The White Paper points out that the Ministry of Defence has objected to one third of all recent proposals, both onshore and offshore, because they would interfere with its operational needs, including training and radar monitoring. Wind turbines cause environmental damage, affecting birds, fish and livestock, increasing damaging noise and being an unnatural intrusion in some of our most prized environmentally sound settings, not to mention being unsightly.

Finally and most importantly, we must remember that wind turbines are only an intermittent source and thus cannot be relied on to provide a stable baseline source of supply. Denmark, where at 18 per cent. of energy production the proportion of wind power is the highest in the EU, has found that at any one time it has roughly 13 per cent. of its turbines out of commission. The Danish Government have recently announced that they are ending all subsidies to new wind power installations. Should not this Government be avoiding the same mistake?

The Government's zealous support for wind power is matched by confusion and indecision about the future of nuclear energy, which emits no carbon dioxide and, according to the Royal Academy of Engineering, is more cost-efficient than wind. It is no surprise that every time the word "nuclear" is uttered, the knee-jerk response from the Liberal Democrat spokesman, who is not in his place, is that those who utter it are obsessed. *[Interruption.]* I refer to the hon. Member for Gordon (Malcolm Bruce) who, on the occasion in question, was dealing with energy matters. Ducking the hard choices is a speciality of the Liberal Democrats, as is their reliance on wind.

As the Government's chief scientific adviser, Professor David King, said on the "Today" programme in 2002:

> "Those who are opposed to nuclear on environmental grounds have to weigh up this difficult balance . . . Are we going to continue with global warming or are we going to mitigate it?"

Let me say for the record that we have an open mind on the future of nuclear energy. Its environmental benefit is its technology, which emits no CO_2 or other greenhouse gases during generation, but of course there are concerns over cost, decommissioning and long-term storage. Its long-term use will depend on Government policy now—it cannot be postponed because signals have to be given—on the economies of the new lower-cost, safer, plant, often from France; on the pace of deliverable research on renewables; on making nuclear fusion a reality; and on the progress of the international market.

Mr. Russell Brown (Dumfries) (Lab): Many Labour Members are in favour of the nuclear option being far wider than at present. I am not aware of any company or organisation that is falling over itself to build nuclear reactors. Is that not at least partly a result of the failure of British Energy, which is yet another failure of privatisation?

Mr. O'Brien: The hon. Gentleman encapsulates a number of issues that are highly relevant to the debate. The first is that, leaving aside decommissioning, which is of course what the Bill intends to do, nuclear does not receive subsidies in the same way that wind farms do, so it has to be said that the economics of new nuclear plants are not particularly attractive. The hon. Gentleman's points are more of an operational nature. The key issue is that Government policy should give signals about the expectation for the fuel mix for the delivery of our energy supplies. That cannot be postponed because the industry and providers need that knowledge, in proper time, to inform the decisions that they have to make on basic commercial and economic grounds.

Mr. Nigel Evans (Ribble Valley) (Con): Some people think that anything to do with nuclear is bad. Is it not bizarre that, although some Members say no to nuclear in any form, they are only too happy to import electricity from France, which draws 70 per cent. of its power from nuclear energy?

Mr. O'Brien: I agree—in fact, I think that the proportion is larger, at about 80 per cent. More to the point, because the French have been able to retain a vibrant nuclear industry, they have developed a nuclear energy capacity that is as safe, if not safer, more efficient, and even cheaper for the purpose of production.

My final point in response to the hon. Member for Dumfries (Mr. Brown) is that he should remember that nuclear-derived energy is subject to the climate change levy, despite the fact that nuclear produces no carbon dioxide emissions.

Mr. Bill Tynan (Hamilton, South) (Lab): The document "The Cost of Generating Electricity" has been mentioned. The hon. Gentleman says that nuclear energy is not economic at present. Does he not accept that, according to the costs set out in that document, it is very competitive with any other energy source?

Mr. O'Brien: I am happy to confirm that position.

Mr. Robathan: My hon. Friend knows that I am a great supporter of wind energy, but may I suggest an option for plan B if wind energy does not come up to expectations? If—God forbid—Labour were to win the next election and put in place a plan B that consisted of enhancing nuclear plant, what would my hon. Friend's reaction be?

Mr. O'Brien: That is an interesting speculation, which I might have explored later in my speech.

[Mr. O'Brien]

As I understand it, Ministers are—perhaps unsurprisingly—involved in a deep ideological argument on the subject of nuclear that has the potential to do a lot of damage both to themselves and to the industry. On the one hand, we have the Secretary of State for Environment, Food and Rural Affairs, who last month told a newspaper that the prospect of new nuclear is

"not valid . . . come back in another generation".

The breathtaking arrogance and irresponsibility of that statement beggars belief. On the other hand, in December last year, the Minister for Energy, E-Commerce and Postal Services told the all-party nuclear energy group that

"we need the possibility of new nuclear build",

and only last Thursday, in response to Lord Tombs's unstarred question, which was supported by my expert and senior colleagues, DTI Minister Lord Sainsbury of Turville said,

"The first question is whether we should consider nuclear as part of the . . . plans for energy. The position of the Government is clear. We think that nuclear may well play a large part, for many of the reasons given in this House during the debate, including environmental issues and security of supply. But that is one issue, and that is why we believe that we must keep our option open."—[*Official Report, House of Lords*, 6 May 2004; Vol. 660, c. 1268.]

While Ministers continue to argue, nuclear generation's present 20 per cent. contribution to our power is declining, and it is expected to be as little as 2 per cent. by 2023. At the same time, our nuclear expertise is dwindling. It is simply not good enough for Ministers to postpone the debate until 2006. As my hon. Friend the Member for Blaby (Mr. Robathan) suggested, that might have something to do with the timing of the general election. The White Paper states that

"even without new build the nuclear fuel cycle, power generation and environmental restoration sectors are likely to need around 19,000 graduates and skilled trades people"

However, a parliamentary answer in the *Official Report* of the other place records that

"no universities currently offer undergraduate courses specifically in nuclear science and engineering."—[*Official Report, House of Lords*, 26 June 2003; Vol. 650, c. WA42.]

There are consequences to ducking the hard decisions today and coming back in another generation, as the Secretary of State for Environment, Food and Rural Affairs says we should do. We must find a way to make progress, because if the Government do not come out from under the covers, the House, the industry and the country will not be able to judge the desirability and doability of future nuclear build based on proven fission technology.

It is unacceptable that the White Paper clearly states:

"In the long term, nuclear fusion could provide power generation from an abundant fuel source with zero carbon emissions and without the problems associated with long-term highly radioactive waste",

when the DTI's most recent departmental report reveals a cut in funding for research into nuclear fusion from £15 million a year to zero for the foreseeable future. Either the Government believe what the White Paper says, in which case they should make the appropriate investment, or they do not, in which case they should state once and for all that the nuclear option is now closed—and wrestle with the consequences of that as a policy. At present, the official position stated in the White Paper is that "The initiative" for any nuclear build "lies with the market". That statement is somewhat cynical, as Ministers are fully aware, especially as the White Paper concedes openly that competitive markets cannot deliver some wider policy objectives.

That approach merely reaffirms the importance of our security of supply amendment in attempting to ensure that the Government do not shirk the tough decisions. At the moment, it seems, the only direction on which the Government are clear is signing up to an EU constitution that threatens to include an energy chapter, which, against the UK's national interest, would bring responsibility for security of supply under the control of Brussels rather than Parliament. Or is it just part of the tidying-up exercise? Taxpayers expect leadership on energy policy, but all they get is a mixture of high aspirations on renewables, low cynicism on the future of nuclear, blazing ministerial rowing, which has been kept largely behind closed doors, and a bloated and bureaucratic research and skills structure.

Science research councils have an enormous budget of £2.5 billion, yet for several of them administration costs represent 50 per cent. of income. Much of the energy research is being directed into renewables, and, as I mentioned, funding on nuclear fusion has been cut altogether. Meanwhile, the inordinate rise in the DTI's resource budget has been matched by bureaucratic proliferation of the various research and funding channels for energy, which now include the science research councils, the new sector skills councils, the Sector Skills Development Agency, the Learning and Skills Council, the regional development agencies, the Small Business Service and the Carbon Trust. A report entitled "Science and the RDAs" published last week by the Select Committee on Science and Technology in the other place concluded:

"The main message of our Report is the need for coherence, longer term perspectives and reduced bureaucracy".

I wholeheartedly concur with that conclusion.

This Bill, as now hugely improved by their lordships, is worth supporting subject to the detailed scrutiny and further improvements that we hope to secure in Committee, led by my hon. Friend the Member for Tewkesbury (Mr. Robertson). But, to substantiate the arguments that I have outlined, has the Secretary of State taken the time to study the serious, important and timely PricewaterhouseCoopers global survey published four days ago, in which security of supply is now seen as the leading strategic aspect of the power market? It states:

"Last year security of supply barely rated as a concern among European and US companies in our Movers and Shakers survey. It is now top of the industry's agenda. The blackouts have raised serious questions about the adequacy of transmission facilities, and whether the right signals are being given to the market in relation to ensuring sufficient investment in the required infrastructure."

British businesses are not alone and are right in highlighting security of supply as a key issue facing them, whereas the Government, in whom responsibility lies with the Secretary of State, are deliberately putting

their heads in the sand over the future of the UK's secure, safe, affordable and sustainable energy supplies. As the fourth largest economy in the world, we have a right to expect the right signals from the Government and the regulator to create the conditions whereby the market can deliver security of supply and reassurance, for businesses and consumers alike, that there is a sustainable long-term strategy for the future.

It is about time that the Department discovered its focus and started delivering some bang for its bucks—all £8.2 billion of them—starting with setting out its medium to long-term strategy for the future of our energy supplies. It would be politically cynical in the extreme to put that off until after the general election, not least as price signals and investment decisions must be made now—as I said in response to an intervention from the Labour Benches—to stop the black hole becoming too big to fill or too high a risk of a gap between supply and demand. It is the responsibility of the Government of the day, and if they will not come forward with a policy on medium to long-term UK energy strategy, or at least a transparent debate in front of the people of this country, given the huge resources and access to expertise that they have at their disposal, which is not available to the Opposition, they should make way for a Conservative Government who will do so.

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next Member to speak, I remind the House that Mr. Speaker has placed a 10-minute limit on all Back-Bench speeches, which applies from now.

5.38 pm

Dr. Jack Cunningham (Copeland) (Lab): Twelve thousand or more people work at British Nuclear Fuels' Sellafield plant in my constituency. What is in the Bill—and, equally importantly, what is not in the Bill—is therefore of huge importance to them. It is important to the future social, economic and environmental well-being not only of them and their families but of their communities in Copeland and Allerdale.

Tony Cunningham (Workington) (Lab): I thank my right hon. Friend for including my constituency in his remarks. Does he agree that what is needed is a sense of responsibility from both the nuclear decommissioning authority and the Government towards the communities of west Cumbria, because many of those people have spent their entire working lives in the nuclear industry?

Dr. Cunningham: I agree, and I shall return to that theme shortly.

Those workers are dedicated, skilled, mature, reliable men and women, who safely manage, on behalf of the nation, hugely important nuclear installations. They deserve our support and gratitude.

I especially welcome part 2, which would create a nuclear decommissioning authority. For many years, Governments of both parties have failed to address the issue in a coherent, long-term way, and I congratulate my right hon. Friend on making progress with it. What I regret—here I agreed with at least part of what the hon. Member for Eddisbury (Mr. O'Brien) said—is the absence of a long-term commitment to the inclusion of nuclear energy in the nation's energy strategy.

The International Energy Agency estimates that $10,000 billion of electricity-generating capacity will be required worldwide in the next quarter of a century. Energy demand in that time is forecast to increase by 66 per cent. Global population growth, global economic growth, global warming and the Kyoto accord, and our obligations that flow from those things all indicate the need for long-term thinking about secure energy supply. The Bill, I regret to say, misses an opportunity to address those important issues.

In the United Kingdom market, doubts about regulation, about emissions trading and about the EU's future commitment to emissions trading after 2007 affect long-term investment, as do doubts about aims for wind power. When we look at energy investment we are looking at very long-term projects, whether they involve wind power, nuclear power, coal, gas or anything else. Planning, too, must be long-term, and if we fail to make decisions when they are due we shall risk problems with supply for the future. I have no problem with the Government's commitment to wind power, but I do not think we should get too carried away by the contribution that it can actually make.

If the Government's objectives are to be fulfilled, we need to build 20 times 2 MW of capacity every week in this country, from now until 2020, in the hope that we shall produce 20 per cent. of our electricity. That is an heroic assumption. Moreover, wind power is by definition an intermittent source of supply. It cannot supply base load electricity and must be backed up by conventional generating capacity. Estimates suggest that the UK's electricity infrastructure requires some £70 billion of investment over the medium term. Against a background of uncertainty, achieving that seems unlikely.

The UK consumes about 2.5 per cent. of world energy. That figure will fall as we see continued growth in the People's Republic of China, India and other developing countries. UK renewables will meet 0.3 per cent. of world energy demand if we reach all our renewables targets by 2020. In other words, our renewables efforts have a minuscule impact on world energy supply, and therefore a minimum impact on carbon production globally. We should bear that in mind.

We can set against that the fact that we as a country are supplying coal-fired generating stations to developing countries. By contrast, the Governments of countries including China, Finland, France, India, Japan, Russia, Sweden, South Korea and the United States have recognised that nuclear generating capacity for the future is essential. Our Government should accept that reality to ensure that the same is possible for the UK.

Nuclear power is a zero-carbon electricity source. It should be exempt from the climate change levy and should be included in renewables targets for generators. Simply to say that the nuclear option is being kept open is not sufficient—we have to do something to keep the option open. Last autumn, the Government's report on research and development said that the industries that invested most in R and D were the most successful. It is the same for economies: the economies that invest most in R and D are the most successful. I would like us to invest more not simply in R and D on nuclear power, but

[Dr. Cunningham]

in R and D on clean coal technology and combined and heat power systems, because they, and only they, with gas, are capable of generating base-load electricity. For all their merits, renewables cannot do so.

I strongly support my right hon. Friend the Secretary of State's decision not only to create a nuclear decommissioning authority but to establish its headquarters in west Cumbria. I cannot understand the pusillanimity of the civil service about the exact location. The West Lakes science and technology park already hosts a cluster of nuclear-related industries and is about 10 miles from Sellafield, where 60 per cent. of the nation's legacy is. It seems a no-brainer to look at any other site for the location of the headquarters. I hope that eventually people will see the sense of that. I warmly welcome those decisions.

The work force in west Cumbria have the skill, experience, commitment and trust of local communities to deliver the decommissioning and remediation work, which it is broadly estimated has a value of about £50 billion. I want the Government to ensure that the west Cumbrian economy benefits from the changes that British Nuclear Fuels and others will be obliged to grasp. British Nuclear Fuels has established the British Nuclear Group. The United Kingdom Atomic Energy Authority should not be overlooked. Both organisations have considerable experience in successfully decommissioning major nuclear facilities.

West Cumbria very much depends on the nuclear industry for employment. The people who work in the industry support the policy objectives set down for their industry by the Government. Ironically, however, because of the delay in British Nuclear Fuels bringing forward its near-term work proposals, there are already strains in the supply chain, reflected in the threat to jobs in west Cumbria, even before the nuclear decommissioning authority has come into existence. I urge the Secretary of State to look urgently at those problems. It would be ironic in the extreme if, in looking for and supporting a way forward to deal with that national legacy, the west Cumbrian economy, far from benefiting from the changes, were to suffer damage. That would be unacceptable, and those communities' commitment and support for the future of the industry would be lost.

BNFL and its suppliers have had massive inputs into the west Cumbrian economy in salaries and through the supply chain. Those problems need to be addressed urgently, as does the length of contract that the NDA will award when it comes into being. We have so many objectives already on work programmes at Sellafield—some of those objectives have been imposed by the nuclear installations inspectorate. It would be bizarre, not to say reckless, to have a hasty, short-term contractual approach to these matters that would threaten some of the existing objectives.

In looking at the future, we need to consider skills. The nuclear skills academy should be located at West Lakes science and technology park. We need to look at the work of the taskforce that the Secretary of State has rightly established, not least because, as we speak, 7,000 vehicle movements a day take place at Sellafield, yet the Department for Transport is talking about de-trunking the only trunk road in west Cumbria. That is an obvious example for the Secretary of State's taskforce to grasp. It should say, "We simply cannot do that, especially at a time when there are proposals to bring low-level nuclear waste by road from Dounreay to west Cumbria, adding to the burden on the roads." That simply is not something that I or the people in west Cumbria are willing to accept.

5.50 pm

Mr. Andrew Stunell (Hazel Grove) (LD): We welcome the fact that we have an energy Bill before us today. They do not come along very often; the last substantial Bill on this topic became the Utilities Act 2000. It is therefore with some regret that I say that the Bill misses some substantial opportunities and makes some provisions that we believe are mistaken.

The Bill fails to set out any clear steps by which the Government's White Paper is to be implemented, and fails to increase the chances of them achieving their targets. As far as we can see, the Bill does nothing to reverse the increase in carbon dioxide emissions recorded in three of the last four years. On the other hand, it entrenches in law the huge bail-out for the nuclear industry. My hon. Friend the Member for Lewes (Norman Baker) will say something about that if he catches your eye later, Mr. Deputy Speaker. The Bill also extends the discredited new electricity trading arrangements.

Dr. Jack Cunningham: The hon. Gentleman talks pejoratively about the nuclear industry and mentions a "huge bail-out". Does he recognise that the overwhelming part of the nuclear legacy—established over 50 years in this country— has nothing at all to do with BNFL, but arises from the military programme carried out by successive Governments? It is a national legacy and liability, not a liability of the current civil nuclear industry.

Mr. Stunell: The right hon. Gentleman is extremely knowledgeable about these matters and will recognise that the Bill provides for the purchase of existing civil nuclear power reactors by the nuclear decommissioning authority from the private sector and BNFL. Therefore, what I said was legitimate. I agree with him on the requirement that the NDA should have a social commitment to the local west Cumbria community. I was sorry to hear the Secretary of State indicate that she might want to reverse that in Committee.

The Bill, as outlined by the Secretary of State, covers three broad and important areas, one of which is nuclear decommissioning. We broadly welcome the establishment of the NDA and the opportunity to separate the operation of that authority and the issue of decommissioning and waste disposal from the semi-commercialised sector in which it has been placed in the past. However, the Bill still provides no clear direction or long-term system for managing and disposing of nuclear waste, an issue that we will want to test in Committee.

I was interested to hear the hon. Member for Eddisbury (Mr. O'Brien) criticising the Government's failure to set out the future of the nuclear industry; he described it as a missed opportunity. He then quoted, at some length, from various Government documents

about their uncertainty about the future of the industry. He went on to say that he did not have an idea, or a Conservative policy, to put on the table. He was kind enough to outline Liberal Democrat policy, which is that the existing plants should continue in use for as long as they are safe and economic, but that there should be not be a new generation of civil nuclear plant built.

I shall move on, appropriately, to deal with the second section of the Bill on which I wish to comment in detail: offshore renewables. Broadly speaking, we welcome the proposals in the Bill on this subject but, again, the Secretary of State has missed an opportunity to say how she intends to ensure that Government policy in relation to the White Paper, the Kyoto commitments and the Government's further commitment to have a 60 per cent. reduction in carbon emissions by 2050 is achieved to any significant degree.

Mr. Kevin Hughes: I thought that the Secretary of State and the Government had made it clear: it will all be left to market forces, which will deliver everything that we could possibly want. Not only that, but there will be no problem with security of supply. I think that is what the Secretary of State was trying to say from the Dispatch Box.

Mr. Stunell: That intervention is more welcome to me than it is to the Minister.

The House of Lords has referred to the consideration of further technologies. Given the Government's targets, it is astonishing that, again, the Secretary of State seemed to say that she wants to backtrack on that in Committee. We shall try to prevent her from doing so.

Thirdly, the Bill deals with the extension of NETA—new electricity trading arrangements—to Scotland. We have identified problems with NETA, some of which were drawn to the attention of the Secretary of State's predecessor during the passage of the Utilities Act. We have seen the shutting down of two thirds of the combined heat and power generating capacity in this country and the total collapse in investment in CHP for the future.

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): The hon. Gentleman says that we have seen the shutting down of two thirds of CHP capacity. If he reflects on that, he will realise that that is not the case. Will he correct that?

Mr. Stunell: I was trying to say that there has been a significant reduction in the amount of electricity contributed to the grid from the combined heat and power plant already installed because of the collapse that has taken place as a result of NETA.

Mr. O'Neill: Is not it also the case that CHP plants are run on gas, the price of which has gone up greatly? Coal is cheaper and although it is environmentally less friendly, it is certainly more attractive to the accountants who often make the decisions.

Mr. Stunell: Indeed. CHP plants, with an efficiency of about 70 per cent., are being shut down, whereas coal plants, with an efficiency of 35 per cent., are being reopened. Those plants are only half as efficient, producing twice the carbon dioxide emissions for a given amount of electricity.

The Lords have done their best to improve the original Bill and have made some important improvements. I was disappointed to hear that the Secretary of State intends to attempt to reverse every improvement made by the Lords on which she chose to comment. I hope sincerely that she can be talked out of that in Committee.

My colleague in the other place, Lord Ezra, christened the Bill the Energy (Miscellaneous Provisions) Bill, which is pretty much what it has become. It is not the decisive move forward that is essential if we are to achieve the UK's Kyoto targets, the aspirations in the performance and innovation unit report or the aims of the White Paper. It does not even plug the gaps that were described to the Government during the passage of the Utilities Act four years ago.

Mr. Evans: After eight minutes, I remain unclear as to what the hon. Gentleman is saying about wind power. I saw his party leader being interviewed by Jeremy Vine yesterday on "The Politics Show" and, quite frankly, he took a hammering. The accusation was that the Liberal Democrats were in favour of wind power generally, but not in specific cases. Would the hon. Gentleman care to say whether the Liberal Democrats are in favour of wind power?

Mr. Stunell: We are certainly in favour of all renewables where appropriate. Our policy paper that was passed last year set out those terms, and I have previously referred hon. Members to the book I have written on the subject. The hon. Gentleman is welcome to read it.

Year by year, step by step, little by little, the Government are backing away from the targets that they set. Carbon dioxide emissions are going up and the energy efficiency targets are being watered down: last week the target went down from 5 million tonnes of carbon to 4.2 million tonnes, a reduction of 16 per cent.

Mr. Timms: The hon. Gentleman made that point in an intervention earlier. Although we said in the White Paper that we thought that there would be about 5 million tonnes of carbon savings from household energy efficiency, and we now think that there will be 4.2 million tonnes, that is more than made up for by the increase that we now expect in business energy efficiency savings compared with what the White Paper said. The total is now 12 million tonnes of carbon savings, rather than the 10 million mentioned in the White Paper.

Mr. Stunell: That is a disappointing reply, because the domestic sector of our economy uses 30 per cent. of our energy. If we are not going to make a significant improvement in the efficiency with which we use energy in the domestic sector, the Government's chances of reaching their overall targets are considerably reduced.

NETA has been a serious handicap to renewables, and it is sad that the Government now plan to extend it to Scotland. The Minister is well intentioned, and so were his predecessors, but the policies change and the intentions are not delivered. In seven years, we have had

[Mr. Stunell]

five Energy Ministers and three different policies, and none of them have had any clout. There has been a long list of them, and it was only when the hon. Member for Leeds, West (Mr. Battle) was Energy Minister in 1997 that we had a Minister solely dedicated to energy. He was followed by the right hon. Member for Airdrie and Shotts (Mrs. Liddell), who was Minister for Energy and Competitiveness, then the right hon. Member for Neath (Mr. Hain), who was Minister for Energy and Competitiveness, then the right hon. Member for Cunninghame, North (Mr. Wilson), who was Minister for Industry and Energy then for Energy and Construction. The current Energy Minister is doing his best, but his main jobs are supervising the closure of thousands of post offices and trying to wean the Child Support Agency staff off their pocket calculators as yet another Government IT project bites the dust. It has so often been the case that energy policy has been a hobby for the DTI.

Mr. Jack: The hon. Gentleman talks about an energy policy. Given his party's support for the eventual closure of Britain's nuclear industry, and if that capacity were replaced by renewables, could he spell out to me in some detail how the base-load requirement for UK electricity supply would be met, against a background of the desire to reduce carbon dioxide emissions, which has been the substance of many of his remarks so far?

Mr. Stunell: I am more than happy to do that, although I do not know how far you want me to stray from the specific topics under discussion, Mr. Deputy Speaker. My booklet is, I believe, available through the House of Commons Library.

Mr. Kevin Hughes: The hon. Gentleman has done an injustice. Before he gave way to the right hon. Member for Fylde (Mr. Jack), he said that the DTI treated energy like a hobby. That is unfair, because most people take their hobbies very seriously.

Mr. Stunell: May I assure you that we did not practise this routine before we started, Mr. Deputy Speaker?

The DTI officials are only too happy to fill up this place's time with endless market meddling and technical fiddling. Rather than spending day after day on the difference between NETA and BETTA, we would be better in Committee, although the Minister's Department would be horrified, to turn the Bill into what it should be: the foundation of a long-term sustainable energy policy. Such a policy should be designed to implement the action needed to reach our Kyoto obligations by 2010—we are going in the wrong direction on that at the moment—to achieve the royal commission recommendations of a 60 per cent. reduction by 2050, which I understand the Government believe they are committed to, and to reshape our production and use of energy to achieve those aims. My hon. Friends and I will seek to do just that in Committee. We will vigorously defend the limited gains made in the Lords and push for further significant improvements to the existing provisions. We will also want to give the Bill some backbone and bottle so that the half-dead energy mouse that the Minister has dragged into the House today can be taken back to the Lords with something of a roar.

To do what is needed does not require a great deal of rocket science. It does not need a multiplicity of new technologies, it does not need miracles and it does not, funnily enough, need a great deal of money. Given that a quarter of our carbon dioxide emissions come from our homes and extra energy efficiency in that sector cuts fuel bills, increases home comfort and has major health benefits as well as carbon dioxide reductions, savings could be made if we invested in that field. I believe that to achieve an effective energy policy and a piece of legislation that reflects that policy, some wholehearted and full-time commitment is needed from the Government, with a conviction at the most senior levels of Government that a sustainable energy policy is a public good, an electoral asset and, on the bottom line, a big plus. My Liberal Democrat colleagues and I will do all that we can during the Bill's passage to persuade the Government of the urgent necessity to get their head out of the sand, to beef up the Bill and to give the United Kingdom a sustainable energy policy.

6.7 pm

Mr. Martin O'Neill (Ochil) (Lab): The Bill has been somewhat dismissed as a miscellaneous provisions Bill, but I remember asking for such a piece of legislation because I felt that it would be one of the quickest ways to meet a number of our urgent requirements. One of those was the need to secure a nuclear decommissioning authority, which was necessary to address systematically the legacy to which my right hon. Friend the Member for Copeland (Dr. Cunningham) has already referred.

We now have a different way of operating, because we tried in the past at Dounreay, Sellafield and other places to bring in outside contractors, and there was chaos in the mid-1990s as a consequence of the way in which that was handled. We now have a more rational structure, and a shadow agency will operate for a 12-month transitional period before the Bill takes effect, assuming that it passes all its stages. We can therefore foresee two outcomes. First, we will have a better way of handling nuclear waste and the nuclear legacy—the two are different—and secondly, that will be done in a way that is more commercially competitive but uses in many cases all the skills and capabilities that still reside in British Nuclear Fuels, the United Kingdom Atomic Energy Authority and British Energy.

Dr. Jack Cunningham: I support the legislation, as I have made clear, but does my hon. Friend recognise that it would be an error to rush into hasty decisions and short-term contracts in an industry as sensitive and critical as the nuclear industry? I beg him to think about the hasty rush into contractorisation in the railways, and remember its consequences. We should avoid that at all costs.

Mr. O'Neill: I regret it if I have given my right hon. Friend the impression that we want to return to something akin to the bad old days of the '90s. We have to recognise, however, that there may well be other types of management approach to the activity necessary to do the job, and that although the people in BNFL, the

UKAEA and British Energy have a tremendous record across the world, they might not necessarily have all the skills and experience needed. The decisions that my right hon. Friend and I are discussing cannot be taken rapidly, but we have to start the process, and we must be far more systematic. Indeed, part of the burden of his remarks was that we have taken too long to get where we are now.

In the background, there will be the debate about nuclear power. It appears that there are those who would like the Government to rush to a decision on nuclear power, even if they cannot make up their own minds—or, in the case of the Liberals, have totally closed minds. Before any decisions are taken about nuclear power, we must be satisfied that the European Commission is prepared to accept the support package granted to British Energy when it was in crisis. We must also show potential investors that the UK has the capability to build and run nuclear generation capacity, and we must choose the type of reactor best suited to our needs. At the moment, there is a South African, an American and a Canadian option. Any one of those could stand up to close scrutiny, but it would be a rash person who would rush to judgment on them.

We also have to decide how many stations we want. The Conservatives built Sizewell and no more. They should have built more if they wanted a serious nuclear contribution, going on into what was then the next century. They had plenty of time, but they did not do it. Moreover, if we choose a reactor, we should commit ourselves to building several stations—and if we are to do that, we need to win the support not only of investors but, more importantly, of the people in whose areas the power stations will be located.

Such decisions cannot be taken overnight; they have to be taken over time. July is the earliest time for the European Union, and there is a succession of other factors. There will be a general election in between, but people should not make cheap political capital out of accusing the Government of indecision, because there are so many major decisions that need to be taken over time. I would be happy for decisions to be made earlier, but I do not want the wrong decisions to be made for the wrong reasons, and the reactors to be located in the wrong places.

Mr. Laurence Robertson (Tewkesbury) (Con): I agree that careful consideration is needed, but as the next nuclear plant is due to close as soon as 2008, does the hon. Gentleman not think that the Government need to make their mind up about that plant, if nothing else?

Mr. O'Neill: I am not talking about a piecemeal approach. The capacity of several of the Magnox stations is fairly small; their advantage is that they are connected to the national grid and that, by and large, they are in areas where there is a tolerance of their presence. We can come to decisions about them in the medium term.

I do not have the time to go into my reasons now, but I think that 2012 is the earliest possible date when—with all the planning problems, if there are any, are overcome, and the construction has been dealt with—we could expect to see something beginning to be tested and run. It will be a close-run thing, but I do not see us being able to do that any earlier. Perhaps this is a debate for another day, but it is important to have the wiring and the infrastructure in place in the United Kingdom, so that we can make the best of the assets that we have.

That is why I welcome the establishment of the British electricity trading and transmission arrangements—BETTA. I do not know what planet the hon. Member for Hazel Grove (Mr. Stunell) lives on, but some of us are concerned about the prices that people have to pay for their electricity. The pool system operated on the basis of prices 40 per cent. higher than they should have been, and driving down those prices was the achievement of NETA—the new electricity trading arrangements.

I am glad that my right hon. Friend the Member for Coatbridge—or at least, that is where she comes from. I think her constituency is—*[Interruption.]* Ah yes, it is Airdrie and Shotts, although my right hon. Friend actually comes from the other place. It is all very confusing; Lanarkshire is a complex area, and the geography is almost as difficult as nuclear power. As I said, I am glad to see my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) in her place.

The achievement of NETA was to drive down electricity prices, not as much for the domestic consumer as we would have wished, but certainly a great deal, and now we want a trading system that covers the whole of the UK. Of course, there are problems. A number of my constituents work in Longannet power station, which produces 2,400 MW, and is one of the biggest in Europe. It has had considerable problems with the rapid changeover from NETA to BETTA, and I make a plea for some transitional arrangements that would soften the cost changes.

The situation is somewhat complex, and I wish those who will serve on the Standing Committee well; they will be able to go into that matter in some detail. All that I shall say now is that although the cost of sending electricity generated in the centre of Scotland to the markets of England will have to be paid for, the change in price will probably be rather more dramatic than necessary unless some kind of transitional arrangements are made. I record that now as a constituency point.

Some hon. Members have talked about combined heat and power. Large CHP plants are important, and those possibilities are not being properly addressed. ILEX has produced some research, and I know that the Secretary of State did not have much time, but I do not believe that she did that research justice this afternoon. Large CHP plants are highly efficient, and can make a contribution without the bedevilment of windmills and suchlike. They should be given some status in the context of the renewables obligation, because waste is a renewable facility.

There is ill-concealed delight on the Opposition Benches that the revising capacities of the House of Lords have been exercised before we have even had the opportunity to say anything about the Bill. I am interested to see that the Secretary of State already has an obligation to keep the lights burning. Some of us who are a wee bit longer in the tooth can remember how one of the authors of that provision made a major contribution to our thinking on energy policy 30 years ago. That was probably the last time that Lord Jenkin made any such contribution—and it was not that the

[Mr. O'Neill]

Secretary of State should be responsible for energy policy, but that we should brush our teeth in the dark during the power cuts that resulted from the coal dispute in 1974.

That refined obligation inserted at the beginning of the Bill is nothing more than mischievous. The provisions covering the role of Ofgem, the regulator, are clear, and so is the link between Ofgem and the Secretary of State. If the lights went out and there were problems, after the first 45 minutes it would not be the power companies but the Secretary of State who, regardless of political party, would get the blame.

It is irresponsible to talk about Britain being in danger over security of supply—certainly for the next decade. My colleagues on the Select Committee and I have examined the nature of power cuts in recent years, and we have found that the problems were not akin to what took place in California or Italy. Mistakes were made, and there were maintenance problems, but scaremongering for simplistic political gain is irresponsible in such an important area.

I would like to think that the Bill will be seen merely as a contribution to the jigsaw puzzle of a new energy Britain, which will not create the emissions, such as greenhouse gases, that we create now. I hope that we will be able to move on. We have set ourselves a target for 2050, and one piece of legislation will not do everything. The Bill, however, is a modest start, and I welcome it.

6.20 pm

Mr. Andrew Robathan (Blaby) (Con): It is a great pleasure to follow the Chairman of the Trade and Industry Committee, the hon. Member for Ochil (Mr. O'Neill), who speaks with real authority. I hope that he does not regard any of my remarks as scaremongering, because that is not my intention.

A bright young researcher of mine—he has recently come down from Oxford—with whom I discussed global warming, agrees that climate change is taking place, but he questions whether it is man-made. In anecdotal terms, when the weather in February is warmer than that in May, it is obvious that something is happening to our climate. I was therefore pleased to be able to show my researcher a report published last week in *The Times*. It is an important report, given that there are still people in America, for example—perhaps even in the Bush Administration—who question whether man has any role in climate change. The report states:

> "This lack of tropospheric warming has long puzzled scientists, as it is predicted by all the major models of climate change. It has also been seized on by a small but vocal minority of scientists, who have used it to raise doubts about whether global temperatures are rising at all. The enigma, however, has been explained"

by a report by the university of Washington in Seattle.

I am not an expert on tropospheric warming, but it is now entirely clear that we must address man's actions. To that extent, I believe that climate change has been caused by our actions, and I applaud the Government's stated intention to tackle that issue in the Energy Bill, but I question whether the Bill and the White Paper will achieve their intention to reduce emissions, while at the same time securing our supply.

I do not wish to scaremonger, but anyone who saw the recent television programme "If... The Lights Go Out"—it was set, I think, in the 2020s—must be concerned, especially given that the topical trigger for the lights going out in Britain was a Chechen terrorist attack on a gas pipeline in Russia. Of course, yesterday the Chechen President was assassinated.

The Government's concentration on renewables is laudable. I was keen on renewables long before I entered Parliament. I have a solar photovoltaic roof, which was supported by the Minister's Department, at great cost. I also have an anemometer on a farm behind my house—as Members will know, an anemometer measures wind speed—and I hope to be able to generate wind energy. There could be planning problems and I might lose a few constituency votes, but never mind—I believe in putting my money where my mouth is.

The photovoltaic roof is very expensive, even with a Department of Trade and Industry grant, and I have so far found the electricity generated fairly disappointing, although it is being monitored. The wind energy generated is excellent, but of course, wind is intermittent and such energy cannot be the whole answer. Tidal and wave power—maritime energy—may have their part to play, but not yet. Hydrogen cracked from renewable sources and stored in fuel cells also has its part to play. The technological developments are very exciting, but they are for the future, not now.

Most observers do not believe that the Government will achieve their target of 10 per cent. generating capacity from renewables by 2010. On the other hand, combined heat and power is a proven technology. The Government had two targets for that as well, the first of which was 5 GW generating capacity by 2000. We have yet to meet that target. The second target was 10 GW generating capacity by 2010, which to some extent is why our noble Friends in the House of Lords introduced clause 120.

According to a briefing from the Combined Heat and Power Association, CHP can play a major role in achieving the Government's carbon reduction targets because it improves competitiveness by reducing energy costs. It is a highly efficient means of energy production that converts 70 to 90 per cent. of fuel into energy. Yet the Government are not on track to meet their election manifesto pledge. CHP output has remained stagnant in the past three years. The hon. Member for Ochil mentioned the independent study by ILEX, which I commend to the Government. It could help them to meet their carbon reduction targets by incentivising the CHP industry.

Mr. Blizzard: The hon. Gentleman has professed his support for wind generation, but is he aware of the briefing provided to Members by the British Wind Energy Association? It states that clause 120

> "would disrupt the working of the renewables obligation ... mean a lower demand for renewables obligation certificates and ... a lower price, which would affect the income of renewable generators."

It continues by stating that

> "the Association does not believe this is the right time to be making ... changes to the RO ... before the review",

because doing so will simply bring uncertainty and unpredictability into the equation.

Mr. Robathan: I am grateful to the hon. Gentleman for that intervention, and I should point out that I do not accept everything that every briefing says. Apparently, 60 per cent. of UK renewables developers are in favour of clause 120, so there are two views in the renewables market. Before moving on from discussing the CHPA, I should point out that I am a vice-president of it, although sadly unpaid. So CHP is part of the answer, but it is not the whole answer. By forcing down prices, the new electricity trading arrangements—NETA—which was Government policy until recently, have scuppered CHP investment in the past two years. That is not what we call joined-up government.

I turn to the energy mix, the excellent points made by my hon. Friend the Member for Eddisbury (Mr. O'Brien) and what is a major hole in Government policy. Renewables will not make up the 21 per cent. or so of our generating capacity that is currently produced by nuclear energy. By 2020, nuclear will supply only 7 per cent. or less of our capacity. As has been pointed out, no carbon emissions will be prevented by substituting renewable energy for nuclear; there is a hole, and it must be filled.

I believe that, should this Government win the next general election—God forbid!—they intend to announce a new generation of nuclear power stations, because that is the only way in which the hole can be filled. I find that distasteful, and any voters who might be influenced by such considerations would be surprised at that announcement. Such a policy might influence a campaign by Greenpeace, for example, in the run-up to the general election. Such actions are typical of this Government. I hope that the Minister will come clean and say how he intends to fill that hole. His predecessor, the right hon. Member for Cunninghame, North (Mr. Wilson), made clear his belief that further investment in nuclear is required. I look forward to an answer to that point in the winding-up speech.

In terms of energy policy over the past five or six years, the views of the former Minister with responsibility for energy are interesting. In an interview for *The Sunday Times* of 17 August last year, the right hon. Member for Cunninghame, North, said:

"Throughout my time as energy minister I was highly skeptical of the priority given by the regulator to driving down the generator price of electricity.

Apart from anything else, by driving producers out of the market it became inevitable the price would rise later so any political gain is short term.

Government has to some extent abdicated its power in this area by creating an independent regulator."

I have a high regard for the right hon. Gentleman, and those points need to be mentioned. The closed-down generating capacity—the closed-down future supply—has largely been caused by Government policy, so they should take responsibility.

Will the Government's policy as constituted in the Energy Bill work? In an article in *The Times* of 18 August last year, Sir Alec Broers, the president of the Royal Academy of Engineering, warned that renewable energy will not stop global warming or blackouts. He said that the Government's plan to generate 20 per cent. of electricity from renewable sources by 2020 is unrealistic, and that investment in nuclear power is critical if shortages are to be avoided. So he obviously does not think that the policy will work.

I finish by referring to a paper published last week by PricewaterhouseCoopers—"Supply Essentials: Utility Survey"—which was mentioned by my hon. Friend the Member for Eddisbury. It is a global survey, but the observations apply to the UK as well. It states:

"Last year security of supply barely rated as a concern among European and US companies . . . it is now top of the industry's agenda.

Renewable energy will not generate sufficient power to make up the shortfall as more nuclear plants are retired . . .

The current reliance on coal will increasingly be replaced with gas, and longer term this raises issues of security of fuels sources . . .

There is a need for swift action from utilities and regulatory authorities alike to prevent further grid supply collapses".

These questions need answers, and I look forward to the Minister's answers to them in his winding-up speech.

6.30 pm

Mrs. Helen Liddell (Airdrie and Shotts) (Lab): I am grateful to you, Mr. Deputy Speaker, for calling me at this early stage, given that I have already had two name-checks this evening. I reckon that I was one of the longest-serving Energy Ministers in this Administration. May I say to my hon. Friend the Member for Doncaster, North (Mr. Hughes) that I never regarded the job as a hobby, especially not when I was trying to save the pits in his constituency and trying to secure compensation for his miners. His comment will cost him a cup of tea later.

Mr. Kevin Hughes: I am sure that my right hon. Friend knows that I was not casting any aspersions in her direction. Things may well have altered since she and, particularly, my right hon. Friend the Member for Cunninghame, North (Mr. Wilson) left.

Mrs. Liddell: Obviously I have scared my hon. Friend.

The hon. Member for Hazel Grove (Mr. Stunell) said that Energy Ministers have often had other responsibilities, but he got it wrong about me, because I was the Minister for Energy and Competitiveness in Europe. There is a perfectly logical reason for that: energy policy is about competitiveness. I am surprised to hear Opposition Members talk with derision about the idea of reducing energy costs. If we are to be truly competitive, our industry requires low energy costs and, frankly, my constituents, who live in one of the coldest parts of the UK, very much require lower energy costs. That is why I am so grateful to the Government for introducing the proposals in the Bill for BETTA.

It is important to end the position whereby Scotland has two major energy companies and its energy prices are higher than in the rest of the UK. We also need to tackle the substantial difficulties in Scotland in respect of the maintenance and repair of the grid. That is particularly important when we talk about renewables. Later on, my hon. Friend the Member for Western Isles (Mr. MacDonald) may wish to catch your eye, Mr. Deputy Speaker, because the great opportunities for the Western Isles will be limited if we cannot upgrade the grid.

As a little anecdote, as I was preparing my thoughts last night, I suffered a two-hour power cut, but I did not blame the Secretary of State for Trade and Industry for

[Mrs. Liddell]

that, and her resignation would not have cooked my tea any quicker, which shows the illogicality of the new clause that was introduced in the other place. I blame it on some of the maintenance problems with the Scottish grid, which must be tackled, particularly in the remoter parts of the country.

Mr. Weir: The right hon. Lady may be surprised to learn that I agree with some of what she is saying, but I am concerned about what she said about the lowering of costs through BETTA. I note that the Public Accounts Committee, in reporting on NETA, observed that although the cost of commercial energy for industry had decreased, it had not done so for domestic customers to anything like the same extent. Is she certain that domestic energy prices will fall under the proposed BETTA provisions?

Mrs. Liddell: I believe that there is an important job for Ofgem in that respect, as there is for every Member of Parliament. Our constituents need to be alert to the fact that switching energy suppliers can produce cheaper bills at the end of the month. Particularly with pensioners and those on pre-payment meters, I always make the point that it is now possible to shop around for cheaper energy. I always encourage them to do so. We have further to go, however, to ensure that reductions in energy costs are passed on to the consumer in a coherent and transparent way. Transparency has often been lacking in the past.

My right hon. Friend the Member for Copeland (Dr. Cunningham) and my hon. Friend the Member for Ochil (Mr. O'Neill) made powerful cases in respect of future nuclear generation. If I have one criticism of the Bill, it is that it misses the opportunity to further the debate about nuclear energy. I take wholeheartedly what my right hon. Friend the Secretary of State said about the skills, particularly with regard to the framework for the nuclear decommissioning authority. However, other skills are also required for the development of a new generation of nuclear capacity. My fear is that we are falling behind in failing to take up and be transparent about our desire for future nuclear generating capacity. I accept the fact that the market has not developed any proposals for new nuclear capacity, but there is a need for further debate and we must not be put off from having such a debate by the sort of intimidation that we face from the anti-nuclear lobby.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I know that my right hon. Friend has worked hard for the energy industry overall. She makes a point about competitiveness and the cheapness of energy, but she will be aware that nuclear power is both inflexible and the dearest electricity on the wires.

Mrs. Liddell: I know exactly where my hon. Friend is coming from and I take his point, but that does not necessarily mean that future generation will have that degree of inflexibility and high cost. My hon. Friend is a great champion of the coal industry. We should look further into the economics of clean coal technology as well.

My hon. Friend the Member for Ochil made a valid point about combined heat and power, as did the hon. Member for Blaby (Mr. Robathan). There are real anxieties about the future of CHP, and we are missing a trick in not paying more attention to the difficulties experienced in the CHP sector. I urge my hon. Friend the Minister to tell us in his summing up exactly where the Government are in respect of the future of CHP. I am very attracted to it from the point of view of energy efficiency, having seen it in very effective domestic use, particularly in Sheffield.

I greatly welcome the Bill's proposals for the nuclear decommissioning authority. That represents important recognition of the scale of nuclear liabilities and of the fact that there is a competitive marketplace with international opportunities for decommissioning. We should reflect on the Finnish experience. The Finns were very fast off the mark—partly due to necessity, because they are so close to old reactors from the former Soviet Union—and keen to get ahead with decommissioning. There is a great market for it, and we should be throwing up the skills, experience and expertise to participate in that market.

Mr. Lindsay Hoyle (Chorley) (Lab): Does my right hon. Friend agree that we have great skills in this country and that, especially in the light of problems in the former eastern bloc, failing to put them to good use on decommissioning is disappointing? Any Government who refused to support it would indeed be negligent. We are still the world leaders, even though many other countries are trying to catch up, and we must not lose those skills.

Mrs. Liddell: I take my hon. Friend's point and I congratulate the Government on their vision in recognising that there are great opportunities.

One of the side-effects of the management of our nuclear liabilities has been completely to alter the picture for British Nuclear Fuels. I note that when the decommissioning plans were announced, the chief executive of BNFL talked about opportunities for the new BNFL. I hope that the Minister will give us some idea in his summing up of how he views the future of BNFL after its many different traumas in recent years. I hope that we have now reached a point where we can see some way forward for it far into the future.

I do not want to detain the House much longer. If I have one criticism of the Bill, it is that it is wrongly named. It is more an electricity Bill than an energy Bill, and huge issues of energy policy need to be debated in much greater detail—not least what is happening at the moment. The recent spike in oil prices will, because of the inter-relation of oil and gas prices, lead to an increase in gas prices, which will work its way right through the chain. Any competitive country concerned about energy policy should be looking in some detail at what is happening in international energy markets. I say that from two points of view—those of the United Kingdom as a consumer nation and as a producer nation. Increases in oil prices give a much more secure future to our North sea oil and gas industry as it moves into the third age. There are great opportunities before us, but there are also huge challenges that we must be prepared for.

I wish all who serve on the Standing Committee a great deal of entertainment and enthusiasm. I well remember the Utilities Bill Committee; indeed, one Liberal Democrat Member's wife had a child during its progress, and I was most disappointed that that child was not called NETA. I wish the Minister well with an energy policy Bill that is a start, although I have a feeling that there is such change in the world that we will find ourselves returning to the subject again and again.

6.41 pm

Mr. Richard Page (South-West Hertfordshire) (Con): I am no literary scholar, being more of a hit-it-with-a-hammer-and-hope engineer. I am, however, very much reminded by this Energy Bill of the words of William Blake's "The Marriage of Heaven and Hell". He wrote: "Energy is Eternal Delight"; the only problem is, Blake put those words into the mouth of the Devil. That is the problem: we all want energy, and we all want it to be eternal, but we also want it to be pollution-free, and there is the rub.

The White Paper and the Energy Bill are full of warm words. Various energy conservation bodies can be cited as saying how much they welcome it, but there are some gaping holes, and important issues are not tackled. The realities of life are avoided.

There is an energy that we on the Opposition Benches are prepared to mention but which the Secretary of State was not prepared to name, because the Government just do not have a policy. I can see the Minister busily looking through his notes and shifting in his seat, so I shall tell him that I mean the "N" word—nuclear. Where is the Government's nuclear policy? It is a simple question. How can the Government produce a Bill dealing with future energy without mentioning the future policy on 25 per cent. of today's production? I sense Government policy produced and dictated by focus groups. It is produced not by the reality of what this nation needs, but by focus groups. In American football terms, the hon. Member for Ochil (Mr. O'Neill) did a splendid job of running interference for the Secretary of State by asking why she should be responsible for any power failures. If a Secretary of State does not grant the power capacity to generate electricity in this country and there is a power failure, then that Secretary of State will be to blame.

We have warm words, but they are a polite description for unrealistic alternative energy production. We have targets for wind farm production that are for the birds, because they have been plucked from the air. As a former Minister in charge of renewables, I favour them, but we cannot harness ourselves to a target that is unachievable. I shall not go through all the green energy sources, but unless there is a huge breakthrough in photovoltaics, such as those that cover the doubtless attractive roof of my hon. Friend the Member for Blaby (Mr. Robathan), or unless we discover that the capital cost of wave power has been slashed, or unless we suddenly discover more efficient fuel cells, such targets destroy the credibility of the Government's other proposals, some of which I welcome.

My right hon. Friend the Member for Fylde (Mr. Jack) referred to fish-and-chip recycling, which gives us our biofuels. That is fine, but unless the Government give a commitment that they will give the biofuel obligation a couple of years or so, there will not be enough plants in place to take advantage of it, and we will not move towards improving on our targets. We will not have farmers starting to plant crops to use it, and we will not have enough plants to generate the fuel. We shall miss a golden opportunity.

Mrs. Shephard: Does my hon. Friend agree that to have such a policy without putting proper structures in place would also encourage imports of biofuels, which has already happened in some degree?

Mr. Page: My right hon. Friend is quite correct. That is why I said that the renewable obligation should be put in place in two years to give home-grown industry a chance to get into place instead of our, once again, drawing in imports. The Government are really good at allowing that: they had the fridge directive and hundreds of thousands of our fridges had to go abroad to be decommissioned because we did not give our home industries time to do that. *[Interruption.]* That is, of course, a sideline, Mr. Deputy Speaker, and we must not get into it.

I welcome the fact that the Bill deals with various serious issues, such as the decommissioning of redundant nuclear generating plants and the disposal of radioactive waste, which have been of enduring concern to the House, the whole of Parliament and Governments over many years. I used to be Member of Parliament for Workington, and I am fully aware of the problems in that area. The words of the right hon. Member for Copeland (Dr. Cunningham) should be read and taken on board by the Minister and the Secretary of State, because they are the words of someone who knows what he is talking about. That will be difficult for the Secretary of State, but she must concentrate and plan for the future. Short-termism must be avoided.

I am equally clear about the need for a public body to oversee the process of decommissioning and disposal, which must be done on a UK-wide basis, although I do not mean to say that all the Bill's provisions are completely satisfactory. I shall not go into the Westminster/Scotland relationship, but if I am fortunate, or unfortunate, enough to be placed on the Committee—I am not sure which of those categorises it—I may wish to probe the arrangements. It is one thing to commit the Secretary of State to consulting Ministers of the Scottish Executive on the appointment of the chairman of the nuclear decommissioning authority, but quite another to ensure their assent. I make that point because the Government seem to make many assumptions about Scotland, particularly that the political map will stay unchanged for ever and that there will never be a Conservative Administration up there—*[Laughter.]* Hon. Members may laugh, but as with everything else, the wheel will one day turn, just as it has in the past.

Mr. Robathan: To counter the rather foolish laughter from some Members, does my hon. Friend remember, with a sense of history, that within our lifetime the Conservatives had an overall majority of votes cast in Scotland in 1950?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that, too, is an aside.

Mr. Page: I am glad you remind me of that, Mr. Deputy Speaker, because I am far too young to remember anything of that nature.

Where I do agree with Ministers is on the importance of creating the civil nuclear police authority. They are right to place its jurisdiction and the terms and conditions of its senior officers and constables on a basis comparable with those of the other UK police forces.

No one will object to the principle of extending the scope for developing wind farms and renewable energy production beyond the current nautical limit of 12 miles. If this country and some of our European Union neighbours wish to do that, it will be absolutely desirable. If it can produce a reduction in fossil fuels, that will be desirable too. However, several hon. Members have already asked: what is the point of running down nuclear when there is no gain in CO_2 reductions? We would just be swapping one thing for another. If the money and support going into wind farms were put into the nuclear industry, I wonder what the cost of generation would be, and there would be a stable base load that was not dependent on the strength of the wind at any particular time.

I also welcome the Bill's aim of drawing Scotland into the wholesale market for electricity that operates in England and Wales. I was fascinated by the contribution of the hon. Member for Hazel Grove (Mr. Stunell) on that point. He talked about the book that he has written, and I shall rush to the Library to read it, because I found what he said rather difficult to support and comprehend.

I hope that the powers that now control the market have realised the dangers of the cross-subsidy, where a generator, in conjunction with a distributor, can create acute financial pressures at one point in the process, to the discomfiture of a generator that does not have a distributor providing cross-subsidy. Hon. Members have already made the point that the cost from the generator has gone down, but the cost to the consumer has barely moved. That has been part of a process.

The security of electricity supplies across Britain is an important duty for the Government. Now that the hon. Member for Ochil is in his place, I can say that I commended him for his defence of the Secretary of State, but she will have to take the blame for a failure of supply if she has not authorised the capacity to maintain supply. Ministers should bear that very much in mind.

I welcome many aspects of the Bill, but it has some huge gaps and lacks realism. For example, do we have adequate energy reserves? France has reserves of some six to eight weeks. Over the years, we will see an increasing reliance on imports. By 2006, we will no longer be self-sufficient and will increasingly have to rely on energy sources from politically unstable countries, as my hon. Friend the Member for Eddisbury (Mr. O'Brien) said, and the UK is right at the end of the pipeline, at the point of maximum risk.

Mr. Denis Murphy (Wansbeck) (Lab): The hon. Gentleman mentions energy reserves, but does he regret the part played by his Government in destroying Britain's mining industry?

Mr. Page: I remind the hon. Gentleman that in 1997 the Labour party gave a commitment at the general election that it would provide support and money for clean coal technology, so that the mining industry could be developed and the mining product would not be so polluting. I am still waiting to see that happen. I do not know how many mines the hon. Gentleman has been down, but having done so myself I really think that if someone came forward today with a new energy source that meant that people had to be sent underground to dig it out, many would feel that it was not a suitable job for human beings on health and safety grounds.

The Bill glaringly lacks a nuclear policy. In the future, our children's children will talk about us, saying, "Do you know that that generation actually burnt gas and oil for heating? How mad were they?" The feedstocks of those chemicals will be long gone. Some parts of the Bill are good and some are misconceived. The Government must look for further justification for policies than just "it seemed a good idea at the time."

6.54 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): This is a large and important Bill, but it misses the point, in particular with reference to the coal industry. I see that part 1 refers to clean coal technology, but that is about the only reference to the coal industry. The hon. Member for Eddisbury (Mr. O'Brien) referred to a black hole, but it was created by the Conservatives when they were in power. In the aftermath of the miners' strike, between 1985 and 1992, they closed down 120 collieries and, from 1992 onwards, a further 30 collieries. At present, we have just 13 collieries left.

The hon. Member for South-West Hertfordshire (Mr. Page) was one of the Ministers involved in the privatisation of the coal industry and he will know that at the time it was below its critical mass. The privatisation was destined for market failure because no banker would invest in a coal industry below its critical mass. The privatisation made the industry reliant on Government support and, had it not been for the support provided by this Government, what is left of the coal industry would long since have disappeared. However, it would be possible to invest in the 13 mines that remain and make them profitable. That is because of the changes in the world energy market.

My hon. Friend the Minister will be aware that coal prices have started to increase because of the demand from China and from other Asian countries. For example, Malaysia has two new huge coal-fired power stations. The Malaysians have decided to diversify their energy economy away from gas, and consequently have invested in new clean coal technology. That has put pressure on prices and they have started to rise, to such an extent that the UK coal industry is approaching competitiveness.

I hope that my hon. Friend, even at this eleventh hour, will reconsider some of the decisions that have been made about the Selby complex of four mines and about the Hatfield colliery. I know that my hon. Friend the Member for Doncaster, North (Mr. Hughes), if he catches your eye, Mr. Deputy Speaker, will concentrate his remarks on the situation at Hatfield, but I hope that

my hon. Friend the Minister will consider investment in those two colliery complexes. The Hatfield colliery leads into the country's largest reserves and if it is allowed to close, the industry will be on a slippery slope.

Much has been made of the technology that has been used to tackle pollution. The power industry has fitted flue gas desulphurisation systems to address the nitrogen and sulphur emissions that cause acid rain, and that is working successfully. However, we need a real commitment to investment in new clean coal technologies. My hon. Friend the Minister would no doubt say that there is a multiplicity of new technologies, but we should consider investing in and encouraging the use of two major ones: first, super-critical boilers, a new technology that could be retrofitted to existing power stations, making them much more efficient. After all, it is the efficiency of a power station that counts in cutting down CO_2 emissions. The second is the integrated gasification combined cycle system, and the owner of Hatfield colliery is prepared to invest in it. He has been able to put together a package for investment in that new clean coal technology, but unfortunately the colliery may close.

At present, the generators are sweating their capacity to squeeze out the Nth degree of profit, and we must encourage them to reinvest in new technologies. The current resources that the Government are making available for investment in clean-coal technologies are insufficient. We need more investment in clean-coal technology. The greater that investment is, the stronger the signal that will go out to the remainder of the coal industry to enable it to continue in the future.

Paddy Tipping: Before my hon. Friend leaves the powerful case that he is making for the coal industry—that coal can be economic, but environmental constraints cause problems—will he ask the Minister about the large combustion plants directive? If that is not implemented properly, it will kill the British coal industry.

Mr. Clapham: I am grateful to my hon. Friend for prompting me about the large combustion plants directive, which indeed relates to the Bill. The directive will become operative from 2008, and currently two options have been put forward. One option is the national plan approach, and the second is the emissions limit value approach. The national plan approach can be visualised as a bubble over the whole country, while the emissions limit value approach would be a bubble over each power station.

There are people in the industry who say that to adopt the national plan approach would close the British coal industry, because it would encourage generators to bring in low-sulphur coal from places such as South Africa, Australia and north America. If we adopt the ELV approach, generators will be encouraged to invest in their plant, which would be beneficial to the UK coal industry because UK coal could be burned in power stations. It is important that the Minister make the right decision. I understand that he is on the verge of making that decision, and that officials from his Department have inquired into the situation. Will he tell us whether he will adopt the ELV approach and avoid the national plan? That is very important.

I return to the Bill and its proposals to set up a nuclear decommissioning authority. That is important because, as my hon. Friend the Member for Ochil (Mr. O'Neill) made clear, it is necessary to have a co-ordinated, uniform approach that would be better for the industry and the safety of the country. I hope that the Minister will tell us whether the nuclear decommissioning authority will be responsible for all the liabilities. As he will be aware, there are three areas of liability in the nuclear industry: spent fuel, radioactive waste and the decommissioning of sites. Do I take it that the decommissioning authority will be responsible for the entire remit relating to waste left by the nuclear operation?

It is important that the Minister should not abandon the UK coal industry at this point, as it requires only a modest amount of finance to survive. As I have already pointed out, it is approaching competitiveness. It would be a shame indeed if that industry were to disappear because of the lack of a small amount of finance. Coal's advantages are so great that the Minister should consider ring-fencing an element of the UK energy market. Coal is cheaper and more flexible than other sources, such as gas or nuclear. Some pundits have suggested that if we continue along our current route, we may well end up importing 75 per cent. of our energy needs by 2020. We need to avoid that situation.

In conclusion, I believe that the Bill sets out the route to ensuring the energy future of the UK. I hope that the Minister will consider in Committee what might be done to make more resources available for clean-coal technology. That technology is not just a matter for the coal industry. It is important to manufacturing industry because it would allow us to produce the sort of wares that would enable us to transfer technology in order to tackle the CO_2 issue in countries such as India and China. It is important that the Minister take the issue on board and make resources available for clean-coal technology.

7.6 pm

Mrs. Gillian Shephard (South-West Norfolk) (Con): I am extremely pleased to have the chance to contribute to the debate, and I particularly welcome clause 128, to which I shall address my remarks.

The clause enables the Secretary of State to introduce a renewable transport fuel obligation that would require specified sections of the road transport fuel industry to demonstrate that a specified proportion of their aggregate fuel sales were "renewable transport fuels". Its wording is perhaps over-gentle. It is not as strong as we should expect, given the Government's self-imposed environmental commitments, not to mention current, rising fears about fuel supplies and their costs. Nevertheless, it is welcome.

The Secretary of State was deeply cautious about the clause. When asked to expand on what she intends, she said she was "still looking at it". However, the Minister for Energy, E-Commerce and Postal Services may be cheerier in his concluding remarks—I hope that he will be.

[Mrs. Gillian Shephard]

Part 1 should encourage those such as me and all other hon. Members who support the development of a UK biofuels industry. Clause 1 places on the Secretary of State the

"duty to ensure the integrity and security"

of energy supplies, and clause 2 specifically mentions energy derived from biomass and biofuels. Subsection (3) requires the Government or Government agencies to

"develop effectively sources of energy enabling the UK to avoid undue reliance on imports".

The lack of cheering or optimistic news about the likelihood of imports will strike the Government during the passage of the Bill. So far, they do not seem to have a clear notion of the opportunities missed by the Bill.

What contribution would the UK biofuels industry make to the aims set out in part 1—if the Government ever encouraged such an industry to develop? It would clearly contribute to security and sustainability. It would also contribute to the development of alternative markets for UK-produced crops, and its environmental contribution would be impressive. According to the Government's research from Sheffield Hallam university, the reduction in CO_2 emissions from bioethanol would be up to 70 per cent. That should be important to the Government. They have signed up to several environmental targets such as the Kyoto protocol, and have adopted a national goal of a 20 per cent. reduction in carbon dioxide emissions from 1990 levels by 2010. Their energy White Paper, which I assume informs the thinking behind the Bill, states:

"The UK should put itself on a path to a reduction in carbon dioxide emissions of some 60 per cent. from current levels by about 2050."

For good measure, the energy White Paper adds that

"fuels made from biomass represent an important potential route for achieving the goal of zero-carbon transport, creating new opportunities for agriculture in the UK, as well as globally."

I hope that the Minister is aware of the support in the House and the other place for biofuels. The Government should be aware of the cross-party support—illustrated by all the early-day motions, debates, questions and, indeed, delegations—for further encouraging biofuels. They should also know that, outside Parliament, a developed biofuels industry is supported by the CBI, the British Chambers of Commerce, the Institute of Food Research, the university of East Anglia, British Sugar, Friends of the Earth, the National Farmers Union, the Country Land and Business Association and so on.

I make those points to this DTI Minister because, although they have been made myriad times to his colleagues in the Treasury, DEFRA and other Departments, it is not clear that the Government have a sewn-up, cross-departmental attitude. There is every kind of incentive and support from inside and outside the House for the Government to give more encouragement to biofuels, but, so far, there has been little action. I hope that the Minister can dispel the unfortunate impression given by the Secretary of State that, even as a result of the Bill and the inclusion of clause 128, there will be more of the same—in other words, she is still looking at things.

The debate about the need for Government support for domestic biofuels production has been going on for some time, without it reaching a firm conclusion. Last September, the Environment, Food and Rural Affairs Committee published its report, in which it said:

"Government bio-fuels policy still seems muddled and unfocussed. It has expressed support for bio-fuels but the mechanisms used to promote their use have had little effect so far."

Quite so. Our biodiesel industry, although valiant, is tiny and, as has been said several times, uses used cooking oil as its raw material. No bioethanol is produced in this country for transport purposes. That is the reality, despite the aspirations and hopes.

Things are, of course, very different in other nations. Spain has recently tripled its bioethanol production. France already produces 344,000 tonnes of biofuels a year, and Germany produces 130,000 tonnes. An immediate effect is that rape seed produced in the UK is exported by road and sea to Germany and France, where it is made into biodiesel, and it is then brought back to this country by road and sea. How sensible, environmentally or in any other way, is that?

It would be churlish not to recognise that a little progress has been made. In the Budget, the Chancellor announced the introduction of the 20p duty rate derogation for biofuels in 2005, so that the industry would have some certainty to plan investment; but, of course, it would have helpful if enough fiscal or other encouragement had been given at the same time to make the industry want to invest—a point made by my hon. Friend the Member for South-West Hertfordshire (Mr. Page). The consultation exercise announced in the Budget by the Department for Transport has only just been launched—rather late, given that the findings have to be produced by July this year. However, one of the options to be commented on is the principle in clause 128: a renewable transport fuel obligation.

I would welcome hearing more information from Ministers about whether clause 128 will move the UK further towards a biofuels policy, how they intend to proceed and what the timetable is. Hon. Members who share my enthusiasm for this cause—there are many—have, as I have already said, raised it with Ministers from the Treasury, DEFRA and the Department for Transport. Today, it is the turn of Ministers from the DTI. Will they be able to assure us that they mean business by including clause 128 in the Bill and that taking action on it will produce a secure, sustainable domestic source of fuel supply, provide a lifeline to the rural economy and fulfil the Government's environmental targets? We look forward to hearing from the Minister later this evening.

7.14 pm

Mr. Bob Blizzard (Waveney) (Lab): I have followed and participated in energy debates for some time now, and it is not hard to notice a pattern: many of those who speak promote their favourite energy source and oppose other sources. I will promote mine tonight, but I do not think it sensible for any hon. Member to put down the other energy source that he or she does not like, because the real challenge for any Government is, as has been said, to keep the lights on and, even with a strong commitment to energy saving, we might well need all the energy sources that we can find.

The Government's key priority, therefore, must be security of supply. The fact is that gas will be the mainstay of electricity generation for many years to come. We will rely heavily on gas—some say too heavily. Of course, we must first maximise the recovery of the gas that this country produces, but we will soon become a net importer of gas.

Some of the fears are exaggerated. People are concerned about the politics of some of the countries from which we propose to buy gas, but history shows that those countries need the revenue from gas as much as we need the gas. There are also concerns about terrorist attacks on pipelines. That is a risk, but there could easily be terrorist attacks on nuclear power stations or any other generator, and an attack on a nuclear power station might be worse than one on a gas pipeline. We clearly need to develop energy sources other than gas, not only to achieve a balance and to enhance the security of supply, but to achieve our targets and obligations on CO_2 emissions. That is why the part of the Bill that will provide the framework for the development of renewables is so important.

In preparing for the debate today, I considered what happened in the House of Lords, and I was perplexed by what I can only call the breathtaking attack on wind energy by the Conservative party in the other place. Baroness Miller, who led for the Conservatives, said that wind power

"can provide only a minute fraction of our power needs. The environmental impact of the giant windmills, both on land and offshore, gives rise to no less controversy than do nuclear powers stations." —[*Official Report, House of Lords*, 11 December 2003; Vol. 655, c. 839.]

Lord Monro said:

"Wind power is inherently unreliable".

He also said that

"we do not seem to care about what we are doing to the beauty of our country by putting up these wind farms, which produce such a minimal amount of power."—[*Official Report*, 11 December 2003, Vol. 655, c. 906.]

He seemed to forget that the Bill is basically about offshore wind power. Lord Jenkin went further and likened wind farms to something from the old Soviet Union; but, of course, the real agenda of such people is to promote nuclear power, and we have seen that in the House today.

Pete Wishart (North Tayside) (SNP): Does the hon. Gentleman accept that when we signed up for the renewables targets, we in fact signed up to exclusively onshore wind targets? Does he believe that we need a mixture in those targets? We must have wave power and biomass production; otherwise we will continue to have wind farms in inappropriate locations.

Mr. Blizzard: I agree with much of what the hon. Gentleman says, and I shall deal with it as I proceed with my speech.

The end result of all the vitriol in the House of Lords against wind power was that some almost wrecking amendments were aimed at offshore wind farms. Those amendments impose extreme restrictions and a one-sided view of the balance between offshore wind farm sites and navigation. There was also pressure to impose more onerous and demanding decommissioning plans on wind developments than on nuclear, gas or coal generators. Nuclear energy seems to have become the Conservative party's obsession. It seems to want to charge headlong into a new generation of nuclear power stations now, just as they promoted and misrepresented nuclear power before. That is one reason why part 1 is necessary to clean up and put right that which was not properly thought through in the past.

The energy White Paper is right. The Government are right to keep nuclear power on hold and right to leave the possibility open, but they are also right not to charge headlong into more nuclear power generation. The Government have created a five to 10-year window of opportunity for renewables, especially now that the renewables obligation has been extended to 2015. If the nuclear option were taken now, it would stifle or even stop investment in renewables—most notably, wind energy.

The Conservatives seem to want wind energy to be a birth-strangled babe. In fact, I wonder whether their purpose is to try to create uncertainty among those looking to invest in wind energy so that, if the Tories looked like winning the election, the uncertainty would increase and the investment would not be made. There would be no future at all for wind energy under the Conservatives.

Mr. Page: I gave the rounds on the non-fossil fuel obligation my maximum support, and what the hon. Gentleman says is completely wrong. Our objection is to the unrealistic targets set by the Government and not to wind energy per se. We do not think that it will reach the target of 10 per cent. and there will be a gaping hole in our energy supply. That is our problem.

Mr. Deputy Speaker: Order. Before the hon. Member for Waveney (Mr. Blizzard) responds to that intervention, I should point out that we seem to be having a little trouble with the clock. It is adding double the extra time for each intervention. I do not want to be too hard on the hon. Gentleman, but it would be helpful if he could curtail his speech when one minute is showing.

Mr. Blizzard: I am glad that you, Mr. Deputy Speaker, have offered guidance so I know how much time I have left.

I can half understand the point made by the hon. Member for South-West Hertfordshire (Mr. Page), but I do not understand why it is necessary to be as anti-wind power as was suggested in the other place and by some of the comments made here tonight. I was talking about the creation of uncertainty in investing in wind energy, lest it were thought that the Conservatives might win the election. Thankfully, people are still investing in wind power.

The case for wind energy is strong and irresistible. The wind is there, the technology is proven and it would be irresponsible and bad husbandry of natural resources not to harness the wind, especially when we face the challenge of global warming. After all, we are the windiest country in Europe, and not to maximise the use of the wind would be incredible.

[Mr. Blizzard]

Another Member of the other place, Lord Gray, with whom I get on very well, observed:

"This year . . . There has been low rainfall, much sun, little wind."—[*Official Report, House of Lords*, 11 December 2003; Vol. 655, c. 863.]

We often accuse politicians of being London-centred, but I invite people to Lowestoft where they will find plenty of wind at Britain's most easterly point.

What has held back wind energy most of all is the uphill struggle that it has had in securing onshore sites in the face of a planning system combined with the great British "nimby". Perhaps we should see that as an advantage and as a chance to take the lead in offshore wind energy. We are already set to make more use of offshore wind than most other countries, and the Bill will enable us to go further. We have experience of, and expertise in, offshore installation work from our oil and gas industry and leading institutions, such as the Centre for Environment, Fisheries and Aquaculture Science, which is an executive agency of DEFRA and a world leader in the environmental assessment, monitoring and research that is needed to develop offshore wind.

Intermittency does not make wind energy unfeasible. The implications of operating a network with 20 per cent. wind energy have been examined. There are extra balancing costs, but they are not prohibitive. Added to that is the possibility of using demand-side management more actively and employing better wind prediction. Both can help to mitigate the impact of intermittency. Some of us visited Schleswig-Holstein a couple of years ago, where 40 per cent. of the electricity is generated from wind. Yes, there is an extra cost to wind energy, but the cost of not making use of it in the face of global warming could be greater.

Mr. Laurence Robertson: Will the hon. Gentleman give way?

Mr. Blizzard: No, because, unfortunately, I do not think that any more time would be added on.

Offshore wind is popular even among those who dislike onshore wind. There are signs in my area saying, "Offshore not onshore". We should harness offshore wind's popularity.

The great news is that offshore wind energy is happening. Right now, turbine columns and blades are sitting in Lowestoft harbour and they are being assembled and taken out to the Scroby Sands wind farm development. In fact, most of the turbines have already been erected, and this is only the start of a new industry in my part of the country. I am pleased that Lowestoft can claim to be at Britain's leading edge when it comes to offshore wind and offshore energy experience, as a brand new brochure makes clear.

The geographical position of Lowestoft is ideal. It is Britain's most easterly point and is a port surrounded by areas from the Wash to the Thames estuary designated for wind farm development. That is good for a town that has long suffered economic disadvantage from its location. We have expertise from the offshore sector, from firms such as SLP Engineering, and we are also the national headquarters of CEFAS. In short, offshore wind is my constituency's great hope for the future. The Bill will pave the way for further offshore renewable energy by establishing the comprehensive legal framework.

My constituents will be amazed by the Conservatives' opposition to wind farm energy that we heard in the House of Lords and tonight but, as has been said, offshore renewables are not just about wind. They are also about the excellent resource that we have in the tidal current. Tidal current is reliable and predictable, and the CEFAS institution in my constituency that is working on it tells me that we are on course to have a commercial demonstration project within five years. That would be another opportunity for this country to lead in the world. However, the Norwegians are working on it, too.

We have to pursue all those options, but they alone will not be enough to secure the low-carbon future described in the energy White Paper. There may well be a need for nuclear, but we should consider other options as well. One such other option is the near-zero emission option of carbon capture and storage and enhanced oil recovery, which capture the CO_2 emitted from power stations and bury it in depleted oil reservoirs and aquifers deep below the floor of the North sea. Because of long lead-in times, if we are going to take that option forward, we must take it now. I am told that the Government have allocated £2 million for CCS and £4 million for nuclear fission. I think that the figures should at least be equal.

I welcome the Bill. We must follow through on wind energy and we need to decommission and clean up the nuclear sites. Although gas will continue to be the mainstay of our electricity generation—we must maximise recovery of our gas reserves—and although we must make much more use of the crops that can be converted into biofuels, we must pursue all ways of reducing emissions, including tidal current and CCS as well as offshore wind.

7.27 pm

Mr. Michael Weir (Angus) (SNP): We in the Scottish National party and Plaid Cymru find the Bill to be very much a curate's egg. There are elements in it that we are keen to support, but there are others that we have concerns about and that we shall wish to consider at later stages.

The Bill is very important for Scotland because, despite what has been said about the future of electricity generation in the United Kingdom as a whole, we are a net exporter of electricity. We generate on average 26 per cent. more electricity than we need at peak capacity. We have a clear diversity of supply with ample natural resources, but we also have nuclear power.

The establishment of the nuclear decommissioning authority is welcome in principle, but we have concerns over the particulars of the arrangements. Overriding these concerns is the fact that the Bill contains no statement on the agency's environmental principles. We believe strongly that environmental principles should be at the heart of the agency's operations, but we note that clause 12(2) states that the NDA must adhere to certain principles, including promoting competition and securing value for money. However, the clause states that the agency must only have regard to

"the need to safeguard the environment".

That provision is not strong enough.

It seems to us that money and competition will be at the heart of the agency, while environmental concerns will be a mere add-on. That seems to be the wrong way round. A set of environmental principles should be enshrined in the Bill. Indeed, the protection of the environment and the health and safety of the population should be the Bill's central plank as it undertakes the clean-up of our nuclear sites, many of which, I remind the House, have a less than glorious record on safety and, indeed, on keeping records as to exactly what nuclear waste is stored where.

We are also concerned about how the Bill relates to Scotland. It merely says that the Secretary of State will be required to consult Scottish Ministers. Perhaps the Minister will elaborate on the Executive's powers. What will they be able to do if there is an attempt to establish a new nuclear waste site within Scotland? Would that be part of the agency's work or would it be covered by previous legislation?

We also have concerns about whether the Bill would have the effect of allowing new nuclear build. The wording of the provisions relating to the Government's obligation to pick up the bill for British Energy's liabilities may allow for future private nuclear companies to be bailed out for their waste and decommissioning liabilities. That could provide an incentive for new nuclear build, something that is completely off the agenda at the moment because of the huge costs and risks to any commercial developer.

In an intervention on the Secretary of State, I asked specifically about the thinking behind clause 82. The explanatory notes refer to

"circumstances where British Energy has sold one of its nuclear power stations to a third party, the acquisition of the power station from that third party and subsequently operating it."

In other words, the Bill gives the Government the power to use taxpayers' money to buy and operate nuclear power stations from a third party. There is little difference between that and nationalising a nuclear power station. It seems to fly in the face of the Government's steadfast refusal to countenance clause 1, inserted in another place.

The point is important because there is a danger, as has been mentioned, that the UK faces an energy gap if we do not do more to ensure that alternative energy resources work and provide the claimed amount of electricity. We are opposed to nuclear power, but we must be aware that the UK Government have a target—perhaps I should call it an aspiration—of producing 20 per cent. from renewables by 2020. The Scottish Executive have a target of 40 per cent. There will have to be a much more serious plan to invest in renewable resources, and the serious investment to go with it, if we are to have a chance of meeting those targets.

We have to be completely honest and recognise that much of the argument about renewables is theoretical. What is not entirely clear is whether such systems can produce enough energy and whether it is economically viable. It seems to us that those questions can be answered only when we are in a position to test much larger systems and when many of them are on line. That will happen only if there is a considerable increase in investment in such energy.

Scotland's supplies of gas and oil give it an immense advantage and opportunity that we can utilise while building up renewables, although it might also mean—I have to be honest about this—backsliding on the Kyoto agreement until renewables are on line. Scotland has a huge opportunity to be at the forefront of the expansion of renewable energy. In a report for the Scottish Executive—"Scottish Renewable Resource 2001"—Gerry Hassan said that Scotland has 25 per cent. of Europe's potential for renewable energy, and the potential capacity to produce 75 per cent. of the UK's electricity needs from renewable resources. That is a tremendous opportunity, but only if the investment is in place.

It has been explained that almost all energy from wind and wave is generated from onshore wind farms. It is quite clear, as has also been mentioned, that those methods are met by a great deal of opposition from the general public. It is clearly not realistic to propose that all wind farms be allowed planning permission irrespective of local conditions, size and positioning. It is also quite clear that onshore wind alone has no chance of meeting renewable targets.

There is an enormous potential for other forms of renewable energy in Scotland. Hydro is one example. When it was first introduced in Scotland after the second world war, it was said that it would be too cheap to metre. That never came to pass, and we should not make ridiculous claims for any form of energy. To put that into perspective, although offshore wind farms are being built—we have heard about one or two of them—Scotland has only one wave-generation plant, which is a small-scale project on the island of Islay. The year 2020 is not that far away, and if we are serious about renewables we must be prepared to invest not only in the plant itself, but in the grid required to transmit the energy. Much of the potential for wind and wave power is in relatively remote areas where the national grid does not run or does not run at a sufficient strength. I suspect that our target can be achieved only by public investment. We should not shy away from that. Public investment built the grid in the first place, and massive amounts have gone into nuclear energy.

The Bill establishes a framework for offshore wind farms, which is welcome, but costs will become a serious issue. I draw hon. Members' attention to an article in this week's *Scotland on Sunday* under the headline "Green will Make us see Red when power bills soar". The cost of energy from renewables will become a serious problem. We must ensure that we address that problem and the costs that have arisen from nuclear energy. We must be clear that there is a huge environmental cost if we do not go down the renewable route, although in the short term there may well be an increase in costs to the consumer.

The last part of the Bill deals with BETTA. We have also heard much about the new electricity trading arrangements. The Public Accounts Committee said that residential customers have not seen much benefit from NETA, and there is much fuel poverty in Scotland and elsewhere in the UK. That will have to be addressed before we can go down that route completely. There are concerns about the postage-stamp principle for consumers in remote areas, such as the highlands and islands, because of the cost of transmitting electricity there. Clause 180 partly addresses that concern, but only

[Mr. Michael Weir]

for a short time. The problem could become huge in rural areas throughout the UK if BETTA goes ahead. We must consider that matter in Committee to ensure that rural consumers are protected. There are also concerns about access to the grid from generators, and the costs involved. Those, too, can be pursued in Committee.

7.37 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Any energy Bill that concerns the House of Commons is obviously a matter of great urgency, but it is clear from the breadth of the debate that there are concerns within the UK about our energy policy. Will we have security of supply? How can we address the problems of renewables? Are we concerning ourselves enough with the amount of research that needs to go into new technology? We have heard about the possibilities of renewing the coal industry. We know about renewables from biomass. We also know that there are many things that the Government can do to secure the future of the electricity supply. However, I want to draw hon. Members' attention to a much narrower, but to me a rather more important, point. I hope that I am forgiven if I get straight down to the practicalities.

The Bill contains provisions for wind farms offshore. That is not a new subject and has been considered ever since the Harold Wilson Government when Professor Zuckerman did an enormous amount of interesting and important research. The Secretary of State told us that there had been many hours—75, I think—of debate in another place. However, throughout that time there was no acknowledgement of one simple fact: if we build very large turbines and give permission for the development of very large turbines throughout a large site of a number of nautical miles—in one case, in the second round, a site as large as the city of Nottingham—we are creating an instrument of some importance. I was therefore astonished first, that the Department for Transport was not involved in the steering group that produced the policy, and secondly, that when the steering group was set up, it was some time before the Maritime and Coastguard Agency was consulted, and many other important sectors of the shipping industry were not even allowed to contribute to the development of the plans.

The Transport Committee was so concerned that it looked urgently at that matter. We discovered that a number of practical problems presented themselves immediately. It is clear from the maps for the first round of wind development that the areas are quite small and are nearly all within the 12-mile limit. The second round is nothing of the kind: it is permission for the wind industry to move in on very large sites. Interestingly, the Department of Trade and Industry appears to be reproducing mistakes made by the Department for Transport. When the Strategic Rail Authority simply said to people in the rail industry, "This is the kind of area that you should be looking at", but did not make it clear which particular part, it caused considerable difficulty. The second round of bids for wind farms appears to be the same thing.

We said that we could not understand why the two most important bodies, the Department for Transport and the MCA, did not insist on being represented on the steering group. Our other concern was that

"every one of the strategic areas is on the approach to a major port or ports."

We were told that the London Array site on the Thames

"blocks one of the three access channels into the Thames. It goes right across the mouth of the Fisherman's Gat".

One of the sites in Liverpool bay will disrupt the ferry service between Heysham and the Isle of Man, imposing delays of half an hour on each crossing and considerable extra fuel costs. The best point, however, was in the evidence from the National Union of Marine, Aviation and Shipping Transport Office—NUMAST—given by a master who had been at sea for over 30 years. He said that the proposed site in the Humber was

"located at a very busy junction where there are three vessel traffic separation schemes converging for traffic entering or leaving the Humber along with coastal traffic making their routes north and south."

Perhaps we could just take on board what that means: it is a convergence of routes. The Humber at Immingham, for example, is the place from which, every day, we export many thousands of cars on very large container ships. If anyone is unsure what I am talking about, let me make it quite clear: when one is standing on the quay, some of those container ships are 300 or 400 ft above one's head, so I am talking not about a small vessel but about one that could get into very real difficulty if wind and wave power such as exists already manages to slam it into a pylon. I may be unduly being a Cassandra, but it might be a matter of considerable concern if Christmas day were enlivened by a news broadcast announcing that at least one large container ship was wedged between two or three pylons in the North sea, yet as far as I can see the shipping industry was told, "Don't worry. We will look at your problems but we are not necessarily going to take any notice of them."

The problem goes further: the structures interfere with radar. They interfere not only with the RAF's aircraft systems but with ground-based systems used for security purposes, so there is a very real problem. We might not know who is approaching our shores in difficult situations. The structures also pose problems for vessels at sea, as they can distort their controls.

Let us be clear what we are talking about. We need details in the Bill about the procedures to be followed in the event of a collision between a vessel and a wind farm. We must remember that some vessels are crewed by people whose qualifications and experience were not gained in the United Kingdom. The Committee believes that at some point a major problem such as a collision is inevitable, and we must have plans in place to deal with that.

We think that it is important to consider the creation of safety zones around every one of these pylons and to have particular identification of sites that will not compromise the integrity of the consent process. We are astonished that the DTI is talking about all this in a very relaxed way, and we think that any installation that goes ahead must be shown not to compromise the safety of navigation. Why were Trinity House and the General Lighthouse Authorities not consulted much earlier?

Why have we heard the suggestion, even tonight, that opposition to the practical difficulties is based not on knowledge from the shipping industry but on some extraordinary hang-up about the development of alternative fuels?

I want to see this country capable not only of securing its supplies for the future, but of securing them from such a wide selection that we are able to ensure that we never again have the situation that existed after the last war, when we frequently lost power. When one thinks of the number of developments in manufacturing and domestic affairs that have occurred, one sees how important that is. But the Department has to take this seriously: the Select Committee report is not an amusement; we did not write it to entertain ourselves. If we ignore these matters now, the results could be horrendous.

7.46 pm

Mr. Robert Key (Salisbury) (Con): I support the Second Reading of the Bill. We will no doubt go into the detail in Committee.

What makes Britain unique in energy terms is the variety of sources available to us as a nation. We need to start a debate such as this with a discussion of the national energy objectives. We might put them in a different order. I think that the most important one is to meet UK energy demands safely and at optimum price. Close behind that is ensuring the security of supply, achieving our environmental objectives, relying on a balanced range of alternative sources and encouraging the efficient production and consumption of energy. All of us here have a responsibility in everything that we say to bear it in mind that we need energy efficiency both in generation and in transmission. We also need efficiency in industrial use and consumption. If we wish, we can all make a difference, by switching off unwanted lights and so on.

I have often wondered why the Liberal Democrats simply cannot see what is obvious, but following the speech of the hon. Member for Hazel Grove (Mr. Stunell) I now understand: it is only the Liberal Democrats who will put out the lights when they enter a dark room.

We need to optimise the contribution of renewable energy sources—wind, wave and solar. That is a given. However, we also need to recognise their limitations. They can never provide the base load generation that an industrial nation such as ours requires. We need a new generation of nuclear fission plants, possibly leading to fusion, and I think that we could then move into the hydrogen economy, which, although it may not prove to be the holy grail, could certainly be real progress for our nation. Of course, no Government, and therefore no taxpayer, will build another nuclear plant. If such plants are built, they will all be regulated private sector investments.

I particularly welcome chapter 1 of part 2, which introduces the nuclear liabilities fund and creates the nuclear decommissioning authority. That is extremely important. It is for me a great irony that, as I well recall, back in 1976 when I was a teacher of economics, the royal commission on environmental pollution produced a report saying that no nuclear power stations should be built without first dealing with long-term waste, but within days the Labour Secretary of State for Energy, Mr. Tony Benn, ignoring that, went ahead anyway. It is appropriate that this Labour Government are implementing something that they should have done in 1976. Until now, no Government have addressed properly the issue of nuclear waste. We have failed to address the need for a new generation of nuclear plant. We will put that right.

I was very heartened by the debate in the other place on 6 May when Lord Sainsbury said:

> "It is not easy to predict the best combination of those factors for the future. Therefore we have stated clearly that we will consider new nuclear build as one of the options for the future."

He went on to say:

> "We cannot predict the future exactly, but the steps the Government are taking form a sensible response in order to reverse the situation we had when we came to power, which was one where the whole area of nuclear research had been closed down. We have been turning that right around so that if a decision on new nuclear build comes through, we shall be able to seize that opportunity."—[*Official Report, House of Lords*, 6 May 2004; Vol. 660, c. 1271.]

That is probably the most optimistic thing that the Government have said about nuclear power for a long time. We should all remember that although nuclear waste remains a risk for hundreds of years and it seems inconceivable that radioactive half-lives can be engineered down to short time scales, the half-life of carbon dioxide in the atmosphere is also measured in hundreds of years and burning coal, oil and gas creates long-term wastes as well, so that to take the latter route is to bequeath to future generations a much hotter climate and less biodiversity.

I strongly support clause 128 on the renewable transport fuel obligation. There will be enormous opportunities, not only for the environment and for our nation, but for the farmers in my constituency and throughout the United Kingdom, when oilseed rape can be used for biodiesel, wheat and sugar beet can be used for bioethanol mixed with petrol, and set-aside land can be used to grow fuel. I acknowledge that the Government have made the right noises so far, but bioethanol needs more than the 20p a litre fuel duty reduction—that is insufficient to encourage major investment in bioethanol production. What we need is a duty reduction of about 30p a litre, or equivalent support in the form of capital grants. I hope that the Government will not seek to delete clause 128, which was inserted during proceedings in the other place after being proposed by a Labour peer who happens to be a distinguished Wiltshire farmer.

We should not neglect a further aspect of the Bill, which has not so far been mentioned: chapter 3 of part 2, which creates the civil nuclear constabulary. In 1986, I served on the Standing Committee that considered the Ministry of Defence Police Bill. That Bill was but the start of the tinkering with Britain's police service. We in this country have always accepted that policing is by consent and that control lies with local police authorities, which have at least a democratic element to them. However, we have seen the emergence of a number of national police forces—four of them, with perhaps more to come—which are in the direct control of Secretaries of State, are answerable to the House of Commons only indirectly, and are not answerable to local people. They are answerable only to various fairly disembodied boards.

[Mr. Robert Key]

There is one glaring and extraordinary omission from chapter 3, in that the UKAEA constabulary is to have its jurisdiction reduced from 25 km to 5 km, and its officers are allowed to go beyond that only in pursuit of stolen nuclear or nuclear-related goods. Furthermore, they are specifically disallowed from assisting the civil constabularies—the Home Office police—in an emergency. That is bizarre—so bizarre that it runs contrary to the Government's recent actions in giving additional powers to, for example, the British Transport police and the Ministry of Defence police, which they have integrated more closely with Home Office constabularies, to the great advantage and protection of communities throughout the country. I hope that we can address that problem; I shall certainly pursue it in Committee.

The Bill seems also to reflect an assumption on the part of the Secretary of State for Trade and Industry that the officers of the UKAEA constabulary are not properly trained police officers. They are. All training for their officers is Centrex approved and all detectives, chief police officers and counter-terrorist search officers are Home Office trained. We should have complete confidence in them. The UKAEA police have full constabulary power, but that is to be limited and, indeed, reduced. That is absolute nonsense. I am grateful to Mr. Barry Wright, secretary of the Atomic Energy Police Federation, for drawing the matter to my attention. It needs to be pursued in Committee.

I shall end my remarks at that point. A great deal of work needs to be done, and I am grateful to have had the opportunity to set out my modest agenda at this stage.

7.54 pm

Mr. Kevin Hughes (Doncaster, North) (Lab): When the Secretary of State opened the debate, she said that three themes run through the Bill. I think that there are four, and one of them is clearly that of missed opportunities. Everyone who has spoken after her has mentioned a missed opportunity. Energy is not really one of the other three main themes. We have to rely on part 1, which was inserted through amendments made in the other place, not only to provide a debate on energy in connection with this Energy Bill, but to set out clearly the important issue that we should be discussing: this country's energy requirements and security of supply. For what it is, the Bill is pretty good and worth supporting, but to call it the Energy Bill stretches the imagination a little too far. If it was on sale in a corner shop, someone would get done for misrepresentation or for offences under the Trade Descriptions Act 1968.

None the less, part 1 deals with important issues, on which I shall focus this evening. Important though NETA, BETTA, the NDA and Ofgem are, I shall stick to security of supply and the country's energy requirements. The Bill does represent a huge missed opportunity. To be frank, it beggars belief that any Government are prepared to leave our energy requirements entirely to market forces. I do not understand how we can do that. The Secretary of State's cunning plan appears to be that we will import 80 per cent. of our energy requirements and generate 20 per cent. using renewables by 2020. Presumably, we will be importing all our gas, oil and coal, we will have no nuclear energy, and all we will be left with in this country is a bunch of windmills that only work when the wind blows. The fact is that they work only about 30 per cent. of the time. I do not think that that is very efficient.

My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) mentioned Hatfield colliery, which is in my constituency. Although I do not want to rehearse the arguments about why it closed, it is important to state that the colliery is closed. There are steel caps on the shafts. Some of us had hoped that the adjoining colliery at Thorne would form a super-pit with Hatfield to access the 100 million tonnes of UK coal that is there, but I learned today that plans have been started to fill in the shafts at Thorne. It seems that there is no longer a possibility of running the Hatfield and Thorne collieries together, which is a crying shame, because the opportunity available at Hatfield colliery was second to none. Many people write off the coal industry, but the new technology that my hon. Friend discussed—the integrated gasification combined cycle system—offers the opportunity to reinvent the coal industry, to use one of our greatest natural resources, and to generate electricity in abundance without the toxic emissions that we normally associate with burning coal. The IGCC technology does not burn coal in the traditional sense, and it is possible to capture CO_2 emissions during the process. In fact, we can pump the CO_2 down into our oil wells in the North sea and enhance the recovery of our oil wealth there.

I know, because it has been investigated, that were we able to keep Hatfield colliery open, a planning application under section 36 has been agreed. An IGCC power station at Hatfield would make it possible to pipe that CO_2 up to the Scottish oilfields and enhance the recovery of the oil, so it has a dual function. But it is better than that—nitrates can also be captured during the process, which as we all know are used in the chemical industry. It gets even better—most of us understand that the way forward for energy is probably hydrogen power, and the IGCC process can also capture hydrogen.

Under the plans for Hatfield, which are there for anyone to see, to capture the hydrogen and produce the energy cells, enough hydrogen would be captured at that single plant to run the whole public transport system in south Yorkshire. That is a pretty huge amount. Unfortunately, that opportunity has been missed, because the Government are worshipping market forces. They believe that we can leave everything in the energy industry to market forces. I am sorry, but we cannot. The Government need to pump-prime some of that new technology. Allowing Hatfield to go under, as it has done, was a tragedy.

This Government put a lot of money into trying to secure the future of Hatfield, and my hon. Friend the Minister spent a lot of time with me trying to do so. Because it is left to market forces, and because of the problem to which my hon. Friend the Member for Barnsley, West and Penistone referred of accessing funds from banking for private industries, the bottom line is that it is difficult to access the type of capital required for that kind of project. Private industries would be expected to raise £30 million to £45 million to access the 100 million tonnes of coal available at Hatfield. Given what the Government published in the White Paper, and the looming large combustion plant

directive, people in the City are hardly filled with enthusiasm for lending £30 million to £45 million to somebody who wants to exploit the coal reserves at Hatfield. Consequently, at present those plans are on ice. I am still hopeful that the present owner, Richard Budge, who is well known in the coal industry, will keep trying to access funding to open Hatfield colliery again, and to get the IGCC technology up and running.

The Government cannot sit on the sidelines wringing their hands. Our energy needs are at stake, and they need to get involved. Sometimes, that means putting in some money, pump-priming this technology and capital investment. I urge them to do that, because it is not yet too late. Certainly, it is not too late for the project at Hatfield.

8.4 pm

Mr. Michael Jack (Fylde) (Con): We have heard many interesting views, but I want to pick up on some comments made by the hon. Member for Doncaster, North (Mr. Hughes), because he and I share one part of a common agenda: security of supply of energy in this country is vital. I also want to pick up on an observation by the hon. Member for Sherwood (Paddy Tipping). In a telling intervention, he effectively agreed with a line that I have taken in previous debates: effectively, we cannot have a cheap energy policy in this country and, at the same time, energy security.

Other right hon. and hon. Members who have spoken have rightly said that this might be a debate for enthusiasts, each of whom promulgate their chosen source of energy, to which they or their constituency are committed. For my part, I remember as a boy, in 1956, reading in my "Eagle" comic about the arrival of Windscale nuclear power station, and a wonderful cutaway drawing promising limitless forms of energy in the future. That had an influence on me, and when I became the Member of Parliament for Fylde, and discovered that nearly all Britain's nuclear fuel was made in my constituency, I thought that the world has an unusual way of coming full circle.

There is another way in which we need to tackle arguments about energy security. Most of our remarks in this debate have been about security in the physical sense: about what happens if one system goes wrong, and whether others have enough capacity to replace the missing energy. I also want us to develop a policy of security in the economic sense.

One of my worries about the policy partly espoused in this Bill is that we are still wedded to a hydrocarbon economy. We may get the gas through a pipeline from wherever—it may be delivered by sea—but soon we will find that at least 70 per cent. of our electricity is coming down somebody's pipeline, and the cost of that will be determined by the world energy market. By definition, therefore, with the removal of coal, the rundown of nuclear, and the questions raised by others in this debate about how much electricity can come from renewable sources, we have surrendered the amount of the energy price over which we have any real influence to the world energy market, which is volatile, as we have seen in recent events.

I therefore draw a simple conclusion: whatever the outcome of the Bill, it must be about having the balanced energy portfolio that has served this country extremely well. I want to associate myself with the remarks made by the right hon. Member for Copeland (Dr. Cunningham), the hon. Member for Ochil (Mr. O'Neill) and the right hon. Member for Airdrie and Shotts (Mrs. Liddell), who encapsulated in their own way many of my views about the future of the nuclear industry. The workers in my constituency have a remarkable safety record in the manufacture of nuclear fuels, and with the new investment in the fuels plant at BNFL at Springfield, effectively, no human gets near the manufacturing process. It is safe to make, safe to operate, and it has tremendous potential. Unless decisions are made, however, about the shape and scope of the future of Britain's nuclear industry, the fuels side of the business will not effectively be able to prepare itself.

What is the future of that fuels business? I hope that the Minister will be able to say something about that. My hon. Friend the Member for Salisbury (Mr. Key) commented on remarks of a positive nature in the other place, but I want the Minister to tell us a bit more about the future of BNFL's fuels division, which, under the new landscape of BNFL, is part of the Westinghouse division. Between 1,200 and 1,500 jobs in my constituency are still involved in the manufacturing of nuclear fuel, and those workers want a much clearer view of the future of the industry.

The Bill deals with the establishment of the new decommissioning authority, but there is a yawning omission. The Minister is right to establish a body to put into safer terms what is effectively a large nuclear dustbin at Sellafield—all the bits left over from the military programmes, which are dumped in those silos—and anyone who has visited it leaves thinking that something must be done with it. Having said that, the missing element relates to what the Government will do to speed up the process of consulting about what will be Britain's long-term nuclear repository. Without that solution, the new agency's work will be stifled before it begins. It has its bureaucracy in place, it works out how it will do its job; then where does it put the fruits of its labour? At present, the Government are still consulting on how to consult on the ultimate disposal of nuclear waste in this country. Finland, meanwhile, is just getting on with it.

Rather than trying to find a solution for ever and a day, will the Government not at last adopt the Nirex approach? That means saying, "If we can get something safe and recoverable, it will do for a century." New technologies come along, but at least we have an answer to the age-old question of what we should do with the leftovers of Britain's nuclear industry, while giving hope to a new nuclear power generation industry that affordable disposal of its waste materials—albeit in smaller quantities, given the new designs of nuclear reactors—can be accommodated.

My Select Committee also dealt with the question of biofuels. Like others who have spoken, I welcome clause 128. As I said in an earlier intervention, its objective mirrors views that I expressed during debates on the Finance Bill and in the Select Committee's report. I believe that a target that blends with both the diesel and the petrol ends of the road fuels business gives the Government an opportunity to replicate mechanisms that they have approved in the context of the renewables

[Mr. Michael Jack]

obligation. It is vital that they take that route, at least in terms of giving some decent pump-priming economic assistance to the industry.

I realise that the 2 per cent. and 5.75 per cent. road fuels directive is indicative rather than mandatory, but if we are to meet its requirements we shall have to have bioethanol in this country. We talk a lot about biodiesel and the use of waste fats. Helpful as that may be, we cannot achieve our objectives with petrol-driven vehicles without bioethanol.

As the Minister knows, there are other benefits. Apart from the use of output from the 300,000 tonnes of set-aside land, there is a potential benefit in the disposal of rubbish in this country. The lignocellosic part of the use of biofuels gives the Minister access to a waste-stream source consisting of wood, old materials and anything that produce sugar. Once the sugar is there, the fermentation that produces bioethanol can take place.

British Sugar has made it clear that if that industrial process does not start now, it will invest in Poland and we shall end up importing the bioethanol that we need to meet our target. At present, the Department is playing a leading role in World Trade Organisation talks that will ultimately lead to the reform of the European Union sugar market. It has been too long unreformed, but something must be done with the investment that will provide the feedstock for bioethanol. In parallel, something must be done about biodiesel. We must kick-start a UK industry that uses UK-grown oilseed rape. At present, bizarrely, we are exporting raw material feedstock to Germany and France so that they can make biodiesel when we should be doing it ourselves.

I hope that the Government will now take a lead and sort out the mess that is our biofuels industry. We have DEFRA saying how good it is for jobs in the rural economy, we have the Treasury setting the fiscal regime, we have the DTI presenting an energy policy—we even have the Department of Transport running a consultation exercise on the level of the biofuels obligation. Please can the Government get their act together, help the rural economy, and help themselves meet the carbon dioxide reduction targets by means of a UK-based biofuels processing industry?

8.14 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): It is a great pleasure to take part in an energy debate in the main Chamber. Since my election, most energy debates have taken place either in Westminster Hall or here on Fridays, via the mechanism of private Members' Bills. It is rather sad that most of the advances—albeit small—in energy policy have been made in that way.

Most developed countries are engaging in a serious debate about energy—rightly, in my view. The Science and Technology Committee visited Japan during its study of non-carbon fuels. One of the memories with which I left Japan was of a very mountainous country. From Mount Fuji the land goes straight down to the sea: there is no continental shelf surrounding the islands. That rules out offshore wind, because there is nothing to which to anchor the turbines. Tidal power is ruled out as well.

The Japanese have obviously thought carefully about their energy policy. They have their old enemy, China, facing them, and they are conscious of the implications of bringing in oil and liquefied gas via the sea. They have decided to invest heavily in nuclear power as their main base load, but also to invest heavily in photovoltaic cells. We saw roofs being lowered on to houses—roofs that had been preconstructed in factories, manufactured entirely from photovoltaic cells. Inside the houses were other energy-saving devices. The Japanese have thought through their domestic energy policy, and are also investing a great deal in fuel cell technology. I would say that in those two technologies theirs is the leading country in the world: it is probably ahead of us and even America.

A large amount of public subsidy is going into photovoltaic technology. Photovoltaic energy is not yet able to beat all other energy processes, so the Japanese Government are subsidising householders to fit photovoltaic cells in existing properties, while all new properties are being provided with photovoltaic roofs.

Finland has also been having a serious debate about energy policy recently. It has been upfront with its public about the possibility of building more nuclear plants and providing its base load through nuclear energy. In fact, that is what it has decided to do. Its public debates have been far more successful than ours on, for instance, genetically modified crops. It has persuaded the people that the only way to secure its energy supplies for the future and to develop as it intends to, is to build nuclear plants. It is also solving—with the help of the public—the problem of disposing of existing nuclear waste from nuclear generating plants, which is a problem that faces us as well.

Within three years we will be a net importer of gas, and within seven we will be a net importer of oil. As others have pointed out, by 2020 we will be at least 70 per cent. dependent on imported energy. Indeed, it has been suggested that our dependency will be as high as 90 per cent. I cannot, on behalf of my constituents, endorse a policy that allows us to rely on so much imported energy. If I were to design an energy policy—and I suggest that the Government act along these lines—it would involve two important concepts, security of supply and diversity of supply. The thought of gas coming from anywhere in the world, even Norway—especially if it came through an above-ground pipeline—terrifies me. I think that "terrifies" is the right word, because, as we have seen in the middle east, it is easy to blow up such pipelines, not just at one point but at several points.

Let us imagine what could happen if we were 70 to 90 per cent. reliant on imported energy, mainly gas, and there were one or two explosions on the pipeline. They might happen in the Russian states, from which we will probably import, or in the middle east, from which we may import. For how many days would some of our major cities and towns be without energy? No Government can afford to develop a policy that allows us to depend so much on imported energy.

I am all in favour of renewable energy. We should be developing all forms of such energy, including the stuff that comes out of fish and chip shops. I was rather worried to hear the hon. Member for Eddisbury (Mr. O'Brien) say that the exhaust coming out of those cars smelled like almonds. Any chemist will tell him that the smell of almonds is like that of cyanide, so there is a bit

of a worry there. I am not suggesting that hydrogen cyanide was coming out of the exhaust, but it may have been.

We must consider the base load. There is no way we can have an intermittent supply of energy—wind energy, for example—to produce the base load. We must have something that we can instantly switch on and off. Gas is the best form of energy in that respect, so we cannot rule out the use of gas. In recent years, there has been a dash for gas because it is cheaper and faster to build the plants. The returns for the investment are much greater for companies. There must be public investment in energy. I am all in favour of building new, cleaner nuclear plants that produce only 10 per cent. of the nuclear waste that existing plants produce.

There is no such thing as a safe method of producing energy. Think about the Piper Alpha disaster in the North sea, the thousands, probably world wide hundreds of thousands, of miners who have been killed in methane gas explosions or other accidents. Energy comes at a cost.

The nuclear industry in this country has a fine safety record. Okay, there have been problems in the Irish sea, but the very small trace amounts of radioactive material that get into the Irish sea do not bear any comparison with what used to happen. We have made great steps forward.

I used to work in a department of chemistry that trained a lot of people for the nuclear industry. We had one of the largest radioactive suites in Europe, where we trained people to handle highly radioactive materials. Therefore there were departments who trained such people. Our courses were mainly degrees in chemistry or applied chemistry but they always had a module to train people for the nuclear power industry. The hon. Member for Eddisbury said that there are no undergraduate courses in that anymore. That is probably true, but there are modules on that in undergraduate courses. He failed to mention that there are still postgraduate university courses to train people in nuclear power. However, there are by no means enough. The nuclear power industry says that it does not have enough young people coming in to replace the people who are retiring.

Energy costs are rising. The cost of the Phoenix gas company's supplies of gas in Belfast and the surrounding area has gone up by 11 per cent. in the past 12 months. A 20 per cent. increase in October is on the cards and is causing controversy in discussions across Belfast.

If we have a 10 per cent. rise in gas or electricity prices, it puts 500,000 people back into fuel poverty. My right hon. Friend the Secretary of State said that 750,000 people have been lifted out of fuel poverty. Rises in energy costs, which are inevitable, will put a lot of people back into fuel poverty if we do not counteract that in some way. I do not think that there is any way of avoiding rising costs.

Driving down costs of energy has had a downside: there has not been enough investment in research and development throughout the energy industry. It is therefore not all good news when the costs of gas, electricity or any other form of energy are driven down—the downside is a drastic reduction in research and development. We will feel that in future.

8.24 pm

Mr. Nigel Evans (Ribble Valley) (Con): I am grateful to be able to participate in the debate and to follow the hon. Member for Bolton, South-East (Dr. Iddon), who spoke a lot of common sense, particularly when he referred to the fact that if we rely on imports of energy, anything could happen, particularly in the light of the rise of terrorism. It would be completely stupid for any Government to have a policy that was based on that.

This is an important debate because 100 per cent. of the Lancashire Conservatives have spoken in it. Sadly, there are only two of us at the moment but, following the next general election, no doubt there will be more and we will not be able to get 100 per cent. of the Lancashire Conservatives speaking in a debate of this importance.

I speak as an environmentalist. I represent Ribble Valley, which is a beautiful, glorious, very rural constituency. I hasten to add that, to my knowledge, I have one wind turbine in Ribble Valley, and I hope to keep it that way. A British Wind Energy Association map shows where all the 1,100 wind turbines are in the United Kingdom. The map looks pretty crowded now, and if we carry on as we are we will add another 5,000 to 10,000 wind turbines to it. It will be absolute lunacy if we go down that path, for reasons on which I hope to expand.

The Bill talks about the security and integrity of energy being vital. The Secretary of State for Trade and Industry is responsible for that. It is an important role.

The hon. Member for Doncaster, North (Mr. Hughes) said that the current policy seems to be a free-market one. If that were the case and it were left just to the free market, I suspect that we would not have a single wind turbine in this country. If it were not for the subsidies, it would not be worth putting them up. It is important to get that right. If it were not for the amount of money that British taxpayers are paying for the erection of wind turbines, we would not be going down that path.

In 20 or 30 years' time, when some sanity comes into energy policy, and a father and mother are driving their family around and one of the children points at a wind turbine and asks, "What is that?" the parents will reply, "That is an example of the folly of the late 1990s and early 2000s, when the Government thought that it would be the answer to all our problems. They invented targets that they had to meet, and they thought that wind turbines were the answer." We all want the Government to meet targets that mean that we rely less on carbon energy, but, sadly, one will not have to drive far to see examples of such folly—they will be all over the place. They are all over Scotland, Wales and large swathes of the south-west and the midlands—there is one coming near you now if we carry on with that policy.

I want to rely not on my prejudices—I declare my interest as president of the Country Guardians, which opposes industrial furniture in the countryside—but on those of some other people. James Lovelock, the founding historical and cultural leader of environmentalism for environmentalists around the world, said:

"I was asked to open the windfarm at Delabole. At that time nobody was talking about a gigantic programme, getting 15 or 20 per cent of the country's energy from wind turbines. It was a kind of nice green gesture. I think, now that I know as much as I do, I wouldn't have touched it with a bargepole."

[Mr. Nigel Evans]

The second person is Sir Martin Holdgate, the now-retired chairman of the Renewable Energy Advisory Group, which in 1992 advised the Government to set out on an alternative energy path. He strongly favoured renewable technologies, he said, but in the right place and on the right scale. He was attracted to the idea of solar panels on roofs and said:

"The trouble with wind farms is that they have a huge spatial footprint for a piddling little bit of electricity. You would need 800 turbines to replace the output of a coal-fired power station."

I am not an expert, so I rely on those who know all about it. My third expert has an honorary degree from the university of Central Lancashire. He said:

"My main thing against them is that they can only work, if you are very lucky, for 30 per cent. of the time. Going by the ones in Denmark it is about 17 per cent. of the time. So how are people going to be able to boil their kettles, or how are we going to power our hospitals the rest of the time? It means that we have got to keep our other stations running, spinning in reserve, inefficiently and pouring out carbon dioxide and sulphur dioxide and the like."

That person was David Bellamy; no one could say anything against his environmental credentials, and he is someone with huge credence in the country.

We know that the demand for power will rise tremendously over the next 10 to 20 years and we need a policy to deal with that.

Brian White: The hon. Gentleman implies that the only renewable technology is wind power. Does he recognise that there is a panoply of renewable technology and that we ought to make sure that that wide range of renewables is encouraged?

Mr. Evans: I absolutely agree. Part of the problem is that we are reliant on one kind of energy but not on all the others mentioned in part 1 of the Bill. There are so many alternative energies that could be getting part of the subsidy that disproportionately goes to wind power. A lot of other technologies and renewables do not get a look-in for all sorts of reasons, and I hope that that will be addressed in Committee.

There is a one-sided debate, as we have heard this evening: everybody loves wind turbines, which provide free energy and look nice—one cannot say anything against them—but nuclear power is nasty and horrible. One has to decommission nuclear plants. A wind turbine can be decommissioned for £12.50, but nuclear power will cost billions to decommission. The arguments are one-sided and, for whatever reason, Governments of different persuasions have been slowly hooked on wind technology. It is now time we got off that hook.

The subsidy going to wind technology is enormous—about £400 million. The myths need debunking. I do not have a wind turbine in my constituency and I will keep fighting against it, as will a number of other people. That is why I intervened on the hon. Member for Hazel Grove (Mr. Stunell) to say that the Liberal Democrats were in favour of wind technology generally but against individual applications, which they know will lose them votes. People do not like wind turbines, which reduce the value of people's property.

Dr. Alan Whitehead (Southampton, Test) (Lab): Will the hon. Gentleman talk about offshore as well as onshore wind? He states that he does not have a turbine in his constituency, but appears to forget that we are talking today about turbines that are far out to sea and not in his constituency.

Mr. Evans: At one time, I thought that because people always said nice things about wind turbines I should not hit them too hard. I knew that they were completely inefficient, produced a piddling amount of energy and were noisy. I knew that people did not like huge farms in their area and that such farms were a scar and a blot on the countryside. I knew that they hit tourism.

If we shove them out to sea, we can pander to those people who think they are being environmentally friendly. We can put them on rigs out in the sea; it is hugely expensive, but who cares? We must pander to the green lobby somehow, despite the fact that it would give a small percentage reduction in carbon emissions. But, as the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) said, there are a number of downsides to that scheme as well.

If we are looking at efficient ways of producing energy, we should spend a small percentage of the amount that we are ploughing into wind technology on energy conservation. If so, we would not need the wind turbines in the first place. There is hardly a mention in the Bill of energy conservation, which is remarkable. We spend money on lagging roofs and insulating doors and windows, and Ribble Valley council accesses Government grants to ensure it is able to do that. But why do we not do more? Why do we not invest more money to ensure that more people get access to cheaper lights that use less energy? They are expensive now, but why do we not bring the price down for everybody? Everyone could then get energy conservation bulbs, which would help a little. We could be doing all sorts of things on the conservation front, such as roof insulation, doors and cladding, which we are currently not doing.

Mr. Stunell: May I warn the hon. Gentleman that he is coming dangerously near to propounding Liberal Democrat policy? I remind him that we have just spent £243 million propping up British Energy—money that should have gone into energy efficiency.

Mr. Evans: I am old enough and wise enough to know that almost anything that I say comes close to propounding the Liberal Democrats' policy one way or another, because one of them will be saying it to some group of people. If only they had a coherent policy, at least we would know where they stood. They are in favour of and against certain things at the same time, which is part of the problem.

On the need to ensure that we preserve the countryside, and the ways of doing that—perhaps the Minister could address this point when he winds up—tourism is one of our fastest growing industries, with thousands of jobs reliant on it, so to scar the countryside

with yet more wind turbines is a grave mistake. Even to push them out into the sea, at disproportionate cost, is a grave mistake. Let us look at all the alternative supplies mentioned in the Bill, and ensure that sufficient funds are going into research and technology at the university and industry stages, so that we can work out what to do.

Let us not turn our backs on nuclear energy, either. As my right hon. Friend the Member for Fylde (Mr. Jack) said—I suspect that I, too, have about 100 constituents working at Springfields—France is reliant on nuclear energy, which produces well over 70 per cent. of its total. We are prepared to import that energy from France, but turn our backs on it here, as though it were not in our backyard. I must tell hon. Members that France is in our backyard. To import energy from there, at the same time as denying that source here, is completely disingenuous. We should get a grip on that issue.

8.36 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): At least the Conservatives are even-handed—they say, "Not in anybody's backyard", whereas the Liberals stick to their own backyards.

To be a little more serious about energy policy, our problem here tonight is that we are discussing a Bill that should be the launching pad for an energy policy that makes a serious contribution to the future survival of the world, in terms of climate change. All that it is, in fact, is a set of housekeeping measures, which does not do anything seriously to promote renewable energy. The White Paper gave us all hope when it identified and set in lights the 60 per cent. target for CO_2 reduction as a prime policy driver. Since then, the threat of climate change has been reinforced and emphatically stated from many sources, including the Pentagon and the Government's chief scientist, all of which have made it clear that climate change is the most serious threat to the security of the planet.

The problem with climate change is that we cannot start too soon to try to do something about it. Even if we achieve the 60 per cent. target by 2050, of all the climate change scenarios even the most moderate is still quite extreme, by comparison with current circumstances, and anything else starts to move into the apocalyptic. Energy, therefore, takes centre stage. Virtually all the CO_2 output is derived from energy use, so it follows that we should be concentrating on moving away from the habit of burning fossil fuels. That has to be the ultimate driver.

Although this might not be the Secretary of State's fault, to have a Bill that starts out by imposing a duty on her to keep the lights on, which she already has, is laughable. Even George W. would understand that one. We need to do a little better than that, and CO_2 reduction has to be the prime driver. There is now probably general agreement on both sides of the House, and with everybody in the industry, that the present aspirations for renewable energy generation in this country will not be met—and, sadly, the Bill does nothing to correct that. We have to ask ourselves why. What is wrong?

For me, wind turbines are definitely not the be-all and end-all of the renewable energy industry. New technologies coming on stream could be far more potent, especially in the United Kingdom. How fast they are exploited is another question. As everybody probably knows by now, my favourite candidate is tidal power, closely followed by wave power. Between them, those two natural resources have the inherent capacity, if exploited, to supply twice as much electricity as this country now generates and consumes. That massive potential has to be worth exploiting.

Not only can those sources generate that huge amount of electricity, but tidal power can supply base load as well, because tides are totally predictable, to the minute. We know exactly when they will flow and exactly how fast, and the times change around the country, so if we locate our generation sites strategically, we can have constant predictable baseline power, with no CO_2 emissions and no serious environmental consequences. That must be a goal well worth pursuing.

We have seen the advantages that Denmark and Germany have gained from wind power, for all its problems. Denmark is a world leader in producing wind turbines, which provides thousands of manufacturing jobs in a small country and is a very significant contributor to its economy. We have that opportunity with the marine technologies, if we can exploit them fast enough. There are fantastic export opportunities.

We have worried about the industrialisation of the developing world. What if China, India or the whole Pacific rim were to industrialise by burning coal? They do not have to do that, because there are magnificent tidal opportunities in the Pacific rim. Anywhere there are islands, there are tidal power opportunities. We still just have the world lead in this technology, and we could have a fantastic export industry, creating 50,000 jobs—or perhaps 100,000, or more. If we do it right, the sky is the limit. We cannot afford to miss that. Why are we not doing it more quickly?

The example of our near neighbours Germany and Denmark shows how determined Governments, without massive expenditure, can promote the introduction and deployment of a technology. We must do that too, yet the sad thing is that the Bill does nothing about it.

I have here a report by the Select Committee on Science and Technology. I probably do not have time to talk about its recommendations in detail, but it supplies the policy that is lacking, and if its advice were followed the funding would be supplied, through a carbon tax and carbon tax credit system. CO_2-producing technologies would be taxed, and renewable technologies would get a credit. That would solve the problem that technologies other than wind power, which is already there and is readily deployable off the shelf, have in attracting investment. The current system of ROCs—renewables obligation certificates—is too small and too uncertain to attract investment. But if we are to get a new technology into the marketplace, it needs support. By definition, it cannot possibly come in straight away at a commercial price, because the early machines do not have absolute design optimisation and economies of scale. That is why new technologies need guaranteed entry prices. Germany has achieved such things through its renewable energy legislation. Whether or not one likes wind power, we should note that Germany has deployed it several times faster than we have, or even plan to.

[Dr. Desmond Turner]

The report also clearly sets out grid companies' obligation to connect new generators to the grid—we will have to rewire Britain completely—and how that will be paid for. We could do this. For example, our Committee proposed a renewable energy authority. We are to have a nuclear decommissioning authority, which I totally support, but promoting renewable energy is at least as important to our future. We could derive enormous benefit from such a body taking over the functions currently exercised by the Department of Trade and Industry, the Carbon Trust and other bodies that, frankly, are not as effective as they might be, and from its producing as concentrated an effort in developing renewable energies as the UK produced in developing nuclear power after the second world war.

There are possibilities out there, but the Bill does not reflect them. It is not too late to incorporate some of these principles.

8.46 pm

Norman Baker (Lewes) (LD): The good news, if I may say so in a spirit of generosity, is that the Government's energy White Paper is almost coherent in setting out the way forward; the bad news is that the so-called Energy Bill does not implement the White Paper. This is becoming a serial fault of the Government. The Waste and Emissions Trading Bill, which should have produced an holistic view of how we deal with waste, was simply the "landfill directive implementation Bill". The Water Bill was a series of small, unconnected measures that failed to recognise the water framework directive, which was being implemented at the same time through regulation. As hon. Members have said, this Bill is not simply a missed opportunity, it is a worrying sign. There is a window of opportunity to get this issue right, but the Government are missing it.

I agree with those hon. Members who said that security and diversity need to be key drivers in energy policy. Of course, a third driver is minimising environmental impact, yet the Bill contains virtually nothing on energy efficiency or energy conservation. Labour Members rightly talked about the impact of high energy charges on their constituents, and the way in which people have been taken out of fuel poverty. I admire the desire to get people out of such poverty, but the best way to deal with the problem is to conserve energy: to reduce the cost of energy by reducing the amount that people have to buy, through energy conservation and energy efficiency measures. That would help individual constituents and reduce the impact on the environment, yet we hear nothing about that idea in this Bill; nor did the Secretary of State say anything about it in her opening remarks. That is another missed opportunity.

The Government also need to look at transmission losses. We have long transmission lines, and as a recent parliamentary question of mine demonstrated, we lose more of our energy between the point of generation and the point of consumption than other European countries do, probably as a result of the transformer arrangements. It is a big issue that the Government have not even begun to address.

The second failing is in respect of renewables. I, too, believe that renewables should and will provide the bedrock of our energy generation requirements in the years ahead. They will do so through diversity of supply, rather than through onshore wind power alone, as the hon. Member for Ribble Valley (Mr. Evans)—he has disappeared from the Chamber—would have us believe. As the hon. Member for Brighton, Kemptown (Dr. Turner) suggested, there are a number of alternatives, which are listed in the Bill. But the Bill does not set out how to promote them, other than to wish and hope for the best.

The Government fail to intervene in the energy market in a meaningful way. The days when the Department of Trade and Industry would intervene before breakfast, lunch and dinner—when Michael Heseltine was Secretary of State—have long gone. It is now a matter for market forces, but the idea is taken to a ludicrous degree. Some of us had lunch today with the senior environment official in California, who told us that the land of the free is intervening to get its energy policy right and making sure there is pump priming for renewable technology and low-interest loans for private sector companies to make sure that technologies are developed. Targets are being set for photovoltaics on 50 per cent. of homes in California. What are our Government doing about that? I am tempted to say something unparliamentary, but the diplomatic way of putting it is "Not very much".

Much more could be done, and we have a window of opportunity in which to get things right. There will undoubtedly be increasing uncertainty over fossil fuel supplies. We are seeing the run-down—rightly, in my view—of the nuclear industry. We must make sure that we start actively to fill the gap, and we must do it now. We can do that, first, by reducing energy demand, and then by having a big renewables programme. We are not seeing that happen.

Of course, it suits some people very well to pretend that there is no renewable energy industry able to meet the gap and that we must therefore fall back on nuclear power. It suits some people so well that wind power and other renewable energies are being talked down so that people are encouraged not to invest in them. That is what is being said from the Conservative Benches, and there is a spectrum of views—to put it kindly—among Government Members. The Secretary of State for Environment, Food and Rural Affairs believes that renewables are very important and that nuclear power has no future. Lord Sainsbury, on the other hand, believes that nuclear power is the best thing since sliced bread and that we should be investing in it as fast as we can. The Secretary of State for Trade and industry is stuck somewhere in the middle, which is why the door to nuclear power has been left open. It would be helpful if the Government finally settled on a view and implemented it, rather than hoping that market forces will dictate. That abdication of responsibility means that renewables will not have the support that hon. Members on both sides—particularly on the Labour Benches—want for that industry. The way things are going, we will not see that.

Conservative Back Benchers have told us that nuclear power is the solution, and their Front-Bench spokesmen—I hope that the hon. Member for Tewkesbury (Mr. Robertson) will do this—should have the decency to say, if they believe in nuclear power, that it is their policy to have new build. They cannot honestly

carry on articulating a need for nuclear power while saying that they have an open mind on whether nuclear new build should occur. New build is a respectable policy; I disagree with it, but if it is their policy, they should say so instead of pretending that they are stuck in the middle, like the Government. They do not want to offend the green lobby or someone else, but they should advocate the policy they believe in.

There are three good reasons why nuclear is not the future and why it would be wrong to go down that road. First, there is security, which is a real issue in the age of terrorism. Nuclear installations and nuclear fuel present a threat and a target, and we should be careful not to exacerbate that. The Government should minimise the exposure of the nuclear industry. For example, they should be minimising transport movements of nuclear material, but they are not. Movements of radioactive material are a matter, they say, for British Nuclear Fuels Ltd. or for British Energy, or for anyone apart from them. In fact, according to answers to my parliamentary questions of last year, unless they have changed their mind since, the Government even allow nuclear material to be carried, in theory at least, on passenger ferries and through the channel tunnel. That is the Government's official position, and if I am wrong on that, the Minister should stand up and say so. That is what his predecessor said in answers to me about a year ago.

The second issue is cost. Hon. Members, now absent, have berated the cost of wind power. We were told it would be £400 million, and how terrible that is, if it is correct—and I must say that the figure varies from day to day. But there was no mention of the £48 billion that we are being asked to find from the taxpayers' purse to decommission the nuclear industry. That is an enormous sum, and far more has been given over the years to the nuclear industry than to renewables. Parliamentary answers demonstrate that while renewables have been given a pittance—pennies here and there—shovels full of cash have been thrown at the nuclear industry.

Mr. Laurence Robertson: No matter how much is put into wind power, it will provide electricity only for a small percentage—perhaps only 30 per cent.—of the time. That is the difference. The nuclear industry provides 22 per cent. of all our electricity without failing us at all.

Norman Baker: There are a number of problems with that. First, we are back to wind power as the only renewable source of energy. Secondly, we are not yet clear whether nuclear new build is Conservative policy—perhaps we should assume that it is. Thirdly, other countries manage to generate much more than 22 per cent. of their energy from renewable sources. I am afraid that that is "three strikes and you're out" for the hon. Member for Tewkesbury on his intervention.

Mr. Weir: Equally, there is the point that nuclear energy can be interrupted. In fact, Torness in Scotland shut down for a considerable time because of mechanical problems.

Norman Baker: That is absolutely true and the point should be borne in mind by those who advocate nuclear power. Unlike gas and coal generation of electricity, nuclear power cannot be switched on and off: it has to be kept running.

The third problem with nuclear power is nuclear waste. We have gigantic amounts of it in this country—

Mr. Robertson *indicated dissent.*

Norman Baker: The hon. Gentleman shakes his head, but we do. I could quote him parliamentary answers from successive Ministers. Furthermore, the Government's own "Consultation Paper on Proposals for Intermediate Level Radioactive Waste Substitution"—a catchy title—means that we will get more waste. The Government will increase the amount of nuclear waste in this country—that is what the consultation paper actually says. One would think that they would at least stop reprocessing, which increases the amount of nuclear waste. I asked the Secretary of State for Environment, Food and Rural Affairs whether she would stop reprocessing and to outline her views. The Minister for the Environment replied:

"Decisions about whether to reprocess spent nuclear fuel depend on the commercial judgment of the operator concerned."—[*Official Report*, 23 February 2004; Vol. 418, c. 146W.]

The commercial judgment of the operator? Where is the Government's bold policy on that? Do we or do we not want more nuclear waste? Do the Government not have a view on that? Is it simply a matter for some company somewhere to decide that they can land the taxpayer of the future with an environmental and a financial liability? That appears to be the Government's abdication of responsibility, so far as the nuclear industry is concerned.

When the Minister sums up, will he comment on *The Sunday Times* story—I hope that he will take note of it; he is obviously not listening—that appeared last Sunday, which suggested that 20 kg of radioactive material had gone missing from the midlands? Will he say whether it is true and what the Government are going to do about it? As the Minister is not listening, perhaps the Whip will tell him that I have raised that point and asked him to comment on it when he responds this evening.

This country needs a proper nuclear policy and a proper energy policy. Energy policy should be based on minimising, through energy conservation and energy efficiency, the amount of energy consumed and having proper investment pump-primed by Government intervention to get the renewables industry going. It should not be just an odd wind turbine here and there, or a pilot plant somewhere else. I mean a proper policy to get renewables up and running to meet the Government's target and beyond.

We should be looking even further to the coal industry to establish how coal generation could be made more acceptable. In another parliamentary question, I asked about the gasification of coal. Labour Members who represent mining constituencies might be interested to hear the answer. I asked

"what percentage of power was derived from gasified coal in 2003."

[Norman Baker]

The Minister for Energy, E-Commerce and Postal Services replied:

"Currently in the UK there is no power produced through coal gasification."—[*Official Report*, 6 May 2004; Vol. 420, c. 736W.]

Why not? What have the Government been doing over the past six years to help the coal industry to ensure that our indigenous supply is used while at the same time meeting proper environmental standards? What has happened in the past six years? The Government need an energy policy, and they need it now.

8.58 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): We have had a rather odd debate about this important Bill. Claims have been made that wind power is the only trick in the magic box, that the Government claim that it will solve everything and that we should also examine other sources. As far as I am aware, the Government and Labour Members have never claimed that that is the future for renewables. Indeed, page 55 of the White Paper includes a timeline for a whole variety of renewables coming on stream over a period, which will create the mix of renewables that hon. Members have spoken about.

We must emphasise, however, that it is a race against time. We cannot just say that we should have a good think about various alternatives and discuss the best option over a period without taking any decisions. As my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) explained, we are producing ever-increasing amounts of CO_2, which is causing enormous and possibly irreversible damage to our environment. The question is whether we start the movement towards renewables now, with the technologies that we have and bring others on line later, or talk about the technologies that we would like to have and do nothing. If we are not careful, we will be here in 50 years talking about what sort of renewables we would like. However, we will not be here in 50 years if we carry on business as usual in terms of energy use, because this building will have been flooded.

The White Paper is ambitious and I was proud to have it published. I was proud that the Government emphasised a long-term aim of a 60 per cent. reduction in carbon emissions by 2050, but that is of course a target and not actual energy reduction. The changing picture of UK energy production requires huge action. It has been estimated that to meet the Government's target of 10 per cent. of energy from renewable sources by 2010, some 3,500 to 5,000 wind turbines would be required. That would fulfil only the wind element of the target of some 7 per cent., with the remaining 3 per cent. met by other renewable energy sources. That could involve a variety of systems, which could contribute to a secure and reliable system. As hon. Members have already mentioned, wind is intermittent, but other renewable sources—tide, wave and biomass—are not. It is a failure of the imagination to think that the only way to secure a baseline of power—and a different arrangement for the distribution of power—is by continuing to churn out power in the centralised way that we always have.

The DTI has said that the potential resource for wind in our territorial seas comes to 200 GW, or three times the present UK generating capacity. If we went beyond territorial waters, a further 130 GW, or twice the UK's present generating capacity of 68 GW, would be available. That estimate excludes any conflict with oil exploration or production, with aggregate extraction or with shipping lanes.

We have heard today that we need to replace nuclear capacity, and I agree with the hon. Member for Lewes (Norman Baker) that it is time that Conservative Front Benchers admitted, "We would like to build lots of nuclear power stations. Can we start tomorrow because that is our policy?" It is not tenable for the Conservatives to continue their patsy game.

Mr. Laurence Robertson: I have tried to resist intervening on this topic, but I must point out that no Government would write a cheque for the building of new nuclear power stations. We believe in the market and it would be up to the market. Our point is that it is up to the Minister to create the economic conditions that will encourage investment to achieve security of supply. The coal industry is under environmental threat, gas will have to be imported from long distances and we struggle to meet renewables targets, so it is up to the Government to say how security of supply will be achieved.

Dr. Whitehead: That clears that up, then. The hon. Gentleman and his colleagues have already said that they do not have a policy, but they do not agree with wind power or with encouraging renewable sources as the Government suggest. The Conservatives have implied that it would be a good idea to go down the nuclear route, but they will not come out and actually say that. Indeed, the hon. Gentleman has just confirmed that.

Even if we did replace the entire present nuclear capacity with wind turbines—I do not anticipate that that will happen—we would need some 10,000 to 15,000, and some people think that that is an unachievable target. Germany already has 14,000 wind turbines in operation and the country is not covered with them. Nor has Germany failed to make progress in wind turbine technology, because it has begun to install them over the past 15 years.

Capacity could also be derived from biofuels, as hon. Members have mentioned. About 5 per cent. of arable land, much of it currently fallow, would be needed to meet EU biofuel targets of 6.7 per cent. Tidal power, which has already been mentioned by my hon. Friend the Member for Brighton, Kemptown, could provide twice the UK's generating capacity. The truth is that there is the capacity, both in base-load generation and intermittent generation, to produce a large proportion of the UK's energy supply through renewables.

Realistically, the choice is between business as usual, renewable technologies that are coming on stream—and ensuring that those work well—or simply going nuclear. Real licences and real generation are needed now. We have to overcome a number of hurdles. Hon. Members have already mentioned shipping lanes and the objections of the Ministry of Defence. I do not think that those are insuperable objections; they can be negotiated and discussed.

We must sort out the matter of renewable obligation certificates. The design of the renewable obligation system should not cause the system to come close to

collapse because certain firms go out of business and do not meet their obligations. We must have a more stable system that produces a more stable price.

However, those are matters of detail. It is vital that we make use of all the renewable technologies we can, and make greater use of CHP. If the Government want to resist clause 120, I would suggest that they convert its provisions to a power for the Minister, so that it can remain in the Bill, along with clause 128.

Overall, I think the Bill is to be welcomed. It is part of a jigsaw, as my hon. Friend the Member for Ochil (Mr. O'Neill) said, but it represents real progress towards the 20 per cent. target for renewable energy by 2020. Wind power will not solve the problem, but the Bill will go a considerable way towards reaching that target.

9.7 pm

Mr. Calum MacDonald (Western Isles) (Lab): As my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) said, I have a very important constituency interest in the Bill and the topic of meeting the Government's renewable energy targets. As many hon. Members have pointed out, the targets are very demanding and ambitious. After many years of neglect of renewables by previous Governments, the Labour Government, in pursuing their policy, have to break through what seems to be a wall of scepticism—or at least a great deal of uncertainty—among people in industry about the viability of meeting those targets.

That atmosphere of uncertainty will be added to by the various contributions from Conservative Members during the debate, in which they revealed once again their long-standing hostility towards the development of renewables. If the Government are to overcome that scepticism, and break through that uncertainty, they have not only to announce targets, but to encourage and push industry to meet those targets. To meet even the 2010 target, we shall have to build about 1,000 turbines each year in the run-up to that date. Sadly, each development comes up against a wall of obstructions and objections of various kinds, and threats of legal action that could take years to settle.

It is unfortunate that, sometimes, some of those obstructions are thrown up by various Departments, quangos and Government agencies that seem not yet joined up to the central thrust of the Government's renewables strategy—notably the Ministry of Defence, but also arm's-length agencies such as the Civil Aviation Authority, the air traffic control system and environmental agencies such as Scottish Natural Heritage.

It is understandable that some of those public sector bodies will have points of view about the development of wind farms—they have legitimate remits to deliver—but we need to remember that each of them is, in essence, the equivalent of a single-issue pressure group; they have a narrow focus on the renewables issue. If the renewables strategy is to be delivered, it is important that the Government pull together the different strands to achieve some joined-up government between those Departments and the various agencies.

The hon. Member for Waveney (Mr. Blizzard) pointed out in his excellent speech that the United Kingdom has the best wind and wave resources in Europe. The best resource in the United Kingdom is to be found in the highlands and islands, especially in the outer islands of the Western Isles and in Orkney and Shetland. The average efficiency of wind farms has been mentioned during the debate. The percentage figure given was somewhere in the high 20s, but I am told by AMEC—the leading developer—that the efficiency of wind turbines is between 40 and 50 per cent. in the outer islands of Scotland. The nation needs to harness that huge resource to meet its renewables targets in the run-up to 2010. Indeed, if we look beyond 2010, as we move into the hydrogen-based economy, that huge resource could produce perhaps one of the most cost-effective sources of hydrogen in the United Kingdom and, indeed, in Europe.

To realise that potential the Government must ensure that two things happen. First, a genuinely national, UK grid must be constructed which links the generating capacity of the north of Scotland with the markets of the south of England. Scottish and Southern Energy, which owns the grid in the north of Scotland, as well as supplying customers in the south of England, estimates that it would cost £200 million to upgrade the grid to connect the highlands to the central belt—a project that it hopes to begin building early next year—but that a further £500 million would be required to connect the three main island groups to the mainland and to harness their resources for the good of the whole nation. Those are large sums, but they are well worth spending.

Three separate wind farm developments have been proposed in the Western Isles—planning applications will be made during the year—and, taken together, they will have an installed capacity of more than 1,000 MW. That is a huge resource for the nation, but its development will obviously bring massive economic benefits to those remote and economically marginal communities. The development of renewables could end 100 years of low growth and economic underdevelopment in the outer islands of Scotland, and transform them into an economic asset for the whole nation. That double benefit—for nation and for region—should be in the front of Ministers' minds when they talk to Ofgem about the need to upgrade the grid in the coming months.

The second big obstacle, which must be overcome, is the creation of a level playing field, so that all generators across the UK are equally able to gain access to the grid. There is serious worry and concern that, compared with generators elsewhere, those in the north of Scotland will end up at a disadvantage under the BETTA rules when the new, British-wide electricity trading arrangements get under way. I am delighted that the Government have responded to those concerns in clauses 175 and 176 and especially in clause 181, but we are still far from seeing the details—the flesh on the bones—of how that new fair and level playing field will be established, and I look forward to hearing more about that during the Bill's consideration.

9.14 pm

Paddy Tipping (Sherwood) (Lab): This is an important Bill, because it helps to deliver the aspirations in the Government's energy White Paper. By itself, it will not deliver those aspirations, because the White Paper is a step change from the past to the future—from a fossil-dominated economy to a carbon-free economy.

[Paddy Tipping]

Achieving 60 per cent. carbon reductions by 2050 is extremely challenging, and becoming a net importer of energy in just a few years' time is a matter about which the Government should be seriously concerned.

Climate change has hardly been mentioned in the debate, but it is the big political issue of our time. If we are to achieve the White Paper's targets of 10 per cent. of energy from renewables by 2010 and 20 per cent. by 2020, we must work quickly, because we start from a very low base.

There has been a good deal of discussion in the debate about wind power. It is clear to me that wind power by itself—particularly onshore wind power—faces real difficulties. The Government are committed to offshore wind power, and the first field at North Hoyle came on stream just last year. Offshore wind power has remarkable possibilities, but there are difficulties, and my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) outlined some of them. We need to go further than the Bill and consider a marine environment Bill to consider the conflicts in the marine environment. I am not confident that we have joined-up government on the issue.

If we do not reach the renewables targets, we will face great difficulties in the mid-term. Security of supply has been mentioned throughout the debate, but I would be very worried if by 2020 or 2025, 70 per cent. of our energy needs were supplied from abroad, 90 per cent. of which were gas. The events of 11 September have changed the world. The war in Iraq has shown that diplomacy cannot solve everything. We will face difficulties if our renewables targets are not met and if we are so heavily dependent on gas. Hon. Friends have pointed out that there are other sources of renewables, but wind power will drive our renewables forward in the mid-term.

If we do not meet our targets, what else would need to be done? It is absolutely clear that the nuclear option needs to remain open. There is no prospect of the market or the private sector replacing nuclear with nuclear just now. We need to look further afield.

Many of my hon. Friends have made a strong case for coal. I find it astonishing that Japan, which has no indigenous coal industry, spends more on research on clean coal technology than we do. We need to move harder and faster to bring investment into new forms of clean coal technology. We need a more stable market and a place for coal in the energy market to encourage private sector investment. That will not come in by itself. We need to consider carefully how the Government can take the prospects for clean coal technology further. Coal burn will increase across the world, and we can develop the new technologies. We are in a strong position to exploit them.

I have previously discussed the large combustion plant directive with my hon. Friend the Minister, and I will not pursue the point today. However, I will remind him that coal mine methane is a real problem. I hear stories coming from his Department that the study into coal mine methane advocates its flaring and burning. Let me make it clear to my hon. Friend that that would not fit well with our White Paper commitments.

A number of hon. Members have talked about biofuels. In the short term, they are the only way of reducing carbon emissions in the transport sector—a sector in which emissions are increasing. It is important that we use the renewables obligation to encourage our indigenous industry. There is a danger that our needs will be sucked up abroad.

I conclude with something that I raised in an intervention. I am extremely worried about the future cost and price of energy. We have been fortunate to have had relatively low energy prices in the past two decades, but the cycle has turned, as the White Paper acknowledges. I think that there will be sharply increasing energy prices in the next decade. Many little additional bills will be created by the White Paper. The renewables obligation has been mentioned. The emissions trading scheme will also add to costs. We need to rewire Britain, and there has been a consensus on that. If we are to have sources of renewable power, will they come from peripheral supplies, because the cost of rewiring Britain will be fairly steep?

The big demand for energy conservation measures will also add to costs. The White Paper is clear on that: it predicts that energy prices will rise by 5 to 15 per cent. for the householder and by 10 to 25 per cent. for the industrial user. I think that those figures are on the low side and energy prices will increase rapidly. Conceptually, that is not a bad thing. We should charge more for activities that harm our environment, but if we accept that energy prices are to rise, we need to think through much more carefully the social, economic and political costs of that. I hope to have the opportunity to explore all those issues in more detail in Committee.

9.22 pm

Brian White (Milton Keynes, North-East) (Lab): One of the disappointing things about the debate in the Lords and the Chamber today is the way in which different energies have been set up against each other. We have had a rather sterile debate in which energy A is better than energy B. The renewables versus nuclear debate is false and I hope that we move away from it in Committee.

As little time is available, I shall not talk about nuclear energy, energy zones or security of supply. I suppose someone has to welcome part 1, and given that many of its clauses use the original wording of the Sustainable Energy Bill, my private Member's Bill of a year ago, I should probably be the one to do that. If the Government are minded to remove those clauses, and I understand why they might, perhaps I can remind them of the Minister's response in Committee. The issues that the clauses address will not go away, and he needs to have a transparent response to people who advocate their removal. The strategy for dealing with their removal must be clear.

I was a member of the Committee that considered the Utilities Bill; indeed, someone once called me a refugee from that Bill. One issue that arose was how NETA was implemented. Warnings were given about its impact on small companies. I moved amendments that would have allowed us to avoid some of the problems encountered by combined heat and power, but Ministers were sceptical. We need to return to the lesson of how NETA was introduced and ensure that the mistakes made then are not replicated when we introduce BETTA.

We also need to recognise that we have lived in an era of overcapacity and low prices and that that era is over. We need to consider how the issues apply in an era of rising prices. There is also an issue to do with how we deal with CHP in that scenario.

We have been promised a review of the renewables obligation in 2005, but I think that we ought to use the opportunity of the Bill to address the problems of the CHP industry now, rather than waiting until 2006. Ministers are well aware, from representations from companies such as Conoco Philips, of the problems that the industry is having. It is important that we address some of those serious concerns when we come to discuss clause 120.

I understand that the DTI has several objections to CHP, but many of those stem from the scale of new CHP technology that is likely to be introduced. My concern is that the Cambridge model that the Department has used is fundamentally flawed. I question the robustness of that economic modelling, which predicts that 284 MW of new build is likely to result from the renewables exemption. Even the Department accepts that there is uncertainty about that. There is a lot of discussion about the impact on renewables, but many renewables companies say that removing the obligation on CHP will not affect their investment decisions. We need to discuss those issues in Committee because they, rather than the clause, point the way forward. If Ministers do not it rule out, removing the obligation would be a better way forward than removing the clause.

The operation of Ofgem under the new arrangements is critical, particularly to the role of smaller companies. In the short time available to me, I want to welcome clause 129 on microgeneration; it is very important and has not been highlighted enough tonight.

The measures in the Government's statement following the energy efficiency review need to be implemented as quickly as possible. I urge the Minister to use not only this Bill but the spending review to do that.

Opposition Members were absolutely right to talk about bioethanol. We could blend biofuels into petrol, which would solve the problems caused by Customs and Excise requiring 100 per cent. duty on the use of biofuels, which requires new build, rather than allowing the use of 70 or 60 per cent. biofuels and charging duty pro rata. I will go into the issues concerning bioethanol in more detail if I am lucky enough to be on the Committee.

My hon. Friend the Member for Brighton, Kemptown (Dr. Turner) referred to fuel poverty, which in an era of rising prices will not go away; it needs to be addressed. We will touch on that issue again tomorrow when we discuss the Housing Bill. As the lead Department on the matter, the DTI has played its role very well so far, but in future its commitment to eradicating fuel poverty will be critical.

The investment climate has not really been discussed tonight. The Bill highlights the question of how we give the City certainty without long-term investment in energy needs, particularly in renewables and CHP but also as new arrangements are introduced. It is important that we stimulate the markets. Points were made earlier about how a market can come to maturity. The Bill does not cover that, but again I am sure that the debates in Committee will.

In conclusion, we are at a critical stage in developing our energy policy. The role of Finland has been mentioned a couple of times tonight. Given that the President of Finland is visiting the UK tomorrow, I am sure that she would be interested to hear some of the comments that have been made about how well the country has dealt with its energy policy, and how it had a mature debate about whether to return to nuclear energy. We can learn a lot from what Finland has been through.

The concerns that have been expressed today, particularly about CHP, the industry renewables and the regulatory barriers for small companies, need to be addressed, and I look forward to doing that in Committee if I am lucky enough to be a member.

9.29 pm

Mr. Laurence Robertson (Tewkesbury) (Con). This has been an interesting debate. I have counted 24 speakers so far, and I hope to be forgiven for not mentioning each and every contribution. The debate has ranged widely. When one speaks with the various interests in the power industry, one hears many different views expressed, so it does credit to the House of Commons that different views have been expressed by hon. Members during this good debate on an extremely important issue.

When people wake up in the morning, they might not think about the energy supply until they flick the light switch and the light does not come on; then, it becomes an very important matter. Of course, it is important, because the first thing people do when starting their day is use one form of energy or another. I am grateful to all who have participated in the debate, but I shall be forgiven for mentioning in particular my right hon. and hon. Friends.

My hon. Friend the Member for Blaby (Mr. Robathan) spoke of his personal experiences of renewables—

Mr. Timms: Where is he?

Mr. Robertson: I do not know. The winding-up speeches have started a little sooner than anticipated, but perhaps my hon. Friend is on his way. He spoke about his solar panel and his windmill in his back garden. My hon. Friend the Member for South-West Hertfordshire (Mr. Page) made his usual considered and sensible speech, and my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) spoke knowledgeably about biofuels. My hon. Friend the Member for Salisbury (Mr. Key) made a broad-based and interesting speech, and my right hon. Friend the Member for Fylde (Mr. Jack) broadened the debate still further, speaking not only about the security of physical supplies, but about economic security. He did not go so far as to say that the world would be troubled were a gas producers' equivalent of the Organisation of Petroleum Exporting Countries to arise, but I am sure that that is the sort of thing he had in mind. Given the recent increase in oil prices, we have to consider that possibility.

[Mr. Robertson]

My hon. Friend the Member for Ribble Valley (Mr. Evans) made a passionate speech. He tended to focus on windmills, but he was speaking from experience. It is wrong of Labour Members to accuse some hon. Members and members of the public of being nimbies. There is little wrong with being a nimby if it means that one defends the area in which one lives and wants to preserve its beauty and economic prosperity, as people in the lake district want to do.

I hope that Members representing other parties will forgive me for not going through every one of their speeches, but some very interesting contributions were made. The right hon. Member for Copeland (Dr. Cunningham) spoke with his customary knowledge. I was in Sellafield fairly recently—I hope that I wrote to him at the time to inform him, but fear that I might have been a day late in doing so, and postal strikes do not help. It must have been in the second delivery, which never arrived. *[Laughter.]* When I was there, I saw how crucial the nuclear industry is to the area. It was noticeable that support for the industry cut across the political divide—

Dr. Jack Cunningham: Not them.

Mr. Robertson: No, not the Liberals. I shall not name the people I met, but the industry appeared to command great support from the Labour party, from the trade unions whose representatives I met, and of course from the Conservatives.

There were many other interesting speeches, including from hon. Members who are concerned about the coal industry. As the son of a former miner, I can certainly sympathise with the sentiments that they expressed.

This is an interesting time to be having this debate, an interesting time for the Minister for Energy, E-Commerce and Postal Services to be holding his portfolio, and an interesting time for me to shadow him. We in this country have enjoyed 30 years of security of power, which has benefited not only those who use power, but the Exchequer. That, of course, is now changing, and we must recognise that. Indigenous gas and oil supplies are running down, there are strong—nobody should underestimate them—environmental challenges to the coal industry, and renewables are struggling to keep pace. It will be a challenge, in which I hope that the Government will succeed, to meet the targets set for renewables. As my hon. Friend the Member for Eddisbury (Mr. O'Brien) said in an outstanding opening speech, in less than 20 years' time, unless nuclear power plants are extended, nuclear will be reduced to providing just 2 per cent. of electricity in this country. Some Labour Members—not all by any means—might welcome that, but those who do must explain how the remaining 20 per cent. will be made up. As has been explained, if it is made up from renewables, we may replace that capacity, but in terms of carbon emissions, we will have gone nowhere. We must bear that in mind.

In terms of financing of new generation and the direction of energy policy in this country, we are at a crossroads. As has been said, we want to avoid an over-dependence on any one form of energy, including nuclear, coal and gas, if that gas must come not only from Norway but all the way from Russia. As has been said, we are at the end of a very long pipeline, with all the implications that go with it. We might ask the people, "Would you like to be dependent on imported gas from countries such as Russia?" As for honouring commitments, by and large, it does so, but Lithuania and Belarus might not agree, because both have recently had their supplies cut off by Russia for political reasons. Let us bear that in mind. Were we to ask people whether they wanted to be in that situation, in which the vast bulk of our gas was imported, they would say no. We must think again.

The White Paper, on the back of which this Bill has been introduced, raises some commendable objectives: security of supply, reduction in carbon and reduction in the numbers of fuel-poor consumers. We would all say that those three are worthy objectives. The problem is that they are conflicting. They are made more difficult by the changing atmosphere and circumstances in this country. I have been in the Chamber for the whole debate apart from one speech, and I apologise to the hon. Member for Bolton, South-East (Dr. Iddon) for missing his. When I nipped out, however, I caught a news item in which the chief executive of Powergen, Paul Golby, said that a 20 per cent. rise in prices of electricity over the next decade is possible, and that a massive amount of investment is needed in the industry—between £50 billion and £70 billion—to secure supply. That is an awful lot of money, and the suggestion is not from someone who is ignorant of the facts.

Given the White Paper, and the difficulties to which the White Paper has perhaps drawn attention without pointing the way to a solution, we generally welcome the Bill, especially as it has been greatly improved, as my hon. Friend the Member for Eddisbury said, by the sterling work carried out in the other place, principally by Conservative peers, although occasionally—I am sure it was a mental aberration—they were supported by the Liberal Democrats.

Mr. Stunell *rose—*

Mr. Robertson: I knew that I should not have said that. Can the hon. Gentleman be quick, as I do not get time added on?

Mr. Stunell: Absolutely. May I point out to the hon. Gentleman that all the amendments passed in the other place were either proposed by the Liberal Democrats or directly supported by them?

Mr. Robertson: Perhaps we will save the details for the Committee stage.

This debate is taking place in an atmosphere different from the one which would have existed before privatisation. Great advances have been made in the industry, but the whole House would agree that we need to go beyond this Bill. It is a start, and we welcome much that is in it, so much so that we will seek to hang on to quite a few of the amendments passed in the other place. I do not understand why the Government are having such difficulties with the amendments on combined heat and power, for instance. When I met representatives of

the Combined Heat and Power Association recently, I was told that it had generating capacity that was not being used.

There is an interesting amendment concerning micropower, and as the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) pointed out, there are navigation amendments. There is also a biofuels amendment. We shall look at all those closely, because we think that they improve what was rather a bland Bill.

The Secretary of State said that clause 1, which began as an amendment, was superfluous. It relates to the security of supply. We look forward to seeing how the Government manage to wriggle out of their duties in that regard.

Unfortunately, in this industry we do not have the free market that everyone assumes, or claims, that we have. Perhaps the Minister will tell us what will happen to British Energy when the NDA is established. Is it intended that the NDA will take over some of British Energy's liabilities? If so, will the Minister tell us whether he has taken legal advice from the European Union? I understand that a recent report—it may have been published only yesterday—suggested that such intervention might infringe EU rules. I do not say that to be awkward; I feel that it should be considered, although we support the establishment of the NDA.

We have heard a great deal about two aspects of electricity generation. One is wind—there has been a lot of hot air about that—and the other is the nuclear industry. I do not want to spend too much time discussing those two issues, but I should point out that we are not for or against one form of energy or another. What we are in favour of is security of supply.

At present, 22 per cent. of our country's electricity is generated from renewable sources. If that is to be allowed to decline, it is up to the Government of the day to tell us where they will find the extra electricity to replace it. Are we to have wind farms or windmills all over the country? They are intermittent, and building and maintaining them will be costly. Thankfully, they will not need to be maintained for very long because they do not last for more than about 20 years. Given those factors and the cost of the electricity they will produce, it will be up to the Government of the day to explain why so much energy is being focused on the development of wind power to the exclusion—seemingly—of other forms of renewable energy such as thermal and solar power, and possibly fusion—my hon. Friend the Member for Eddisbury mentioned that possibility.

It has been a privilege to take part in such an interesting and crucial debate. I hope that the Minister will answer some of my questions, and, more important, the many questions asked by Members in all parts of the House and representing every possible energy interest.

9.43 pm

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): I agree with the hon. Member for Tewkesbury (Mr. Robertson) that this has been an interesting debate, featuring a range of constructive contributions from Members in all parts of the House. That reflects a growing interest in energy matters throughout the country, which I welcome.

I pay tribute to my noble Friends Lord Whitty, Lord Davies and Lord Triesman for their work on behalf of the Government. A number of improvements were made to the Bill in the other place, although I should add that not all the changes constitute improvements. We shall look carefully at some of them in Committee.

I was pleased by the general welcome to the Bill given by the hon. Members for Eddisbury (Mr. O'Brien) and for Tewkesbury. I shall return shortly to some of their specific criticisms. First, however, let me remind the House of the four goals for energy policy proposed in last year's energy White Paper. The first was putting ourselves on a path to cut UK carbon dioxide emissions by 60 per cent. by 2050. The second was to maintain the reliability of energy supplies. The third was to promote competitive markets. The fourth was to ensure that every home was adequately and affordably heated. It is important that we achieve all four together. We are not looking to give up on one to achieve another. The package is designed to be, and needs to be, delivered as a whole.

We can point to excellent progress on implementing the White Paper, as the first annual report, which was published a couple of weeks ago, shows. The Bill puts in place key parts of the jigsaw to enable that progress to continue.

We now have scientific consensus that climate change is for real, that carbon emissions are causing it and that it poses an immense threat to all of us. My hon. Friends the Members for Brighton, Kemptown (Dr. Turner), for Sherwood (Paddy Tipping) and for Southampton, Test (Dr. Whitehead) were right to draw that to the House's attention. That consensus extends to the National Academy of Sciences in the United States. The hon. Member for Blaby (Mr. Robathan) was right to draw attention to the recent scientific contribution from the US—hoping that climate change will go away is not an option. The challenge of climate change requires an urgent and serious response. The Bill's provisions—for example, those on offshore renewable energy—are a key contribution.

Energy security considerations are also vital. Over the next few years, the self-sufficieny in energy that we have enjoyed thanks to North sea oil will end. In itself, that is not a worry. Among the G7 countries, only the UK and Canada are self-sufficient in energy, so we will move to a position that is the norm among industrialised countries. It is a transition that we can manage successfully, but we will need to ensure that we have sufficient diverse sources of gas. We also need to look for new sources of electricity generation under wholly UK management. For that reason, too, the Bill's provisions on renewable energy are vital. The wider issues of security will be an important theme of debates on the Bill.

A number of other provisions in the Bill are aimed at underpinning secure and reliable supplies: for example, part 4 on the special administration regime for energy network companies, and the arrangements for interconnectors in part 5. In addition, as we have heard, the Bill puts in place vital new arrangements, which have been widely welcomed, for setting up the nuclear decommissioning authority to get to grips with the challenges of our nuclear legacy. The NDA will drive

[Mr. Stephen Timms]

work on clean-up, provide the long-term strategic direction that is needed and help to deliver long-term efficiency savings to the taxpayer.

The hon. Member for Eddisbury made the point that the security of supply clause—I think these were his words—is not a prelude to interventionism. That is not how the industry has read it, as I think he will know, and the industry is right. It is no good him telling the House that he did not mean to imply that, because the views of the industry have been clear. My right hon. Friend the Secretary of State quoted Mark Clare of British Gas. The hon. Member for Tewkesbury quoted Paul Golby of Powergen. Powergen's brief makes the point that the clause as currently construed could undermine the independence of the regulator, make ad hoc Government intervention in the markets more likely and add to investors' perceptions of risks, making investment more difficult. The Chemical Industries Association has pointed out that more central planning inevitably has to be paid for by consumers. So it goes on. The provision would represent a huge shift backwards to state intervention, in which the Conservative party is not normally in favour.

I will be happy to talk to the hon. Member for Eddisbury about a way forward. He and his colleagues in another place were right to draw attention to the importance of security of supply. A shared way forward other than the one currently in the Bill may be available. Perhaps the hon. Member for Tewkesbury was alluding to that, too.

There have been a couple of references to the interesting PricewaterhouseCoopers survey. The head of the utilities at PricewaterhouseCoopers said that a consistent and stable regulatory environment is required to make the sector more attractive to investors. That is the point, and that is what we have to deliver.

I welcome what sounded to me like the hon. Member for Eddisbury's adoption of the White Paper policy on nuclear energy: that of keeping the options open, a position his party has strongly criticised. In fact, the hon. Member for South-West Hertfordshire (Mr. Page) strongly criticised it again today, presumably not having noticed that his hon. Friend had said that it was now his party's policy. It would also have come as something of a surprise to a number of his noble Friends in the other place. Nevertheless, I welcome that change of heart, if that is what it is.

We sometimes hear that if only the Government accepted the need to build new nuclear power stations, the twin challenges of carbon emissions and energy security could be readily resolved. We may well need new nuclear capacity, but I have yet to meet anyone who wants to invest in new nuclear power stations in Britain at the moment. My hon. Friend the Member for Dumfries (Mr. Brown) made an important point along those lines. It is the same in the United States, where there is a strong pro-nuclear policy, but getting people to make commitments has been extraordinarily difficult. It will be a considerable time before there are new nuclear power stations in the USA, let alone in the UK. We need that dose of realism in the debate and I welcome the Conservative party's change of heart.

Mr. Laurence Robertson: It is noticeable that the Minister excluded Finland from his list of examples. It decided that it needed a new nuclear reactor because it did not want to be over-dependent on imported gas from Russia. It also has a consortium of businesses to invest in the building of that new nuclear reactor, on the promise that the electricity it produces will be bought.

Mr. Timms: The hon. Gentleman is right to draw attention to Finland, as did my hon. Friend the Member for Bolton, South-East (Dr. Iddon). There are important lessons to be learned there, but I repeat that I have yet to meet anyone who wants to invest in new nuclear power stations in the UK. The position may well change in future, in which case we will consider that, as the White Paper made clear.

My right hon. Friend the Member for Copeland (Dr. Cunningham) paid tribute to his constituents and those of other hon. Members who work at Sellafield, and I endorse that.

On wind energy, every megawatt-hour of electricity generated from a wind turbine is nearly 200 cu m of gas that does not need to be burned. It is important that the UK plays a leading role in the move to a more sustainable energy economy.

My right hon. Friend the Member for Copeland was right to draw attention to the employment importance of nuclear industries for his constituents. I was concerned to hear what he said about difficulties in the supply chain among his constituents. We have wanted to do everything we can to ensure that the supply chain is kept informed of work on the Sellafield near-term work plan. There have been three supplier forums recently on that, but if there are particular problems I should be grateful if my right hon. Friend dropped me a line and I will be glad to take them up.

Dr. Jack Cunningham: I can do better than drop my hon. Friend a line; I can repeat what I said earlier. There are already, I regret to say, real problems in the supply chain of support industries in west Cumbria because of the hiatus that has been caused by the proposals to create the nuclear decommissioning authority and because of BNFL so far refusing to bring forward its near-term work plan. That is threatening jobs in the west Cumbrian economy now.

Mr. Timms: I am grateful to my right hon. Friend and I shall certainly look at his point. He would agree that his point underlines the importance of securing the timely enactment of the Bill so that we can press ahead with establishing the NDA on the timetable that has been announced and thus ensure that any hiatus is minimised.

The hon. Member for Hazel Grove (Mr. Stunell) talked about the annual report on energy efficiency. I hope that I was able to make the position clear; we expect carbon savings from energy efficiency overall—household plus business—to be greater than they were in the White Paper because of the greater contribution from businesses. I can give him a firm assurance that we will hit our Kyoto targets—the UK is one of only a handful of EU member states to be in that position. Indeed, our target is to go further and achieve savings of 20 per cent. in UK carbon emissions by 2010.

My hon. Friend the Member for Ochil (Mr. O'Neill) made some important points, as did my hon. Friend the Member for Milton Keynes, North-East (Brian White),

on combined heat and power. My hon. Friend the Member for Milton Keynes, North-East referred to the Cambridge study, which indicates a central projection of 8.1 GW of good quality CHP capacity by 2010, in a range of 7.7 to 9.4 GW. I know that he was critical of that study, but we have to add to that an expected contribution from the European Union emissions trading scheme. We have said that we will review the support for CHP alongside the review of the renewables obligation next year, but I caution against a view that we can somehow use the renewables obligation to deliver what we want on CHP as well. That would fatally undermine the renewables obligation just at the time when we are at last starting to see the momentum behind the investment that we need. My hon. Friend the Member for Milton Keynes, North-East has been a strong advocate of CHP, not least through his private Member's Bill, and he will know that quite a lot of work is going on to support CHP. I take his point, however, about the challenge that remains.

I pay tribute to my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) for her work as my predecessor in this role. I agree with her about the benefits of competitive pricing that BETTA will deliver to her constituents. She also made important points about skills in decommissioning, and clean coal. My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), too, drew attention to the importance of clean coal, as did other hon. Members. The technology programme for clean coal that we are taking forward will continue until the end of 2006, with a fourth and final call for proposals being made at the end of this year. That will involve some £4 million. We expect to announce the successful projects at the end of the year, and, in addition, the new carbon abatement technology strategy will identify programmes to replace the existing cleaner coal technology programme. That is expected to receive similar levels of Government funding.

My hon. Friend the Member for Sherwood, like my hon. Friend the Member for Barnsley, West and Penistone, raised concerns, which I well understand, about the large combustion plants directive. I have listened carefully to the concerns that he and the coal industry have expressed. He will know that other parts of industry have diametrically opposed views, so we are looking very carefully at the analysis that we have commissioned.

My hon. Friend the Member for Waveney (Mr. Blizzard), in an excellent speech on the importance of wind power, rightly welcomed the extension of the renewables obligation to 15.4 per cent. by 2015–16. I look forward very much to visiting Scroby Sands next week.

My hon. Friend the Member for Western Isles (Mr. MacDonald) underlined the important point that in many areas of the country there is strong support for making progress on wind energy. The Western Isles is one area where that is very much the case, and he was right to draw attention to what he called the huge resource for the nation that is available there.

My hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) raised concerns reflected in the recent Transport Committee report on navigational hazards and the Energy Bill, which we have welcomed. We see that report as an important contribution to consideration of how offshore renewables and shipping industries can co-exist. There have been discussions with shipping interests, and I have met representatives of the Chamber of Shipping, following that up with a letter. I can tell my hon. Friend that Government consents will not be given to any wind farm developments that would be a danger to navigation. She mentioned the idea of safety zones, which the Chamber of Shipping has raised, and which I welcome.

We have had an excellent debate and I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

ENERGY BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the following provisions shall apply to the Energy Bill *[Lords]*:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on 24th June 2004.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the day on which proceedings on consideration are commenced.

6. Sessional Order B (programming committees) made by the House on 28th June 2001 shall not apply to proceedings on consideration and Third Reading.

Other Proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords amendments or on any further message from the Lords) may be programmed.—*[Charlotte Atkins.]*

Question agreed to.

ENERGY BILL *[LORDS] [MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Energy Bill [Lords], it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenditure incurred by the Secretary of State under or as a result of—

(a) any option under which he or his nominee may acquire an undertaking or property from British Energy plc or a company that is or has been a subsidiary of British Energy plc, or

(b) any agreement entered into for the purpose of giving effect to the provisions of such an option, or of continuing or modifying their effect,

(2) the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown or the Treasury in respect of the acquisition of securities of a company to which transfers authorised by the Act are made or in respect of the acquisition of rights to subscribe for such securities,

[Mr. Timms]

(3) the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown for or in connection with the carrying out of any of his functions under the Act, and

(4) the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable out of money so provided by virtue of any other Act.—*[Charlotte Atkins.]*

Question agreed to.

ENERGY BILL *[LORDS] [WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Energy Bill [Lords] ("the Act") it is expedient to authorise—

(1) the making of provision for the purposes of corporation tax, capital allowances, stamp duty and stamp duty reserve tax,

(2) the making of provision in connection with the responsibilities of the Nuclear Decommissioning Authority (as established under the Act) for—

(a) requirements for payments to be made to the Secretary of State, and

(b) the levying of charges by the Nuclear Decommissioning Authority,

(3) the transfer of property and rights to the Secretary of State or the Nuclear Decommissioning Authority,

(4) the making of payments under the Act to the Nuclear Decommissioning Authority in connection with benefits received in respect of the use or disposal of interests or rights in installations, sites and facilities,

(5) the imposition, by virtue of the Act, of charges under licences issued under the Electricity Act 1989 or the Gas Act 1986,

(6) the levying of charges under the Act in connection with powers and duties conferred or imposed on the Secretary of State by or under the Act or other enactments or provisions of Community instruments, and

(7) the payment of sums into the Consolidated Fund.—*[Charlotte Atkins.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9)(European Standing Committees),

Doha Development Agenda

That this House takes note of European Document No. 15529/03, Commission Communication 'Reviving the Doha Development Agenda negotiations—the European Union's Perspective'; welcomes the European Commission's commitment to the successful conclusion of the negotiations and urges the European Commission to show leadership in taking this forward; welcomes the signs of the European Commission's flexibility, particularly on the Singapore issues, and urges other World Trade Organisation members to do likewise; and supports the Government's aim of ensuring that the negotiations deliver benefits for all countries, especially the world's poorest, recognising the contribution this could make to the achievement of the Millennium Development Goals.—*[Mr. Kemp.]*

Question agreed to.

Adjournment (Whitsun)

Motion made, and Question put forthwith, pursuant to Standing Order No.25 (Periodic adjournments).

That this House, at its rising on Thursday 27th May, do adjourn till Monday 7th June 2004.—*[Mr. Kemp.]*

Question agreed to.

Standards And Privileges

Ordered,

That Mr Michael Jabez Foster be discharged from the Committee on Standards and Privileges.—*[Mr. Bob Ainsworth.]*

Treasury Policy (Housing)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Bob Ainsworth.]*

10 pm

Andrew George (St. Ives) (LD): I am pleased to secure the opportunity to discuss Treasury policy in respect of housing, partly because the issue has a significant impact on my constituency, which covers west Cornwall and the Isles of Scilly, and partly because I am certain that it also has a significant impact on many constituencies throughout the country.

I am pleased to see the Economic Secretary to the Treasury in his place. I have tried before, in Budget and other debates in which I have had the opportunity to speak about Treasury matters, to catch your eye, Mr. Deputy Speaker, or that of one of your colleagues, to discuss this matter, but without success. I am pleased to have the opportunity now to debate serious material issues, which I hope the Minister will accept I am raising in a spirit of constructive engagement.

Following the theme of constructive engagement, a few years ago, after I was first elected, I raised the subject of the impact that council tax discounts were having on second home ownership in my constituency and in many others. I argued at the time that I was disappointed that a Labour Government had been responsible for giving me such complacent ministerial replies on the subject, both written and otherwise.

I am pleased to say that on 9 February 2000, in a debate that I had called on second homes and council tax, the then Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Sunderland, South (Mr. Mullin), who is now a Foreign Office Minister, acknowledged that I had received a rather complacent response from his ministerial colleagues in previous years and months, and then went on to say:

"indeed, I have here a rather complacent response, which I will not read out."—[*Official Report*, 9 February 2000; Vol. 344, c. 112WH.]

Indeed, he suggested that we discuss the matter later, and we did.

Later that year, in November, the Government proposed to withdraw the council tax discount for second home owners. I was pleased with that outcome, and I was also pleased when, this year, the Government honoured their promise to reduce that discount from 50 per cent. to 10 per cent. That was the result of constructive engagement. I would like the Government to go even further, but what has happened already demonstrates that constructive dialogue can result in what I consider to be a beneficial outcome.

I want to raise with the Minister an issue that was rather hidden away in Treasury papers following the pre-Budget statement in early December last year—the subject of self-invested personal pensions. I shall make a few remarks about the Kate Barker review, and then, as I cannot hand it to him across the Floor of the House, I would like to draw the hon. Gentleman's attention to a briefing from the National Housing Federation outlining its concern about various tax impacts on social landlords.

What I, and other people far more expert than I who work in the industry, are concerned about is the likely impact of the Government's proposed changes to self-invested personal pensions from April 2005. What concerns me is that, having largely closed one tax loophole by removing the council tax discount for second homes, the Government are about to open a new one that could provide even greater encouragement to those wanting to invest in second homes. From April 2005, self-invested personal pensions will enable a pension plan to invest in residential property for the first time. That will have clear implications: 40 per cent. tax relief on money used to purchase property, and exemption from capital gains tax on the sale of property where the proceeds are reinvested in the pension plan.

Although personal use of the asset held by a pension fund will be subject to a tax charge, we all understand—just as local authorities understand—the distinction between council tax and business rates on second homes. Frankly, local authorities are prepared to turn a blind eye to businesses that let out second homes for more than 120 nights a year and that would otherwise be subject to business rates. Similarly, it will be very difficult to police the extent to which second homes are used by those with a beneficial interest in the property and the pension plan.

Mr. Paul Tyler (North Cornwall) (LD): I am very grateful to my hon. Friend and near neighbour for giving way. In case the Minister does not understand this point—I hope that he does—perhaps my hon. Friend might emphasise that this potential taxpayer subsidy to second home owners will be far greater than the concession on council tax. It will therefore be devastating to Cornwall communities such as those in my constituency and my hon. Friend's. The affordability gap in such communities is already big, and many local people are squeezed out of the market altogether.

Andrew George: I am grateful to my hon. Friend for that intervention. West Cornwall and the Isles of Scilly have among the highest levels of second home ownership in the country, and parts of North Cornwall have similarly high levels. That is a burden on our local communities, although it is nice that people from outside take an interest in them. None the less, the impact on the opportunities for local people, socially and economically, is very significant.

I entirely agree with my hon. Friend that this proposal is likely to have a far more dramatic effect. The reduction in the council tax discount was very unlikely to result in the sale or loss of a single second home from any constituency in the country. On the margin, it did not affect people who invested in such properties, who were unlikely to change their minds as a result. It provided more funds for the local community, but it did not necessarily reduce levels of second home ownership.

Although the proposal makes using self-invested personal pensions for a main home rather complex and probably unattractive, it provides a very encouraging scenario for investing in a second home. In my constituency, 10 per cent. of all the mainland properties are second homes, and 25 per cent. or more on the Isles of Scilly are second or holiday homes. I am not

[Andrew George]

criticising what is a perfectly rational decision, given the way in which the current tax and benefit system works, for someone who has some spare cash. On an individual basis, many second home owners provide a great deal of support to local communities, but they affect the viability of services and housing opportunities for local people. Spare properties in the local market simply are not available for local people.

Hundreds of millions of pounds have been spent subsidising the wealthy so that they can have second homes in areas such as mine, in which thousands of local people cannot afford their first home. Now, probably billions of pounds in tax concessions will be made available to the wealthy so that they can have their second homes, and even greater numbers of local people will have no chance whatever of owning a first home of their own. That is the problem that we face.

In areas like mine, the rented sector is diminishing significantly. As the housing market remains buoyant, landlords see their main chance—no one can criticise them for it—as selling their properties into the market. The problem is that local people simply cannot afford to buy into that market themselves. The private sector, where it is not slipping away into the holiday trade, is diminishing and the social rented sector is in any case being lost over time. In an area such as mine, little more than 10 per cent. of rented properties are in the social sector—either housing association or council housing—so the opportunities for local people are few and far between.

Even in the most run-down communities—there are many of them in west Cornwall—low-priced properties are well out of the reach of those on local wages. The problem is now "ginormous" in my constituency, where there are unprecedented levels of need within the community and long waiting lists in each of the three local authorities that cover it. What impact does the Minister believe the tax change is likely to have in that context?

On 4 February this year, I asked the Financial Secretary what criteria would be used, and I received a parliamentary answer:

"There will be no specific criteria relating to residential properties. There will be a single set of simple, flexible investment rules underpinning the simplified regime. The use of private pension scheme assets by a scheme member will be subject to a tax charge."

We know that. Secondly, when I asked about the likely impact, the Financial Secretary answered:

"The impact of this change, if introduced, will depend on the extent to which trustees and administrators decide that residential property is a suitable pension investment."—[*Official Report*, 4 February 2004; Vol. 417, c. 935W.]

Again, that is more or less self-evident, but the likely impact on the opportunities for local people in areas such as west Cornwall is simply unknown and not addressed at all.

The hon. Member for Wealden (Charles Hendry) received a written answer from the Financial Secretary on 26 February 2002:

"Information on the total number of self-invested personal pension plans and value of their funds is not available."—[*Official Report*, 26 February 2002; Vol. 380, c. 1215W.]

How, then, can the Treasury possibly assess the value of the likely impact when it does not even know the number or total value of the plans? Experts in the industry estimate that it could not only have a significant impact on areas such as mine, but bring about a further loss of housing opportunities. I suspect that any such losses for local people on local incomes will be extremely significant. It is also likely to have a general impact on house price inflation in the country, which is already running at a severe rate.

In the spirit of constructive engagement, I propose an alternative to the Government's approach, as it entails severe unintended consequences. Many pension plans are clearly failing and the Government need to respond. Self-invested personal pension plans are one way of responding, and I applaud the Government for their efforts in that direction. However, unless the Government take a second look at the problem, the policy is likely to have severe and even greater consequences socially throughout the country.

Why do not the Government try to produce a wider definition of residential properties, which could create a virtuous investment—a benefit for those seeking an alternative to pension plan provision, but restricted to rented or leasehold accommodation for people in local need, or portfolios of shared equity properties, which would provide further opportunities for the most needy or those trying to get a toehold on the housing ladder? If the Government want to proceed, they should define the circumstances in which the investment could take place. That would have two benefits: first, it would benefit pensioners and pension plans; and secondly, it would add to investment in social properties.

I said that I would mention the Kate Barker review. Recommendation 2 says that local authorities should charge more for second homes, which is going in the opposite direction in respect of statements of investment principles, and recommendation 26 argues effectively for the reintroduction of development land tax. That seems fundamentally to fail to recognise the key feature of the housing market in the past 20 years, which is the persistence and growth of an affordability gap. Areas such as mine need an intermediate market, because there will always be a massive gulf between social rented accommodation and the first step on the housing ladder. Simply building more houses will not fill that gap. The Government need to seek more sophisticated ways of dealing with that.

The National Federation of Housing Associations sent me a briefing pointing out that the Government are allowing millions of pounds of investment in affordable housing to be lost through onerous burdens on social landlords. Housing associations set up with the purpose of improving former local authority housing face increased tax bills of more than £200 million as a result of recently announced Government reluctance to counter an Inland Revenue decision. The NFHA is asking for relief from capital gains tax, harmonisation of VAT at 5 per cent. on all works to existing social housing, and an extension of zero rating of VAT on aids and adaptation works to non-charitable housing associations, and it is making a case for exemption from stamp duty and corporation tax. To cap it all, it argues for the need for a more effective channel of communication between the Treasury and social housing providers.

I hope that the Minister will accept that I wish the debate to be held in a spirit of constructive engagement. I look forward to his response.

10.16 pm

The Economic Secretary to the Treasury (John Healey): I congratulate the hon. Member for St. Ives (Andrew George) on securing the debate and on his constructive tone. He wanted constructive engagement, and he certainly delivered his comments in that way. I am glad that he concedes that he is less disappointed with Government policy than he was in the early days after 1997, but I find the title that he has chosen for the debate somewhat curious. He and the House will understand that there is no Treasury policy on housing, only the policy of the Government as a whole. He will also appreciate that, although the Treasury may sometimes help to shape it, we are always fully supportive, to the hilt, of policy. It is therefore about Government rather than Treasury policy that I speak tonight.

It is nevertheless true that housing is an important factor in the functioning of the economy, and it is therefore a matter in which the Treasury takes a close interest. Housing plays a key part in the flexibility of an economy. The availability of housing, its location and the access that individuals have to it all have a direct impact on a person's ability to gain employment and to match their skills with appropriate job vacancies. People need not only to be able to live within a reasonable distance of their jobs, but to be able to move in order to access better employment opportunities when they arise. Current evidence is that, although increased labour mobility can make a significant contribution to increasing employment, it can make an even greater contribution to increasing productivity.

Housing also has an impact on a person's social opportunities—through the effects that inadequate or inappropriate housing can have on health, education and social integration. For too long, too many of the poorest in our society have had to endure damp, cold, poorly insulated and poorly repaired properties, which they often cannot afford to heat.

Despite the obvious importance of housing to our welfare and prosperity, the UK has over many decades persistently under-invested in housing, as the hon. Gentleman hinted. Since 1960, in fact, the UK has invested a lower proportion of national income in housing than any other European Union country. It is partly because of the long-term under-supply of housing that the UK has one of the strongest trends in real house prices in Europe. That upward trend in prices has itself made the desire to get on the housing ladder grow even stronger. Owner-occupation is now the tenure of choice and a source of financial saving for many.

The hon. Gentleman set out his concerns about affordability within the context of the Cornish economy. It is fair to say that the south-west is a region in which pressures are acute. This afternoon, I looked at some figures produced by the Joseph Rowntree Foundation last year, which show that the south-west suffers the double impact of lower than average incomes and higher than average house prices. In 2002, north Cornwall had a house price to income ratio of more than 5:1 and Penwith, in the hon. Gentleman's constituency, had a ratio of only just under 5:1.

In the UK, our high level of mortgage debt is often more reliant on variable interest rates than other countries, which tend to have a higher proportion of debt at fixed interest rates. That greater exposure to variable rates contributes to making the UK housing market more volatile, which itself adds a greater potential volatility to the general economy.

Since 1997, the Government have faced a unique combination of low investment coupled with high levels of owner-occupation and house-price volatility and sharp regional divergences—not forgetting demographic trends that suggest that the demand for housing will grow ever stronger. In answer to the hon. Gentleman's queries, I shall explain how Labour in government is rising to that challenge.

Successive spending reviews since 1997 have approved substantive real increases in public sector investment in housing. By next year, it will have more than doubled compared with 1997. After nearly two decades of the Tory neglect of investment, in 1997 the Government inherited a £19 billion backlog of repairs to the social housing stock. Some 2.25 million social homes failed to meet the standard for decent homes. Already, under a Labour Government, 1 million of those homes have been brought up to that standard, and we have an ambitious target to make all social housing decent by 2010.

Since 1997, the Government have supported the creation of 230,000 new affordable homes. The hon. Gentleman will be aware that the Government have again increased the Housing Corporation's rural target to provide 3,500 affordable homes during 2004–05 and 2005–06 in smaller settlements. We have put policies in place to ensure that existing social housing can be kept for those who cannot rent privately or buy, so that the right to acquire does not apply in rural villages where fewer than 3,000 people live. Restrictions may also be imposed on resale of right-to-buy properties in national parks, areas of outstanding natural beauty and areas designated as rural for that purpose. Those restrictions on resale effectively cover the whole of Cornwall.

Mr. Tyler: The Minister is making a very reasonable speech, but I hope that he will come to the issue of second homes. I remind him that on the previous occasion to which my hon. Friend the Member for St. Ives (Andrew George) referred, when the then Minister, the hon. Member for Sunderland, South (Mr. Mullin), made a similarly reasonable response, he left the Government a short while later. I warn the Economic Secretary not to be too reasonable, or we will assume that the same fate may befall him. Does he accept that anything that fuels the pressure for second homes makes all the remedial action to which he has referred more expensive for the taxpayer?

John Healey: I hope that the hon. Gentleman will bear with me long enough for me to reach the point in my remarks when I shall deal directly with the points that he and the hon. Member for St. Ives raised.

Increased investment alone will not be sufficient. Greater investment must be accompanied by significant reforms if we are both to increase the supply of housing and to promote stability in the wider economy. Fundamental reforms to unlock land and private

[John Healey]

development are under way. The Planning and Compulsory Purchase Bill contains a wide range of measures designed to improve the speed, predictability and certainty of the planning system. The Government have consulted on an update of guidance on planning for affordable housing. New regional housing boards, introduced by the communities plan, are now taking responsibility for the preparation of regional housing strategies, including the requirement that they are "rural-proofed" with the assistance of the Countryside Agency. The Government are also considering an extension to the contaminated land tax credit to cover long-term derelict land—a measure championed strongly by my hon. Friend the Member for Falmouth and Camborne (Ms Atherton) and which may be of particular benefit to areas of Cornwall.

We know that we still have further to go, however, and the hon. Gentleman raised three specific points. I shall take his reference to the briefing from the National Federation of Housing Associations as an early representation for the 2005 Budget. I shall deal with self-invested personal pensions and the Barker review.

Although self-invested personal pensions do not fall directly within my policy field, I submitted a memorandum to the Environmental Audit Committee in February as it had raised the issue with me. The memorandum was published with the Committee's third report on 10 March and both the hon. Members for St. Ives and for North Cornwall (Mr. Tyler) might find it worth examination. It dealt with the pre-Budget proposal to simplify the eight taxation regimes relating to pensions into a single regime, which would among other things allow all pension schemes to invest in residential property. Currently, only large schemes can do so; the prohibition on small and self-invested pension funds was designed to prevent pension scheme assets being put to the private use of the member or his or her family—where the rent forgone would reduce the growth of the pension fund.

The reforms we propose for SIPPs should help the supply of residential property for rent, but will not exacerbate the problem of second homes about which the hon. Gentlemen are concerned. There will be no new incentive to purchase property for private use, because any non-commercial or personal use of a property would lead to a benefit-in-kind tax charge. There would thus be no incentive to shelter second homes in a pension. The Inland Revenue will police the legislation and will be alert to possible abuses of the kind feared by the hon. Gentlemen. The Inland Revenue will not turn a blind eye to such abuses, even though—as the hon. Member for St. Ives suggested—some local councils may do so at present.

Andrew George: Does the Minister accept that second homes—whether run as a business or simply used as a holiday home—are notoriously difficult to police? When they are let, it is difficult to determine whether their use is commercial or personal. I cannot accept his rather optimistic expectation that the scheme would not be used for second homes.

John Healey: I understand the hon. Gentleman's concern. I can only repeat that the Inland Revenue is alert to the possibilities. We are obviously looking into the possibilities for misuse, and as the Inland Revenue polices the new legislation and the new regime, it will be alert to potential abuses. It will have access to a range of data that may not be available to the local councils that the hon. Gentleman felt were not undertaking the work required.

I shall turn briefly to the Barker report. In many ways, the Barker review has prompted a change in the nature of the debate on housing in the UK, putting the affordability of housing to the fore in a way that I think the hon. Gentleman welcomes. Indeed, he expressed some concerns about that in his remarks. Obviously, many factors can influence prices and supply locally, and affordability problems can be further exacerbated in some areas, such as Cornwall, where second homes account for a sizable proportion of the stock—I think that he said that the figure in his constituency was 10 per cent. That is why the Government have given local authorities the power to reduce the council tax discount on second homes, from 50 per cent. to 10 per cent. Councils thus have the chance to raise extra money locally, and can spend it on local priorities. I understand that all district councils in Cornwall have chosen to take advantage of that new power and have agreed with the county council that most of the proceeds will be spent on affordable housing.

The Government recognise that housing is central to the UK's economic performance. We recognise the essential contribution that housing can make—directly and indirectly—to meeting many of our other policy priorities. That is why we are putting so much investment into housing and taking such a close interest in housing policy reform.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Tuesday 11 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

Hong Kong

1. **Mr. Mohammad Sarwar** (Glasgow, Govan) (Lab): If he will make a statement on the development of democratic institutions in Hong Kong. [171829]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): We have repeatedly said that we hope to see early progress on universal suffrage at a pace in line with the wishes of the people of Hong Kong. We are concerned about the recent decision by the Standing Committee of the National People's Congress to set limits on constitutional development in Hong Kong. We have made our concerns known to the Chinese Government.

Mr. Sarwar: I thank my hon. Friend for his reply. As the Prime Minister of China is in the United Kingdom and has held discussions with our Prime Minister, can my hon. Friend confirm that our Government have impressed on the Chinese Government the fact that delaying elections in Hong Kong would lead to greater instability and is unacceptable to the British Government?

Mr. Rammell: I thank my hon. Friend for his comments. This is an issue that we are actively discussing and which was raised by the Prime Minister with the Chinese Premier yesterday. It is particularly disappointing that the NPC acted before the Government of the Special Administrative Region completed its consultation. We have a shared interest with the Chinese Government in the prosperity and stability of Hong Kong, and we believe that the best way to secure and sustain that is an early move towards universal suffrage.

Mr. Michael Fallon (Sevenoaks) (Con): Given the seriousness of the decision by the National People's Congress what will the Government do if the Chinese Government continue to take no notice of those protests?

Mr. Rammell: It is a statement of the obvious that we do not run Hong Kong any more, and are therefore dealing with a sovereign Government. Nevertheless, we retain an historical commitment, and strongly believe that the best way to secure stability for the people of Hong Kong is an early move towards universal suffrage at a pace in line with their wishes. We will continue to express that view.

Mr. Ben Chapman (Wirral, South) (Lab): Does my hon. Friend appreciate that if the one nation, two systems solution for Hong Kong is seen by the Chinese as the ultimate solution to bring Taiwan back to the motherland, its actions regarding universal suffrage will not be welcome in that territory? Does he also appreciate that this appears to an outsider in the United Kingdom and to the people of Hong Kong to be a significant departure from the substantial degree of autonomy that they were promised?

Mr. Rammell: I wholly agree with my hon. Friend in his last remarks. We have expressed concern because the decision by the NPC appears to be inconsistent with the high degree of autonomy that was put forward in the joint declaration. We have expressed that view both publicly and privately, and we will continue to do so.

Tony Baldry (Banbury) (Con): How has China breached the Basic Law in Hong Kong? Would it not be better, having allowed China to take over the sovereignty of Hong Kong, to trust the people of China to get this right? They have shown good faith in relation to Hong Kong to date, and British berating will probably not be particularly productive.

Mr. Rammell: Since the handover in 1997—we report on this twice a year to Parliament—the one country, two systems arrangement has generally worked well. Nevertheless, it is right that we should voice our concerns. We have publicly voiced our concern that the decision appears to be inconsistent with the high degree of autonomy in the joint declaration. With respect, that view commands majority support across the Chamber.

Middle East

2. **Ms Meg Munn** (Sheffield, Heeley) (Lab): What assessment he has made of Mr. Sharon's plan to remove settlements from Gaza and its effect on the road map. [171830]

11. **Mr. Jim Cunningham** (Coventry, South) (Lab): In what ways the Government are carrying forward their commitment to the success of the middle east peace plan. [171839]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): The removal of settlements and the withdrawal of the Israeli army from positions in the occupied territories are in line with Israel's commitments under phase 1 of the road map. For this reason, the plans of the Israeli Government were welcomed by the Quartet, as Kofi Annan spelled out last week. It is the road map, internationally agreed and endorsed by the United Nations Security Council, which is fundamental to a peaceful settlement in the middle east. Despite the setback of the recent Likud referendum, we, the European Union, and the Quartet

are fully engaged in making what progress we can. Last week, I met Israeli Foreign Minister Silvan Shalom, Egyptian Foreign Minister Ahmad Maher and Nabil Shaath and Salam Fayyad of the Palestinian Authority.

The United Kingdom's position is identical to that of the Quartet. In the latter's statement of 4 May, it said that any withdrawal by Israel must not prejudice the final status negotiations between the parties nor undermine the two-state solution of Israel being in security and at peace with its neighbours, and Palestine established as a contiguous and viable state.

Ms Munn: Does my right hon. Friend agree that the majority of ordinary Israelis do indeed want peace? Does he further agree that it is essential that the Palestinian Authority be involved in negotiations with Israel? What steps should now be taken by both sides in order to get negotiations started?

Mr. Straw: I entirely share my hon. Friend's views. The steps are set out in the road map and include more activity by the Palestinian Authority in respect of security, and withdrawals by the Israeli Government. So far as security is concerned, there have been some improvements in the organisation of security forces inside the Palestinian Authority, and we continue to offer what advice we can to that authority.

Mr. Cunningham: Given the recent statement by the President of the United States that progress towards the implementation of the Palestinian state is slipping, what discussions has the Foreign Office had with my right hon. Friend's counterpart in the United States to clarify the situation? Can my right hon. Friend give us an assurance that any future discussions between the Israelis and the Americans will also involve the Palestinians, and will not repeat what happened a few weeks ago, when the Palestinians were left out of discussions about the settlements?

Mr. Straw: I have a great many discussions with Secretary Powell of the United States and I shall be seeing him again this Friday to discuss the middle east, among other things. The United States is one of the four members of the quartet and is as fully committed as the other three members of the Quartet to the two-state solution set out in the road map and to the lines of progress described by the road map, which include full involvement by the Palestinians and the Palestinian Authority.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The right hon. Gentleman will know about the International Development Committee report in January entitled "Development Assistance and the Occupied Palestinian Territories", which condemned the damage to the Palestinian economy and blamed Israel's incursions, curfews, checkpoints and so on. The Palestinian economy is being choked and decimated. What is the right hon. Gentleman doing about that?

Mr. Straw: We were grateful to the Select Committee for the report. As it highlighted, after the United States, the United Kingdom is the largest single donor of aid within the Palestinian area. We have had continuing discussions with the Israelis and I raised these matters again last week when I saw Foreign Minister Silvan Shalom about the need for them to lift the restrictions, which are unquestionably making life, which is always difficult, much more difficult in the occupied territories. At the same time, it must be put on record that the sooner the Palestinian Authority gets a real and convincing grip on rejectionist terrorist groups operating within those territories, the easier life will be—and the easier it will be, too, for the Israeli Government to lift some of those restrictions.

Sir Peter Tapsell (Louth and Horncastle) (Con): Despite the uncertain impression made by the Prime Minister on his most recent visit to Washington, can the Foreign Secretary confirm that the British Government remain fully committed to the full implementation of United Nations resolutions 242 and 338?

Mr. Straw: I confirm that, and I also make it clear to the House that in his press conference alongside President Bush as well as on many other occasions, the Prime Minister was categorical in his support for the British Government's long-established policy of supporting resolutions 242 and 338.

David Cairns (Greenock and Inverclyde) (Lab): I welcome my right hon. Friend's opening remarks that there is no inconsistency between Israel's obligations under the road map and a unilateral withdrawal from the Gaza strip. Is it not time that instead of complaining about that, other parties to the road map recognised their own phase 1 obligations under the road map—namely, the complete cessation of terrorist violence? Is not the reason why the timetable is slipping and the road map is not being implemented that Hamas set out last summer to destroy the road map through bus suicide terrorist bombs?

Mr. Straw: There is no doubt that reasonable progress was being made in the implementation of the road map between the end of June and 19 August, and it was the planting and detonation of a terrible bomb in the middle of Jerusalem on that day which has marked the decline of progress and much bloodshed since then. The road map lays down obligations on each party there—Israel and the Palestinian Authority separately—and on the international community. What is crucial is that each party—Israel and the Palestinian Authority—instead of complaining about the other, take the steps that it is obliged to take to implement the road map.

Mr. Gary Streeter (South-West Devon) (Con): Whatever the contents of the revised Sharon plan when it finally emerges, will the Foreign Secretary confirm that the Government's response and subsequent actions will continue to focus on getting the parties talking to each other again and on getting the road map back on track? Does he agree with President Bush that a Palestinian state in 2005 is no longer realistic? Given the lack of progress since 2003, is it intended that new time lines will be introduced into the road map?

Mr. Straw: Of course, a key part of our approach is to encourage both parties into direct collaboration. There is always some collaboration—often more than meets

the eye—and that is of crucial importance. That is one of the reasons why I met representatives of the Palestinian Authority and the Israeli Foreign Minister last week. On time lines, our position remains as set out in the road map. Of course it is the case, given what has happened since last August, that delay is more likely than rapid progress, but the road map set out obligations, and it is our responsibility as an indirect member of the quartet, through the Security Council and the European Union, to do all that we can—as we are—to ensure that the road map's implementation is as consistent as possible with the time line.

Mr. Ernie Ross (Dundee, West) (Lab): My right hon. Friend will be aware that there is despair among the Palestinian community here and in the middle east following the meeting between Prime Minister Sharon and President Bush and the subsequent hype made of it by Prime Minister Sharon. Will my right hon. Friend confirm that the communiqué issued on behalf of the Quartet last Tuesday makes it clear that final negotiated positions with regard to refugees and borders must be based on resolutions 242, 338, 1397 and 1515, the Madrid peace process and the Prince Abdullah initiative, which was accepted in Beirut, and that that is our Government's position?

Mr. Straw: I confirm all of that. I also remind the House, as I did a few minutes ago, that the United States is a key member of the Quartet, and that it signed up to the road map and to these conclusions. Although I understand the concern of many of our friends in the Palestinian community, both here and abroad, about what happened in the rose garden three weeks ago, I ask those friends to examine what President Bush actually said. President Bush mentioned the road map six times, and has made it clear, both then and subsequently, that he stands by the road map and resolutions 242, 338 and 1397, and that that includes no prejudice or prejudging on the final status negotiations.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Does the Foreign Secretary accept that the proposal for disengagement from Gaza is the first step towards the creation of an independent Palestinian state; is very much in line with the requirements of the road map; and indeed is similar to proposals made at Camp David four years ago, which is why, as he said, it has the broad support of the Quartet?

Mr. Straw: Yes, I do. Whenever the withdrawal from the occupied territories occurs, it is bound to be on a phased basis. We should not get into a position where, because we cannot have everything all at once, we take nothing. That is why the withdrawal policy was welcomed, and I hope that the Israeli Government can resurrect it, notwithstanding the problems with their referendum.

Thailand

3. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment he has made of the impact of violence in southern Thailand on the security of British tourists; and if he will make a statement. [171831]

The Minister for Trade and Investment (Mr. Mike O'Brien): On 28 April in the south of Thailand, 200 militants took part in well co-ordinated attacks in 10 locations, which resulted in the deaths of 112 people, including five members of the security forces. Our assessment of the impact of the violence on the security of British nationals is reflected in our travel advice—we currently advise against all non-essential travel to four provinces in the south of Thailand.

David Taylor: The advice to travellers given on the FCO website is generally first rate, but the advice on Thailand needs to be extended and updated. Does the Minister agree that it should now reflect the real risk of insurgency travelling north to the tourist areas, in light of the widening void between the mega-rich lifestyle of the elite surrounding Thaksin Shinawatra in Buddhist Bangkok and the grinding poverty endured by those in the Muslim southern provinces?

Mr. O'Brien: We updated travel advice on terrorism in southern Thailand on five occasions during the course of this year, including on 8 April and 28 April. We recommend against all non-essential travel to the four far southern provinces of Patani, Yala, Narathiwat and Songkhla. However, I take on board my hon. Friend's suggestion that we should consider issuing broader advice, and I will listen to the views of officials who consider such matters. As he says, it is very important that we give people practical advice on which they can rely.

Mr. David Cameron (Witney) (Con): Notwithstanding what the Minister says about giving travel advice, does he agree that the Foreign Office must recognise, first, that there is no such thing as an entirely safe country; and secondly, that Muslim extremists aim to put off any contact between western tourists and Muslim countries? Does he agree that if travel advice becomes over-prescriptive, the terrorists are winning?

Mr. O'Brien: We cannot provide travel advice that covers all eventualities, but we endeavour to ensure that it is as practical, objective, accurate and up to date as possible in terms of helping British nationals to make decisions about travelling abroad. In respect of southern Thailand, we have no evidence that the violence is directly linked to international terrorism. However, the hon. Gentleman is right that when we give advice we must be careful to ensure that people are aware of the general problems, not only in south-east Asia, but across much of the world. Terrorism is a threat to us all. The terrorists are not winning, but they certainly remain a major threat.

Mr. David Chaytor (Bury, North) (Lab): Is it not the case that apart from the violence in the south, Thailand is generally a difficult country for Europeans to visit? Two of my constituents have recently had appalling difficulties in Thailand: one faces a sentence of life imprisonment; the other has seen a member of their family murdered. Can my hon. Friend assure the House that his advice to the British embassy in Bangkok is that it should provide the maximum possible assistance to

relatives of British citizens facing difficulties in Thailand in order to support them when they have to visit to deal with such problems? The British embassy—

Mr. Speaker: Order. I think that the Minister will be able to answer.

Mr. O'Brien: More than 700,000 British nationals travel to Thailand every year. Our consular staff in Thailand and in London will do everything that they properly can to provide them with appropriate consular assistance where it is required. My hon. Friend will appreciate that among those 700,000 people, some have very serious priority problems, while many others require elements of help. Therefore, staff need to try to allocate their assistance as best and as appropriately as they can.

Zimbabwe

4. **Mr. Hugo Swire** (East Devon) (Con): What recent discussions he has had with President Mbeki of South Africa concerning the future of Zimbabwe. [171832]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Chris Mullin): We are in regular contact with the South African Government on the issue of Zimbabwe. The Prime Minister discussed Zimbabwe with President Mbeki when they recently spoke following the election victory by the African National Congress, and my right hon. Friend the Foreign Secretary has regularly discussed it with South Africa's Foreign Minister. I will have further discussions when I visit South Africa later this month.

Mr. Swire: Every hour of every day, thousands of Zimbabweans continue to flee across the Limpopo from Mugabe's nightmare into President Mbeki's South Africa—this at a time when even a respected local journal such as the *Kenya Times* is joining the general chorus of condemnation of President Mbeki's inactivity. We know that the Foreign Secretary is still of the belief that President Mbeki is key to unlocking the unhappy situation in Zimbabwe, but does the Minister honestly believe that President Mbeki has either the intention or the willpower to do so, or is he merely clutching at straws?

Mr. Mullin: Yes, we do believe that President Mbeki and his Government are making a serious effort to resolve the situation in Zimbabwe, and he has not been inactive. He has been extremely active, but the trouble is that he is dealing with extremely difficult customers, as we all are, in Mr. Mugabe and his cronies.

Helen Jackson (Sheffield, Hillsborough) (Lab): Is my hon. Friend aware of the recent visit to the House of Commons by the then Deputy Speaker of the South African Parliament, the hon. Baleka Mbete—you will be delighted to know, Mr. Speaker, that she is now the Speaker—and of her clear recognition of the key role that South Africa will have to play in any change of Government and leadership in Zimbabwe? She also made the point, however, that such change will have to be brought about within the democracy and structures of Zimbabwe, rather than by any major inward force from other countries.

Mr. Mullin: Yes, I was aware of the visit of the Deputy Speaker—now the Speaker—although I did not meet her. It is true, as my hon. Friend says, that any solution to the problem in Zimbabwe will inevitably involve South Africa, which is the main player. Any differences that we have with South Africa involve tactics rather than principle.

Mr. John Bercow (Buckingham) (Con): Given that the articulate, charismatic and democratically elected mayor of Harare, Elias Mudzuri, was first suspended and then removed from office, and that the Mugabe thugs are now seeking to evict him and his family from their home—which I had the privilege of visiting in February this year—will the Minister accept the urgent need to beseech the President of South Africa to stop appeasing the tyrant Mugabe and to start insisting that the Southern African Development Community norms and standards, according to which the South African elections were conducted, are the norms and standards by which the Government of Zimbabwe should also be conducted?

Mr. Mullin: I completely agree with the hon. Gentleman, and I am sure that the South African Government would too. I do not think that it is necessary to beseech the South African Government. We have a regular dialogue with them, based on mutual respect, but at the end of the day, the problem is being caused by Mr. Mugabe and ZANU-PF, and by their unwillingness to engage with their opponents.

Kate Hoey (Vauxhall) (Lab): Is it not now time for the British and South African Governments to make a joint approach to the United Nations to make it clear that there can be no free and fair parliamentary elections in Zimbabwe next year unless there is a change of Government there? This has to be said clearly now. Zimbabwe needs free and fair elections, but it is not going to get them. President Mbeki and our Prime Minister should go to the United Nations to get this whole issue discussed.

Mr. Mullin: We would be happy to join in any initiative that the South Africans thought worth while. The problem with going to the United Nations—certainly to the Security Council—is that there has to be an international dispute before the Security Council will become involved. The matter is therefore unlikely to discussed by the Security Council unless the surrounding countries signify that they want it to be. In regard to the United Nations Commission on Human Rights at Geneva, we and our EU colleagues have raised the issue of Zimbabwe there for the last three years in succession, but on each occasion our motion has fallen to a non-action motion prompted by the African states.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister is well aware that President Thabo Mbeki, whose African National Congress party swept back to power in South Africa recently, is absolutely critical to the solution of the problems in Zimbabwe. The Minister

will also be aware that those who can help to restructure Zimbabwe continue to flee the country—many of them going to South Africa or coming here to the United Kingdom—with absolutely nothing, because they can bring nothing out. Have the Government considered discussing with President Mbeki the matter of the supply of power to Zimbabwe, because the Republic of South Africa plays a critical part in that regard? I do not want the people of Zimbabwe to suffer any more than they are already, but could that be a way of bringing additional pressure to bear on President Mugabe?

Mr. Mullin: That is certainly an issue that has come up from time to time. It would be a very large step to take, partly because it would inflict even more suffering on innocent Zimbabweans, and I know that that is not the hon. Gentleman's intention. I think that is all I can say about it for the time being.

Zimbabwe (Sporting Links)

5. **Mr. Peter Pike** (Burnley) (Lab): What his Department's policy is on sporting links with Zimbabwe, with particular reference to cricket. [171833]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): As the House will be aware, my right hon. Friend the Secretary of State for Culture, Media and Sport and I met officials from the England and Wales Cricket Board last week to discuss the proposed tour. Our view is clear: we would prefer the tour to be postponed until the situation in Zimbabwe improves, but the decision to tour is one for the cricketing authorities to take. The Government have no power to instruct people not to leave this country to play sport abroad. We do not have state-run cricket in this country, nor should we. We have great sympathy for the position in which the England and Wales Cricket Board finds itself, having been presented by the International Cricket Council with a choice between touring and facing extremely serious financial penalties.

Mr. Pike: I recognise the position that my right hon. Friend has set out, but he will acknowledge that the Labour party never pussyfooted around taking sporting sanctions against South Africa. That played a vital part in ending apartheid. Will he say to the cricket people that the tour should not take place, and say it loudly and clearly, because I believe that that is what the overwhelming majority in the House believes we should be saying?

Mr. Straw: I accept the sentiments expressed by my hon. Friend entirely, but there is a fundamental difference, which is that while we backed sanctions against sporting links with South Africa—I have to say that they were, as I recall, rather resisted by Conservative Members—we did so as part of an international consensus, under the Gleneagles agreement. What, sadly, has become all too clear is that there is no such consensus, even within the ICC—indeed, far from it. It is that which places the England and Wales Cricket Board in this very difficult and untenable position.

Mr. Michael Ancram (Devizes) (Con): Does the Foreign Secretary agree that the argument over the England cricket tour of Zimbabwe in the autumn is not so much between politics and sport as between morality and money? I accept that the Government do not have the power to ban the tour, but if, as he says, and I use his word, he would "prefer" that the tour did not take place or was postponed, why will he not give a clearer indication to the ECB, which could allow the England team not to tour without incurring financial penalty?

Will the Foreign Secretary therefore use this opportunity to state clearly and unequivocally—I choose these words carefully—that owing to the horrifying and deteriorating human rights situation in Mugabe's Zimbabwe, the Government not only do not support the tour, but that, if they had the necessary powers, they would instruct the ECB not to proceed with it?

Mr. Straw: There is no disagreement of principle between both sides, but the right hon. and learned Gentleman is trying to have it both ways. We do not have a power in law to ban people from leaving this country or playing sport. I rather fancy that if we tried that in any other circumstances he would be the first to complain. Indeed, his leader would certainly complain.

I have reread a recent speech by the Leader of the Opposition called, appropriately, "The British Dream", in which he says:

"We have a State that does too much, that interferes too much".

That would be the objection. The problem is this: if there had been a form of words that would have satisfied not just the England and Wales Cricket Board, which does not want to tour, but critically, the rules of the International Cricket Council, we would have offered that form of words. However, it has become increasingly clear that such forms of words do not exist, and I am not going to pretend to the House, the country and the ICC that we have statutory powers to ban people from going abroad when we do not.

Mr. Lindsay Hoyle (Chorley) (Lab): I hear what my right hon. Friend says, but does he not feel that the lives of cricketers would be put at risk if they were to tour Zimbabwe and that, on those grounds alone, we ought to be able to send out a clear message, "You are not to tour because of that risk."? Also, the danger is that cricket will be the loser and Mugabe the winner.

Mr. Straw: My hon. Friend raises an important point about security, which we also discussed separately with the England and Wales Cricket Board. If there is a security problem which we judge would affect the personal security of English and Welsh cricketers if they go there, we will make that clear. As we told the England and Wales Cricket Board, however, we need to make that assessment much nearer the time.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Is the Foreign Secretary aware that although there is a consensus in the House that the Mugabe regime is hideous and evil, some of us do not believe that sport should be used as a political weapon? The choice of whom one plays sports with is a moral issue, and the Government should keep out of that. The most pathetic

position of all is for the Government to express a desire for the tour not to take place, and to do nothing to implement that desire, financially or otherwise.

Mr. Straw: Despite the last sentence, I take that as an objection to the position taken by the right hon. Gentleman's own Front Bench.

Iraq

6. **Joan Ruddock** (Lewisham, Deptford) (Lab): If he will make a statement about the current situation in the British-controlled area of southern Iraq. [171834]

12. **Tony Lloyd** (Manchester Central) (Lab): If he will make a statement on the situation in Iraq. [171840]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): The situation in Iraq is overshadowed by the evidence of appalling and disgusting human rights abuses in Abu Ghraib prison in Baghdad, for which there is and there can be no excuse whatever. As my right hon. Friend the Prime Minister said last Wednesday,

"it is what we went to Iraq to get rid of, not to perpetuate."—[*Official Report*, 5 May 2004; Vol. 420, c. 1336.]

The House will be aware that my right hon. Friend the Secretary of State for Defence made a statement yesterday that covered the separate allegations concerning British forces. Inquiries are continuing, but I know that, overwhelmingly, British forces are carrying out their difficult and dangerous duties according to the law and to their finest traditions.

On the political front in Iraq, United Nations Special Representative Lakhdar Brahimi continues his work to identify an interim caretaker government. Meanwhile, there are active discussions with partners on a new Security Council resolution to provide for the transition to a sovereign Iraqi state. In the south, there have been a number of engagements with insurgents. Overall, however, conditions for people in that area continue to improve. In Basra alone, 70 to 80 per cent. now have access to running water, and more than 90 schools and 48 health care projects have been completed.

Joan Ruddock: I have now had the opportunity to read the ICRC report in full. Will my right hon. Friend accept that its criticisms, particularly of brutal arrest techniques and disappearances, apply to all coalition forces, that we are in a coalition, and that those sickening pictures of American abuse shame us all by association? To whom did Sir Jeremy Greenstock speak when he received the copy of the Red Cross report? Was it Britain's failure to influence the Americans as regards the abuse that was a factor in Sir Jeremy's premature departure from Iraq?

Mr. Straw: My hon. Friend is right that these images, and the evidence that they portray, are a shame on all of us. They are utterly shameful, disgusting and disgraceful, and they would be if they had been perpetrated by any regime, but they are all the worse for the fact that they have been perpetrated by forces of a member of the international community. I do not accept her suggestion, however, that responsibility for dealing with matters that lie within the United States' sectors is also shared by the United Kingdom.

The ICRC made some criticisms last year, which are set out in the report. I must make it clear to my hon. Friend, however, that when I met Dr. Kellenberger in May last year, he was reassuring, of his own volition, about the conditions that the ICRC were at that stage reporting. She will also know that the incidents that have been alleged to be behind the pictures that have been shown in British newspapers are the subject of a thorough investigation. I also reassure her that Sir Jeremy's retirement, after a previous retirement, from his position in Baghdad, had nothing whatever to do with the ICRC report.

Tony Lloyd: Does my right hon. Friend accept that this marks a new low point in the credibility of the allied occupation of Iraq? It is now obvious that the unilateral strategy emanating from the White House is not helping the situation. What does my right hon. Friend intend to do to involve neighbouring countries with which we have good relations, such as Turkey, Syria and Iran, or to respond to President Chirac's wish for an international conference like the one that was held in Bonn after Afghanistan? Such action must be in the interests of both Britain and the people of Iraq.

Mr. Straw: The allegations and clear evidence of abuse in the United States sector are very damaging: there is no question about that, nor should there be any pretence to the contrary. I should also make it clear that, as President Bush has asserted, in no sense was this supported or connived at by the United States Administration, who are as appalled by the evidence as we are.

I agree about the importance of involving neighbouring countries. I talked about exactly that during a conversation with Sergei Lavrov, the new Russian Foreign Minister, on Sunday. There is a proposal—included in Lakhdar Brahimi's suggestions—for a conference of Iraqis which might conceivably be held just outside Iraq, which would provide an endorsement and greater legitimacy for the caretaker Government. We are pursuing the idea of a conference of the neighbours separately.

Sir Menzies Campbell (North-East Fife) (LD): Does the Foreign Secretary accept that the United Kingdom is paying a considerable moral price for the reports of recent days on the conduct of forces in Iraq? Does he accept that the closeness of the relationship with the United States means that Britain and British forces will be answerable, in the minds of the Iraqi people, for anything done by anyone in the name of the coalition? In the light of his reference to Lakhdar Brahimi, and adapting the words of the Prime Minister, may we now take it that the United Nations is no longer part of the problem but is providing the only solution?

Mr. Straw: I do not accept the first point. On the basis of my discussions and my knowledge of the way in which British forces are operating in the south, I believe that their professionalism, integrity and subscription to the rule of our law and international law are well known to the vast majority of Iraqis. Of course they do not want

any occupation of their land to continue for longer than is necessary, but they recognise the benefits that have accrued from the way in which British forces have operated.

We have never suggested for a second that the United Nations is a problem. It has been part of the solution to the problem of Iraq for a great many years, but since the end of the major conflict in April we have sought and actively obtained United Nations involvement. Had it not been for the massacre at the UN headquarters in Iraq on 19 August, involving the killing of special representative Sergio Vieira de Mello, the UN would have been far more engaged than has been possible; but that, I am afraid, was a decision made by the terrorists and not by us.

Mr. Andrew Robathan (Blaby) (Con): Will the Foreign Secretary comment on the Amnesty International report that is splashed over the newspapers today? An eight-year-old girl was allegedly shot by British soldiers. I have been told that, in fact, a stone throwing crowd surrounding two Warrior armoured personnel carriers fired over the heads of the crowd, and the girl was subsequently discovered dead. Blood money is involved. Will the Foreign Secretary comment on those appalling allegations, and ensure that they are investigated swiftly so that our soldiers can be cleared?

Mr. Straw: I can reassure the hon. Gentleman: the allegations are being investigated very swiftly. I hope to be able to tell the House more during the current Session, but it would be inappropriate for me to say more now, given that an investigation is under way.

Mr. Jon Owen Jones (Cardiff, Central) (Lab/Co-op): The Foreign Secretary may know that in the last couple of weeks I have met two Iraqi constituents who have returned from Iraq after several months in Basra and Baghdad. The two have similar tales to tell. Both found it convenient to bribe their way into the country via Syria and Jordan, which tells its own story; both talk of the difference between the approaches of British and American troops. They support our action, but are extremely concerned about the way in which, even before the latest revelations, American behaviour had alienated and appalled supporters of the coalition—and the position is becoming far, far worse. What will we be able to do if we cannot influence the American Government?

Mr. Straw: I am grateful for what my hon. Friend says. The American Government are well aware of the damage done, not only by allegations but by evidence of abuse, to their reputation and to the reputation of the coalition more generally. That is clear from the observations made at the highest level by the United States Administration. As for what we are doing about the situation, we are working in our way in the southern sector. Yes, we are leading by example, but we are also engaged in active discussions with President Bush, Secretary Powell and other senior members of the United States Administration.

Mr. Michael Ancram (Devizes) (Con): On what date, and how, did the Foreign Secretary become aware of the contents and existence of the ICRC report, which was given to Sir Jeremy Greenstock in February?

Mr. Straw: I became aware of it at the weekend.

Mr. Ancram: Is the Foreign Secretary seriously suggesting that Foreign Office Ministers were kept in the dark about that important report for some two months? I do not believe that the people of this country find that position credible.

Does the Foreign Secretary not realise how much damage the growing litany of disclaimers of knowledge and responsibility by Ministers is now doing to public confidence in the Government's handling of the situation in Iraq? Does he appreciate that, with the handover of power back to the Iraqis only 50 days away, the continuing lack of clarity on vital issues such as whether further troop deployments from the UK will become necessary, to whom precisely the handover will be made, and what the subsequent relationship between our forces and the new Iraqi Government will be, only adds to the uncertainty? The restoration of confidence is now crucial and urgent. Has not the time come for the Government to initiate a debate in the House on the overall situation in Iraq so that Ministers can comprehensively and unequivocally deal with those issues and, we hope, create a sense of competence and direction again?

Mr. Straw: On that last point, I am always happy to debate these matters. That is a question for the usual channels, but I am happy either to make a statement or for there to be a debate on Iraq—or, indeed, both. I enjoy it—it is important that I should come to the House and that the Government's position should be properly explained.

On the right hon. and learned Gentleman's first point, I assume that he was not suggesting that when I said that I became aware of the report at the weekend and read the full report yesterday, I was telling the House an untruth. If he were suggesting that, he would need to consider his position. He will know, having read the report, that it refers overwhelmingly to allegations of abuse in respect of the area operated by the United States.

On the right hon. and learned Gentleman's points about the political process, let me say this. We agreed through the Iraq governing council and the coalition provisional authority on 15 November 2003 an accelerated timetable for the handover of sovereignty. That will take place on 30 June, and we are now working extremely hard to ensure that all the building blocks for that transfer of sovereignty are there. We are co-operating well with Ambassador Lakhdar Brahimi of the United Nations, and we hope to have a United Nations Security Council resolution in place before the end of this month.

Jeremy Corbyn (Islington, North) (Lab): May I ask the Foreign Secretary to confirm some points about the ICRC report? We learned yesterday from the Defence Secretary that the report was given to Paul Bremer, who shared the contents with Sir Jeremy Greenstock in

February. The Foreign Secretary tells us that he received a copy of the report only this weekend, which was the second weekend in May. What happened to the report in the meantime, with whom did Sir Jeremy Greenstock discuss it, and where in the British Government was it sent after his receipt of it?

Mr. Straw: My understanding is that Sir Jeremy Greenstock did not in fact receive the report, notwithstanding the suggestions made in the newspapers today. It was seen by a legal adviser to the British part of the coalition provisional authority in Baghdad, and was passed at the time to the British and to the CPA there. I cannot give my hon. Friend the exact date for that now, but I will be happy to do so by way of a written answer. A copy was subsequently received in the British Foreign Office and we can say with the benefit of hindsight that it should have been made available to Ministers; but as it happens, it was not.

Adzhara

7. **Angus Robertson** (Moray) (SNP): What his Department's latest assessment is of the situation in the autonomous Georgian region of Adzhara. [171835]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): I welcome Abashidze's departure from Adzhara and I am pleased that the tense situation there has been resolved without violence. That will help President Saakashvili's attempt to build a democratic and stable Georgia. I also welcome the constructive role played by the Russian Government in bringing this about.

Angus Robertson: I thank the Minister for his reply. Is he concerned about the fact that the Georgian Government are taking steps to expel Mr. Plamen Nikolov—special representative of the Council of Europe's Secretary-General Walter Schwimmer—following statements by Mr. Schwimmer on Adzhara? Does the Minister think that that helps or damages Georgia's international reputation, at a time when its Government say that they want to enhance the country's democratic and human right standards?

Mr. Rammell: I thank the hon. Gentleman for giving me notice of this question. I have seen today's press reports that Plamen Nikolov, special representative of the Council of Europe's Secretary-General Schwimmer in Georgia, is being expelled, and I am concerned at that development. As I have said, much progress has been made in Adzhara, and that has been widely welcomed internationally. In that regard, it is critical that Georgia continue to work with the Council of Europe to fulfil its obligations.

Valerie Davey (Bristol, West) (Lab): Bristol constituents who are actively involved in the twinning of Bristol and Tbilisi have followed developments in Georgia with some interest, as Members can imagine. What active role are the British Government taking in ensuring greater stability for that country in future?

Mr. Rammell: We, along with the wider international community, have an interest in achieving a secure and stable Georgia. We are investing £2.5 million through the Department for International Development, we have a special representative in the region and we are advising and assisting the parliamentary reform process and defence sector reform. So it is fair to say that we are critically engaged and doing everything that we can to take Georgia forward in this important task.

Cyprus

8. **Bob Spink** (Castle Point) (Con): If he will make a statement on the prospects for the reunification of Cyprus. [171836]

The Minister for Europe (Mr. Denis MacShane): I draw the hon. Gentleman's attention to the Foreign Secretary's written statement to the House on 28 April.

The reunification of Cyprus remains the Government's objective, but there is no immediate prospect of a resumption of talks. We await the UN Secretary-General's report on his good offices mission to Cyprus, which we expect later this month.

Bob Spink: Can the Minister confirm that the Government respect the overwhelming democratic decision of the Greek Cypriots on the Annan plan? Will he confirm that this was a clear and unequivocal rejection of a bad plan, and will he commit this Government to working towards a new plan which, unlike the old one, will respect the existing UN resolutions and international law, and be for the benefit and justice of both communities in Cyprus?

Mr. MacShane: Of course we respect the decision of the Cypriot people. Members of the House and different Governments have dealt with this problem over a number of years. Everyone of good will concluded that the Annan plan, which had the overwhelming backing of all European and other member states of the international democratic community, was the best way forward. There is no other possible basis for a settlement. If we want a reunited Cyprus, we will have to come back to the Annan plan or something very close to it.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I welcome the Minister's statement and his acceptance of the democratic decision of the Cypriot people. Will he also accept that the international community did not fully understand the Cypriot community's fears and concerns in respect of the decisions put to them? Notwithstanding his comments today, will he redouble his efforts with the UN, and with the EU in particular, to ensure that this process is begun at the earliest opportunity?

Mr. MacShane: My hon. Friend is right. I understand the difficulties associated with the way in which people voted in that referendum, but as I said, we have looked at the plan in some detail and it is very difficult to find an alternative, because we have to get support from all those involved. Leadership was there in Cyprus, but perhaps it was not expressed in the referendum, given that people have to take political positions. A lot of rethinking is taking place on the island.

The position of northern Cyprus is now going to be very different and I would urge all hon. Members who have a deep care for the future of the island to work constructively and positively towards what will have to be a compromise. That will require leadership to bring people to support it. A divided Cyprus is no help to the people of that beautiful and wonderful island and no help to all who want to see its future settled before too long.

Mr. Nick Hawkins (Surrey Heath) (Con): Does the Minister recognise that a plan that was perceived by the Greek Cypriot communities as being far too heavily stacked in favour of the interests of Turkey and the illegally occupied area of northern Cyprus was never likely to command support? Hon. Members on both sides of the House who have worked with the people of Cyprus over many years recognise that we have to start looking again, as my hon. Friend the Member for Castle Point (Bob Spink) rightly said, at the resolutions that have been made over a longer period. Far too many of them were ignored in the Annan plan. Does the Minister accept that the Government have a responsibility to work with President Papadopulos to produce a new plan that will fairly balance the interests of both communities? The current plan was far too stacked in one direction ever to have a hope of commanding the support of the Greek Cypriot community.

Mr. MacShane: I have been listening to Cyprus debates and questions during my 10 years in the House, and believe that this plan offered more than any previous one. Any plan has to be acceptable to both sides. Large sections of the Cypriot political community were in favour of the plan to begin with, until the politics changed dramatically with a rejectionist front growing ever wider. I like to imagine that a better set of solutions could be rustled up to solve the problem, but the hon. Gentleman, while he is still a Member of the House, will have to tell his friends in Cyprus that the way to win people's support is to be there, leading them. Such leadership was not much in evidence towards the end of the process. Britain cannot provide a solution. We need a UN solution, an international solution or a European solution. Some people in Cyprus said yes; alas, others did not.

Chris Bryant (Rhondda) (Lab): Later this year, the European Union will have to decide whether to allow Turkey to enter the formal process of becoming a full candidate for EU membership. Can that happen without the reunification of Cyprus?

Mr. MacShane: Of course. We said clearly that Cyprus could enter the EU, uniquely among all member states, without having first resolved its own internal divisions. If we have behaved honourably towards our friends in the Government of Cyprus, we also have to behave honourably towards the Government of Turkey, who have made immense strides on the Cypriot question, making concessions that were literally unthinkable only 12 months ago, let alone 18 months or five years ago. Turkey has to meet the Copenhagen criteria and all the other norms required of her to start EU accession talks. On Cyprus, I believe that the Turkish Government cannot be faulted. Recent meetings in Greece between Mr. Erdogan and Mr. Karamanlis very much emphasise that point.

Mr. Richard Spring (West Suffolk) (Con): I agree with the Minister that the Turkish Government played a most constructive role in the lead-up to the referendum, further enhancing their credibility on the path to EU accession. Equally, however, does he agree that, in the light of past tragic memories, the stationing of Turkish troops in Cyprus post settlement presents a particular problem that must be addressed if fresh progress is to be made?

Mr. MacShane: I cannot object to any proposal that the Turkish or any other Government might make in respect of troop numbers on the island. They were to come down dramatically over time. Turkey, along with Greece and the United Kingdom, is a guarantor power, but it was not on that issue alone that the Greek Cypriots voted no. We have to look forward to a more positive approach in Cyprus. I think that the time may come sooner than we expect when moves are made towards that double yes. I hope that it comes as soon as possible. I urge all hon. Members—and I know how passionately they are involved in Cypriot matters in their constituencies—to find a language that allows a way forward for Cyprus, rather than digging deeper into the trenches.

Palestinian Authority

9. **James Purnell** (Stalybridge and Hyde) (Lab): What steps the Government are taking to support a more effective security force for the Palestinian Authority. [171837]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): The UK is supporting the Palestinian Authority in its efforts to improve its effectiveness in delivering security in the occupied territories, both for their own people and to prevent attacks against Israel. We are offering advice, encouragement and some limited practical support.

James Purnell: Both sides of the House want a two-stage solution to be achieved, based on a viable Palestinian state. Does my hon. Friend agree that a key part of the Palestinian Authority becoming a state is for it to show its control over security? Does he think that the key obstacle to its doing that is a willingness to use its capability, or the capability itself? What steps can we take to help the authority to achieve that goal?

Mr. Rammell: My hon. Friend is absolutely right to say that, for the authority to become a state, the responsibilities of being a state need to be taken on. That is why we are helping and assisting as we are. The Palestinian plans appear to be a good approach to addressing some of the key security challenges. The international community, through the Quartet and other mechanisms, has urged the Palestinians to demonstrate 100 per cent. effort on security. Some effort has been made, but we believe that more can be done.

Points of Order

12.31 pm

Mr. Michael Ancram (Devizes) (Con): On a point of order, Mr. Speaker. May I seek your assistance? Over the past 24 hours, there has been a glaring inconsistency in statements made from the Dispatch Box by two senior Cabinet Ministers on a matter of great importance. Yesterday, the Secretary of State for Defence, referring to the report from the International Committee of the Red Cross, said:

"May I make it clear that there was no concealment? The report to Ambassador Bremer was passed to Sir Jeremy Greenstock, then to the military representative in Iraq and from there to the Permanent Joint Headquarters."—[*Official Report*, 9 June 2004; Vol. 421, c. 33.]

Earlier, in answer to a question, the Foreign Secretary told us that the report was not passed to Sir Jeremy Greenstock. That inconsistency is highly damaging in the current situation. I ask for your advice, Mr. Speaker, as to what action might be taken for it to be clarified as soon as possible.

Mr. Speaker: Before the Foreign Secretary rises on a point of order, I must point out to the right hon. and learned Gentleman that it is not for the Chair to deal with any apparent inconsistencies between Ministers' statements. Of course, he can always table other parliamentary questions.

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Further to that point of order, Mr. Speaker. I am grateful to you, in any event: this is not a glaring inconsistency. I made it clear that the report was received by staff in Sir Jeremy Greenstock's office, and I fully endorse what my right hon. Friend the Secretary of State for Defence said—that there was no concealment, and that the report was passed on to the military representative in Iraq, and from there to the permanent joint headquarters. However, I will ensure that a clarification is made to the House, later on today or tomorrow morning.

Jeremy Corbyn (Islington, North) (Lab): Further to that point of order, Mr. Speaker. The Foreign Secretary said that the report had been sent to the Foreign Office but had not been relayed to him, whereas yesterday the Secretary of State for Defence said that it was sent to the permanent joint headquarters, where it has apparently lain for some three months. We need more than just a clarification: we need a statement about the progress of the document. From which hand to which hand has it passed, in Iraq and in this country? What has happened to civil servants, in either the Ministry of Defence or the Foreign Office, who apparently did not consider that the report was important enough to go to Ministers? We really need a full explanation of that.

Mr. Speaker: These are not matters for the Chair.

Mr. Mark Simmonds (Boston and Skegness) (Con): On a point of order, Mr. Speaker. I want to raise a totally separate matter. Yesterday, the Chancellor of the Exchequer and the Secretary of State for Education and Skills announced key policy changes to the delivery and working of the modern apprenticeships scheme, an essential and important education policy area. The announcement was made not in this House, but in a department store in Oxford street.

I am aware, Mr. Speaker, of your enthusiasm and keenness to have policy announcements made in this Chamber first. Have you received any approaches from Ministers to make a statement to the House about this change to what is a key area of policy? If not, is there anything that you can do to put pressure on Ministers to make such a statement, so that hon. Members can exercise their democratic right to ask appropriate questions on this key policy change?

Mr. Speaker: I have to be careful on this point. The hon. Gentleman says that it was a policy change, but I will have to look and see whether there was a policy change. All Governments are keen to try to train apprentices, and Ministers have to be able to make public announcements if there has been no policy change and the announcement is consistent with present Government policy. I will look into the matter.

Prime Minister (Direct Election)

12.35 pm

Mr. Graham Allen (Nottingham, North) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for the direct election of the Prime Minister; to require such elections to be held on the same day as a General Election; to make consequential provision in relation to the office and powers of the Prime Minister; to make consequential amendments to the Political Parties, Elections and Referendums Act 2000; and for connected purposes.

This Bill—the last great extension of the franchise—would symbolise our democratic maturity, convert our Parliament from an electoral college into a legislature and legalise an Executive currently built on smoke and mirrors. Stop me if you have heard this before, Mr. Speaker, but the prime ministership over many decades has evolved into an accidental presidency. The result is a dysfunctional democracy, in which power is over-concentrated, over-centralized and under-controlled. Our democracy is out of balance and dangerously short on popular consent and participation.

More than two years ago, I introduced a Bill to codify and legalise the massive, unwritten powers of the prime ministership. The Bill I introduce today goes one step further: it seeks to make the Prime Minister directly elected by the British people. I base the Bill on the simple principle that in a democracy anyone who exercises serious political power should be elected by the people.

The Bill represents a reality check for the British constitution—the emperor has no election. That realisation ends the laughable self-deception and the comforting myths of parliamentary sovereignty—that, somehow, the Prime Minister exercises power only by consent of Parliament, and that the Executive is under the control of the legislature. While my proposal seems revolutionary in this place, it is commonplace in most other democracies. Indeed, were, for example, the US or French chief executives to seek power without direct elections, it would be not only risible but illegal. Only in Britain—the last country in the empire—are the natives still not trusted to make this, the most important of political choices.

Even from Labour Members, I have been surprised to hear that the electorate cannot be trusted with a direct election. It is argued that they might elect some television celebrity—arguments that once found a voice in this Chamber from those who argued against votes for women and the working classes. They were not to be trusted to make the key decisions in their political lives.

Such a settlement is not directed at the current incumbent. Were we allowed to elect a Prime Minister, I would work to ensure, as I have done before, that my right hon. Friend the Prime Minister would be our candidate. He is by a mile the best unelected President we have, and would be by a mile the best directly elected Prime Minister we could have. The Bill is not about personality—it is about power. It recognises that the power of the key office in the British state has grown inexorably, without the design or intention of its occupant, in response to the demands and pressures on the British Government. That power does not need to be weakened, but it needs to be held properly to account. Self-evidently, that cannot be done through a Parliament that is controlled by the Executive, as was demonstrated last year when we were unable even to recall ourselves to debate the Iraq war. That power was held by the very office that we sought to discuss and to influence. It must, therefore, be made accountable to the British people by direct election, and that is what the Bill will do.

The Bill recognises that the British prime ministership has turned into a colossus; it is the only game in town. There is no office like it in the western world. No other democracy has one person at the head of Government, and in control of the party and the legislature. All political jobs, patronage, policy and image come from the same source—all are without effective democratic scrutiny or ratification. No other Head of Government in a western democracy has so much control and so many rewards and honours to give out.

Almost everything in British politics and the state now happens by the will of the prime ministership. A small and diminishing band believes fondly that we control that power when we elect a Parliament, yet in reality, barring the occasional electoral fluke, Parliament is rarely able to scrutinise the use of prime ministerial power, let alone temper or modify it. Such is the power of the institution that those parliamentarians who tried to influence policy on Iraq were told that we could do so only by threatening to end the prime ministership itself. As in 1640, Parliament was told, "Raise your standard and kill the king if you dare". The same was true of the rebellions over the poll tax and, more recently, over foundation hospitals and tuition fees.

Power is now so concentrated in No. 10 that Parliament cannot challenge policy without challenging the prime ministership itself. That is playground politics. We all know that there has to be a better way—a way that ends monopoly politics and does not fear, but revels in, other political institutions as partners and equals, adding value to the legitimate concerns and responsibilities of the prime ministership.

We are heading towards record low turnout for the European and local elections, and no doubt afterwards we shall come to this place and sagely talk about "disengagement from politics", "voter apathy" and, perhaps, about a new set of tricks: voting at 16, voting by text message, all-postal ballots, voting at weekends or voting in supermarkets. The cure for voter apathy is not to make voting easier, but to make it more worth while—above all by voting for the most important office in British politics.

The Bill would automatically double the worth and value of voting—it is a two-for-one offer. Instead of voting for an MP simply as a proxy for a Prime Minister—a member of a prime ministerial electoral college whose useful political life is extinguished within 24 hours, once their nominee goes to the palace—voters would choose an MP to represent them or their community and, separately, elect the best person to be our country's Prime Minister. With an independent mandate from their electors, MPs will regain the authority and confidence to do the job they cannot do now, which is, as Gladstone said,

"not to run the country but to hold to account those who do".

Parliament would cease to be the world's most sophisticated political prison and would become an independent legislature, with its own life separate from

[Mr. Graham Allen]

Government. There would be two valid independent viewpoints in politics: a separation of Executive and legislature, maturely cohabiting, debating and reconciling, even if the prime ministership and Parliament happened to be held by different parties. People will participate and people will vote if politics is repatriated to them and to their directly elected representatives and no longer confined to the incestuous relationship between No. 10 and its media courtiers.

We cannot go on asking people to vote for a myth. That is what we do now, when we ask people to pretend that they are voting for a sovereign Parliament, in control of the Executive, the arbiter of our nation's fate. This Bill, or something like it, will appear in some party's manifesto some time, just as inevitably as allowing the people to vote for a constitution has done in recent weeks. It would do many things: it would make an honest man or woman out of every future Prime Minister; it would create a free, independent Parliament; and it would revive political interest and make voting meaningful again—but, above all, it would be the last great extension of the franchise, standing in the long, proud history of my party—a democratic coming of age, enabling the British people directly to elect, for the first time, their own political leader.

12.45 pm

Michael Fabricant (Lichfield) (Con): The hon. Member for Nottingham, North (Mr. Allen) is to be congratulated on introducing this thought-provoking, but ultimately terrifying Bill—for if it were to become law, the last current Prime Minister will have achieved his final objective: to become President Blair in reality. With that, we should no doubt see Blair Force 1 replacing the Queen's Flight and a presidential coat of arms flying over No. 10 Downing street, or perhaps even Buckingham palace—who knows? Presidential decree would replace Cabinet government—but then what is new?

We already know that the decision to hold a referendum on the European constitution was made without any reference at all to the Cabinet, but the hon. Gentleman knows all that. Back in November 2001, he published "The Last Prime Minister: Being Honest about the UK Presidency", in which he says, as he said today, that a presidency has arrived in our nation in all but name. However, I oppose the principle of an elected Prime Minister. It would give additional legitimacy to the confused state of affairs that we already suffer under today, and it would sit uneasily and uncomfortably with the parliamentary democracy that we enjoy and which, in itself, forms part of a constitutional monarchy.

Our parliamentary system is not compatible with a nationally elected Head of Government. First, with the principle of primus inter pares, the Prime Minister—any Prime Minister—must enjoy the confidence of his or her party. Without that, no British political leader in government—and, yes, in opposition too—can or should survive. The appointment of a leader who does not enjoy the overwhelming support of his or her parliamentary party is doomed to failure. In that connection, I would dearly love to be a fly on the wall at meetings of the parliamentary Labour party—particularly so after 10 June.

So, do we wish to change the nature of our parliamentary democracy to become some sort of hybrid between a parliamentary and presidential system? I would argue no. Such a change, like the botched half-changes in the Lords, would simply be for change's sake. The Lords, now packed with cronies, is a less effective and less democratic place than ever before.

Would powers be vested in such a new Prime Minister to veto legislation of which he did not approve, as can be done in France and the United States—two examples given by the hon. Gentleman? The Prime Minister, under this scheme, would have an authority all his own. Where would that sit with the primacy of Parliament? What if a charismatic Prime Minister were elected from a party different from the majority party in Parliament?

Could cohabitation, as the French call it, work here? The Assemble Nationale in Paris has no powers except those that the President is pleased to grant it. The President of the United States enjoys powers of veto similar to those enjoyed by British monarchs until the mid-17th century, but there is a clear difference, which the hon. Gentleman ignored in his speech. Both the French and US Presidents are not only Heads of Government, but Heads of State. Our Head of State, however, is Her Majesty the Queen, and long may she continue to reign over us.

The Bill would weaken parliamentary institutions already weakened by this Government as power continues to ebb towards Downing street. It would weaken the role of the monarch as the ultimate protector of our people. Worst of all, until recently it would have meant, if the polls are to be believed, that all that power would be vested in the present Prime Minister. How comfortable would the Labour party, let alone the rest of the nation, be with that? An elected Prime Minister would weaken democracy, not strengthen it. The proposal would weaken the Commons Chamber, not strengthen it. The beneficiaries will be not our people and their legislature, but the Executive in Whitehall and its chief executive and Head of State, the newly elected Prime Minister—our own President Blair. Just think, it might even have been President Alastair Campbell. Either way, I oppose the motion.

Question put and negatived.

Housing Bill (Programme) (No. 2)

12.51 pm

The Minister for Housing and Planning (Keith Hill): I beg to move,

That the programme order of 12th January 2004 in relation to the Housing Bill be varied as follows—

1. Paragraphs 4 and 5 of the order shall be omitted.

2. Proceedings on consideration shall be taken in the order shown in the first column of the following Table. In that column, any reference to new Clauses, Amendments or new Shedules relating to any of Parts 1 to 7 does not include new Clauses, Amendments or new Schedules relating to overcrowding or the definition of 'house in multiple occupation'.

3. The proceedings shown in the first column of the Table shall (so far as not previously concluded) be brought to a conclusion at the time specified in the second column.

TABLE

Proceedings	*Time for conclusion of proceedings*
New Clauses, Amendments and new Schedules relating to Part 1	One and a quarter hours after the commencement of proceedings on the motion for this order.
New Clauses, Amendments and new Schedules relating to Part 2; new Clauses, Amendments and new Schedules relating to the definition of 'house in multiple occupation'; new Clauses, Amendments and new Schedules relating to Part 3; new Clauses, Amendments and new Schedules relating to Part 4	Two and a half hours after the commencement of proceedings on the motion for this order.
New Clauses, Amendments and new Schedules relating to Part 5	Three and three quarter hours after the commencement of proceedings on the motion for this order.
New Clauses, Amendments and new Schedules relating to Part 6; new Clauses, Amendments and new Schedules relating to overcrowding; new Clauses, Amendments and new Schedules relating to Part 7 and any remaining proceedings on the Bill	Five and a half hours after the commencement of proceedings on the motion for this order.

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion six and a half hours after the commencement of proceedings on the motion for this order.

We have important issues to consider today and I look forward to debating them. I therefore intend to be brief in speaking to the programme motion.

The Housing Bill will help to create a fairer and better housing market and it will protect the most vulnerable. It will fulfil two manifesto commitments, and will introduce many of the legislative measures necessary to help to create sustainable communities, as announced by my right hon. Friend the Deputy Prime Minister in February last year. The Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), and I are genuinely grateful to all members of Standing Committee E for the full and positive contributions that they made in the substantial amount of time allowed to consider the Bill. We had full debates on all the substantive issues and, in my view, their contributions and amendments have improved the Bill.

We have a number of amendments to consider today. My hon. Friend the Member for Castleford and Pontefract and I committed ourselves to revisit a range of issues, and I am delighted that we have been able to do so. I am sure that members of Standing Committee E will welcome the Government amendments, the vast majority of which respond to concerns raised in their debates. The Government have tabled a programme motion that allocates time for consideration of each part of the Bill. The proposed order of consideration broadly follows the order of clauses in the Bill, but there are some exceptions. We propose that schedules are considered alongside the clause that first introduces them, as their provisions relate to that particular clause and it seems appropriate to consider them together. It also seems logical to discuss new clauses relating to each part alongside amendments to that part. Part 2 deals with the licensing of houses in multiple occupation, so it seems sensible to consider amendments relating to the definition of HMOs when we consider that part. Government and non-Government amendments on overcrowding will be considered when we discuss part 6.

12.53 pm

Mr. Robert Syms (Poole) (Con): This is a long and complex Bill. In fact, it could easily have been four or five separate Bills, and throughout our deliberations it has been subject to major Government amendment and change. Even on Report, many Government amendments have been tabled. Given the grouping of amendments and the knives, it is unlikely that the programme motion will allow us to do justice to all the important matters that need to be discussed as part of the public debate, so we shall oppose the motion. I do not intend to detain the House as we want to get on with business. However, the Government are again forcing a diktat on the House and we wish to make it clear that we oppose their manner of conducting business in the Chamber.

12.54 pm

Matthew Green (Ludlow) (LD): I accept that the Government have discussed with Opposition parties the order of consideration and where the knives will fall. There has been agreement about that, but there is clearly not agreement about the amount of time allowed for debate. Two days were allowed for the Report stage and Third Reading of the Planning and Compulsory Purchase Bill. Three days have been allocated next week to consideration of the Pensions Bill, although that may be because the Government have not finished writing it. There is clearly a case for allowing more time to consider the Housing Bill. There is a great deal of interest from Labour Back Benchers, who have tabled a number of amendments and new clauses, but we are unlikely to reach all of them. The Government have not only sold the Bill short by failing to allow for proper discussion of amendments and new clauses, but have sold their own Back Benchers short. Labour Members want to discuss tenancy deposit schemes, compulsory leasing and so on, but will struggle to do so given the time allowed for debate.

[Matthew Green]

We cannot support the motion because it allows insufficient time to discuss the Bill. Whatever good will Ministers have shown about dividing up the available time, regrettably they do not have the clout to win sufficient time from the business managers, so we shall vote against the motion.

12.56 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): I wish to place on the record the fact that, yet again, the Government are giving the House pathetically inadequate time to deal with a Bill which, by any measure, is important. A mere glance at the Speaker's provisional list of amendments and the Government's suggested allocation of time reveals the shocking truth. One and a quarter hours, for example, has been allowed for amendments on housing conditions. A debate in the Chamber should provide Members of Parliament with an opportunity to express a view about an issue or set of issues. The first group of amendments on housing conditions—there can be few issues more important to our constituents—is a large one, yet the Government have insulted the House by offering 659 Members of Parliament one and a quarter hours to debate it. That is the extent of the Government's impertinence.

The situation is even worse when we reach the second group of amendments, on houses in multiple occupation, for which another hour and a quarter has been allowed. The group includes a large number of Government amendments and new clauses, and subsumed within it is a separate group of amendments on interim and final management orders. Limited time has been offered to all Members of Parliament, including Ministers and Opposition spokesmen. Home information packs are a controversial part of the Bill but, again, a mere hour and a quarter has been allowed for discussion of amendments, including many Government amendments.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Is my right hon. Friend not being a little too generous to the Government? If we wish to have a Division, the time taken is subtracted from debating time. That is one way in which the Government put pressure on Labour Members who feel strongly about an issue not to have a vote.

Mr. Forth: I am grateful to my hon. Friend, because there is a danger that these things are becoming accepted as the way in which the House of Commons works. We are now operating under completely artificial constraints. There is no reason why our debate should take six and a half hours—we could take as long as we wanted. In fact, as you know, Mr. Speaker, there is provision for a business motion to be moved to allow us to continue our deliberations after 7 pm, and there is open-ended business following proceedings on the Bill. Bizarrely, unlimited time has been allowed for the subsequent debate on a House of Commons matter which, Mr. Speaker, is dear to your heart. The Order Paper states, I am happy to say, "Until any hour", yet on such a vital Bill, with dozens of Government amendments and dealing with crucial matters that affect our constituents' everyday lives, the Government have the impudence to say, "You, the House of Commons, will have only six and a half hours to consider all these matters." That is an outrage, but it is in danger of passing into our proceedings as though it were perfectly normal. Members of Parliament are expected to accept it, take it in their stride, shrug and say, "Obviously, I can't participate because there is so little time."

Any examination of the time proposed in the motion would show that it is an insult to the House of Commons and to the parliamentary process. For the Minister, in his insouciant way, to sit there and say, "Take it or leave it. This is it. This is all the Government believe the House of Commons should have", illustrates how far the House of Commons has fallen. It pains me to say so, but that, sadly, is the truth. Here we are, reduced to an hour and a quarter—the total time allocated to all Members of Parliament to debate a subject as important as, for example, home information packs.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does my right hon. Friend agree that even to call this a programme is an insult? Programmes are supposed to be consensual; this is a guillotine.

Mr. Forth: I am grateful to my hon. Friend. That is true. I may have slipped into conceding that this is a so-called programme. My hon. Friend is right: they are systematic guillotines of all business. Today's motion is a prime example of what we have to put up with. It is increasingly difficult for us to look our voters in the face and claim that we are even beginning to do our job, as their representatives, in scrutinising legislation. In no way can these time limits allow us properly to scrutinise; in no way can proper speeches be made by Members of Parliament—points of criticism or points of elucidation. The Government do not allow us to do that any more.

Mr. David Wilshire (Spelthorne) (Con): My right hon. Friend is probably far too modest to say that such a motion is an attempt to gag him. The time being taken now—this is a criticism not of him, but of the Government—comes out of the time that the Government generously say we can have to debate other matters. That is another scandal.

Mr. Forth: I am grateful to my hon. Friend. Many people try to gag me in many different ways, but my hon. Friend knows me well enough to know that that is usually not very successful. I shall be demonstrating that later today in the business that will come on, courtesy of the Government, well after 7 o'clock and may continue for some time thereafter. So gagging me is usually a fairly futile exercise, although it is tried from time to time, as my hon. Friend points out.

All in all, the motion is an egregious example of so-called programming, which is in fact systematic vicious guillotining of business in the House in order that the Government can get their business with a minimum of debate. I am glad we are opposing it.

1.2 pm

Bob Spink (Castle Point) (Con): The programme motion—or guillotine, as it is better called—is yet another example of the Government trying to remove

from the House powers to hold them to account. I shall address the paltry one and a quarter hours that has been allocated to home improvement packs, which is a detailed, complex matter on which many Government amendments have been tabled. It is a matter that is crucial to consumers, to the housing market and the operation of that market, and to the industry—estate agents and solicitors. The House must get such a crucial matter right, and in one and a quarter hours there is not enough time properly to debate all the detailed amendments that have been tabled to that part of the Bill.

Within the total time, the Bill is supposed to get its Third Reading. It is outrageous and a removal of the powers of the House properly to hold the Government to account.

Question put:—

The House divided: Ayes 246, Noes 146.

Division No. 164] **[1:03 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Battle, John
Beard, Nigel
Bell, Sir Stuart
Bennett, Andrew
Benton, Joe *(Bootle)*
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Coffey, Ms Ann
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Davey, Valerie *(Bristol W)*
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Doran, Frank
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Khabra, Piara S.
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moran, Margaret
Mountford, Kali
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pound, Stephen
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Shipley, Ms Debra
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Twigg, Derek *(Halton)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David

Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. John Heppell and Ms Bridget Prentice

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Liddell-Grainger, Ian
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
May, Mrs Theresa
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Paice, James
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Sanders, Adrian
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Wiggin, Bill
Williams, Hywel *(Caernarfon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
Mr. David Ruffley and Mr. Mark Francois

Question accordingly agreed to.

Ann McKechin (Glasgow, Maryhill) (Lab): On a point of order, Mr. Speaker. I have just received information that an explosion has occurred at the ICL Plastics factory in my constituency. I understand that the building has collapsed, and reports mention more than 60 casualties, with many people still lying in the rubble. May I ask, through your good offices, if the appropriate Department will investigate at the earliest opportunity, and if a Minister will come to this House to make a statement as soon as more information is known?

Mr. Speaker: The hon. Lady is a constituency neighbour of mine, and I know the Maryhill district very well indeed. I will ensure that the appropriate Ministers go about the business of gathering whatever information it is possible to obtain. I am sure that the fire service and the police will do their best, and I thank the hon. Lady for bringing the matter to the House.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Speaker. The House has just passed a timetable motion, and after the five and a half hours of debate you, or whoever is in the Chair, is likely to say, "Consideration concluded. Third Reading, what day?" May I put it to you, Mr. Speaker, that that is to mislead the House, and that it would be more suitable to say that the Government's timetable means that no further discussion can take place? Rather than misleading the House by saying, "Consideration concluded," perhaps a new form of words should be found.

Mr. Speaker: I assure the hon. Gentleman that the Chair would never mislead the House.

Housing Bill

As amended in Standing Committee, considered.

[Relevant documents: The Eighth Report (HC 427) and the Tenth Report (HC 503) of Session 2003–04 from the Joint Committee on Human Rights, on the Committee's continuing scrutiny of Bills. The Tenth Report from the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee, Session 2002–03, HC 751-I, on the Draft Housing Bill, and the Government's response thereto, Cm 6000; and the Fifth Report from the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee, Session 2003–04, HC 46-I, on Decent Homes.]

Clause 2

MEANING OF "CATEGORY 1 HAZARD" AND "CATEGORY 2 HAZARD"

1.19 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I beg to move amendment No. 100, in clause 2, page 3, leave out lines 10 to 19 and insert—

'(1) Meanings of "category 1 hazard" and "category 2 hazard" shall be prescribed for the purposes of this Act.

(2) Those meanings shall be so prescribed by reference to—

(a) hazards of prescribed descriptions, and

(b) a ranking system for the severity of such hazards by which the question of whether a hazard achieves a particular ranking is decided by reference to—

(i) the results of a qualitative assessment of the hazard in question, and

(ii) an assessment of whether those results meet prescribed qualitative criteria.'.

Mr. Speaker: With this it will be convenient to discuss the following amendments: No. 102, in page 3, line 20, after 'risk,' insert '(a)'.

No. 103, in page 3, line 21, after 'HMO', insert—

'(b) that the dwelling or HMO is or is likely to be below a reasonable standard, having regard to its age, character or locality, or

(c) that the condition of the dwelling or HMO is or is likely to be such as to interfere materially with the personal comfort of the occupying tenant, and'.

No. 101, in page 3, line 27, leave out from '218(1)' to end of line 29.

Government amendments Nos. 6 to 13.

No. 134, in clause 8, page 7, line 11, at end insert—

'(e) the functions and requirements in respect of new qualifications and training required by environmental health officers.

(f) the functions and requirements in respect of the nature and time expenditure required so that these tasks can be considered to have been properly fulfilled.

(g) the functions and requirements in respect of the circumstances in which they may be required to compensate landlords for costs incurred in the carrying out of their duties'.

(h) their functions and requirements in relation to fire safety legislation and in particular consideration be given to the installation of automatic fire sprinklers in HMOs.'.

No. 104, in clause 44, page 28, line 34, at end insert—

'(2A) In the event of such an appeal being made, the notice under section 40 is not suspended.'.

Government amendment No. 29.

No. 119, in schedule 13, page 231, line 31, after '189' insert—

'Sections 190A'.

Mr. Davey: I begin by expressing our concern for the constituents of the hon. Member for Glasgow, Maryhill (Ann McKechin), and I hope that Ministers follow up your words, Mr. Speaker. Let us hope that what sounds like a tragedy does not result in any fatalities.

This group of amendments deals with housing conditions. Part 1 of the Bill significantly changes the way in which housing conditions are considered by environmental health officers, particularly, but not exclusively, in the private rented sector. The new system that the Government are introducing—the housing health and safety rating system—is broadly supported across the House. However, we raised several points in Committee that we want to address again in slightly different ways to ensure that we are clear about the Government's intentions and to see whether we can push them a little further in a few respects.

Amendments Nos. 100, 102, 103 and 101 reflect a concern that I expressed in Committee—namely, that the Bill introduces too mechanistic an approach whereby environmental health officers will have to try to calculate a numerical assessment of the state of the home concerned, using a complicated system to add up the probabilities and risks that particular conditions may harm certain types of people in order to produce ratings that define the problem as a category 1 hazard or a category 2 hazard. That system is based on a quantitative approach, but in our discussions in Committee, the Minister took a more expansive approach that possibly reflected the tone of the guidance that we saw only just before we debated it in Committee. He went so far as to tell the Committee that environmental health officers will be expected to use their professional judgment and that the approach will be qualitative, as well as quantitative.

Although we do not seek to press our amendments to a Division, I hope that for the sake of clarification the Minister can put on the record again some of the comments that he made in Committee. For example, he said:

"Let me say a little more about judgment reports and flexibility. I should like to emphasise that the environmental health officer's assessment of the property, which will generate a score, will be based on their professional judgment of the condition."—[*Official Report, Standing Committee E*, 20 January 2004; c. 48.]

He made other remarks along those lines to suggest that despite what it says in the Bill, a degree of flexibility and professional judgment will be involved. Can he give such an undertaking to members of the Chartered Institute of Environmental Health, who will have to try to make the new system work? That would be helpful, because when environmental health officers tested version one of the system, they encountered many problems in trying to use that mechanistic approach.

It is worth commenting on Government amendment No. 6, which changes the requirement in the Bill for a local authority to consider the housing conditions in its district at least once a year. When we debated that duty in Committee, we thought it rather onerous and proposed amendments. At the time, the Government

[Mr. Davey]

were not convinced, but they have returned with this amendment to allow greater flexibility by removing the frequency requirement to leave a general duty. I welcome that deregulatory measure.

Amendment No. 104 would ensure that there is a procedure to allow environmental health officers to go into a property very quickly if a hazard exists with the potential to cause an emergency. As the Bill stands, if an environmental health officer serves a notice on a landlord to say that there is an emergency that requires urgent investigation, the landlord can appeal. I understand that an appeals procedure is necessary, but some in the profession are worried that if a genuine emergency arose, the appeals procedure could get in the way of its being tackled. The amendment would ensure that the emergency can be dealt with even while the appeals procedure is going on. That might sound odd, but we are talking about situations that could threaten the lives of occupants, neighbours and even passers-by. Perhaps we misunderstood the various amendments that were discussed in Committee, but we certainly did not debate this point. Will the Minister confirm that if a real threat arises, the appeals procedure will not get in the way of its being dealt with?

Amendment No. 119 would reverse the Bill's repeal of section 190 of the Housing Act 1985. We are not convinced by that change, which was not debated in Committee. I remind hon. Members that section 190 enables a local housing authority to serve a repair notice on the landlord where the house is

"in such a state of disrepair that, although not unfit for human habitation, substantial repairs are necessary to bring it up to a reasonable standard",

or

"its condition is such as to interfere materially with the personal comfort of the occupying tenant."

The Government want to repeal that right because they believe that other measures introduced in the Bill make it superfluous. However, the professionals feel that although the Government have provided some new powers to deal with disrepair, they do not measure up to the section 190 powers. They are worried that in trying to raise the standard of conditions of housing, the Government are shooting themselves in the foot by getting rid of a piece of legislation that was helpful and putting in place measures that are not as effective. Environmental health officers and groups such as Shelter have told me that section 190 should be retained, arguing that although the new rating system is good for dealing with current threats to the health and safety of occupants, it is not so good for dealing with future threats.

There is some fuzziness around the edges, but the basic point is that the Government's proposed system deals with current threats, but not future threats such as rotting window frames or damaged guttering, which do not cause a problem immediately but will do so in the foreseeable future. People are worried that the new system, unlike section 190, will not cover disrepair that causes inconvenience or misery to residents—for example, ill-fitting windows or poor lighting—and fear that we may end up with a worse regime for dealing with housing conditions than the present one.

It is worth the Government reflecting on that. I doubt whether they will accept the amendment—that would be a turn-up for the books—but they might at least take time to reconsider my arguments when the Bill moves to another place and perhaps decide that section 190 of the 1985 Act is worth retaining.

Ms Joan Walley (Stoke-on-Trent, North) (Lab): I wish briefly to endorse some of the comments made by the hon. Member for Kingston and Surbiton (Mr. Davey). I should say from the outset that I speak as vice-president of the Institute of Environmental Health Officers.

I have corresponded with the Minister on some of these issues, and he was kind enough to respond to me in a very lengthy letter dated 5 March. I want to take this opportunity to flag up the day-to-day work of environmental health officers on housing repair and the huge responsibility that they take and put into action on a daily basis. They want to ensure that any new legislation that reaches the statute book does not put us in a worse position than that which obtains under existing statutes. I would hate us to make a decision today that would take us back a step rather than taking us further forward.

The Minister has been very courteous already, but I must tell him that the Chartered Institute of Environmental Health still has certain concerns. Bearing in mind the fact that these issues are not to be pressed to a vote, will he agree to continue the dialogue that he has been having with the institute? Perhaps, between now and the time when the Bill goes to the other place, he will be kind enough to have further talks with the institute to ensure that the changes that we are proposing will enable the proper repairs to be carried out to the nation's housing stock.

1.30 pm

Mr. Robert Syms (Poole) (Con): For the purpose of the debate, I should like to declare that, as shown in the Register of Members' Interests, I am a director of a family property company with building interests.

This part of the Bill is highly complex, and I must admit that, even having had a briefing from the civil servants in the Office of the Deputy Prime Minister and having sat through the Committee stage of the Bill, I still do not feel wholly confident to lecture or give advice on it. We have given our broad support to the housing health and safety rating system, but with 29 categories of housing hazard and a numeric way of assessing them, it will be complex to administer.

An issue that arose in Committee, and to which we return in amendment No. 134, is the uniformity of the application of this part of the Bill. The amendment proposes that the appropriate national authority—be it the United Kingdom Government or the Welsh Assembly—should set out clearly what is expected of the respective institutions in regard to the qualifications and training of environmental health officers and the functions and requirements relating to the operation of this part of the Bill.

Another theme that we have identified is that, if it is clear from the Bill, through guidance, what is required, it will be much easier to ascertain the cost of providing those services. We raised the issue of cost on a number

of occasions in Committee, and the Minister replied that the Government expected the one-off set-up costs of training environmental health officers and of information technology to be in the order of £4 million to £5 million. Perhaps that might be a recurring cost each year. I come from a local authority background, and I am still a little suspicious, given the complexities of this system and its implementation across the country, as to whether such an amount would fully cover the costs involved.

We are not going to press our amendment to a vote, mainly because, given the programme motion that the House has passed, we might want to discuss other, weightier issues later. I would like the Minister to reassure the House, however, about how even-handedly this part of the Bill will be applied. We believe that it is important to include guidance in the Bill. Perhaps he will also briefly revisit the topic of the cost of the system. Every time the House passes legislation that places a duty on local authorities, or changes the manner in which they carry out their services, it is important that we should fully compensate them for that, particularly in this age when we often throw allegations across the Chamber at Office of the Deputy Prime Minister's Question Time about who has the worst record on council tax, for example. One of the major engines for generating higher costs for local authorities is legislation that puts too much of a burden on those authorities, which is not fully reflected when the revenue support grant is produced.

We have more important matters to discuss later, so I shall end my remarks now, to give the Minister an opportunity to give the House further reassurances on this important part of the Bill.

Sir Sydney Chapman (Chipping Barnet) (Con): I am grateful to have been called to speak and I shall be very brief. I want to pick up the point made by the hon. Members for Kingston and Surbiton (Mr. Davey) and for Stoke-on-Trent, North (Ms Walley). The hon. Gentleman mentioned an occasion on which a person from a local authority might have to enter premises in an emergency. It would be quite wrong in those circumstances to require prior notice, and I believe that that also applies to a landlord. It would be wrong of us to think that there is permanent conflict between tenants and landlords. I hope that, in the main, a very harmonious relationship exists between them.

My other point is on the application of this part of the Bill. Of course we must get rid of unfit homes, and of course we must bring homes of a poor standard up to the standard that we expect to find at the beginning of the 21st century, but let us remember the context in which we are doing so. In recent years, the amount of public money invested in housing has been dramatically cut, although I am delighted to say that the Chancellor has recently announced that he is increasing the provision from £4 billion to £5 billion. However, the amount going into housing in 1990 was £11 billion, according to the Joseph Rowntree Foundation. It is vital, particularly in a place such as London, that we do not suddenly cut off a vast proportion of the private rented properties. All local authorities must employ an even-handed touch in giving time for conditions that are not necessarily or immediately hazardous to be improved. I support this part of the Bill in general, but it is the application of it that will be the decisive matter in practice.

The Minister for Housing and Planning (Keith Hill): Before I respond to the debate, may I take this opportunity to express the Government's great sympathy and concern in regard to the explosion in Glasgow, which was brought to the attention of the House by my hon. Friend the Member for Glasgow, Maryhill (Ann McKechin)?

The House will understand that I want not only to deal with the issues that have been raised in the non-Government amendments, but to explain and commend the Government amendments to the House. Clause 2 of the Bill provides for the components of the new hazard assessment system—the housing health and safety rating system to be prescribed in regulations. These are: the method for calculating the seriousness of hazards; the descriptions of hazards; the bands into which the hazards may fall, according to their seriousness; and the numerical scores that determine the bands into which the hazards fall.

Subsection (1) defines "hazard" for the purposes of part 1 of the Bill as a

"risk of harm to the health or safety of an actual or potential occupier of a dwelling HMO"—

a house in multiple occupation—

"which arises from a deficiency"

on the premises or on

"any building or land in the vicinity".

It also defines category 1 and category 2 hazards.

Under the rating system, the assessment of a hazard has two elements: the likelihood of an occurrence resulting in harm, and the potential outcome of that occurrence. By virtue of subsection (3), the regulations prescribing the method will take account both of the likelihood of harm occurring and of the severity of the harm if it occurs. Whether a hazard is in category 1 or 2, and whether, within those categories, the hazard falls into band A, B, C, D or E is a matter for the judgment of the inspector. I use that expression advisedly, and I hope that in doing so I can provide the hon. Member for Kingston and Surbiton (Mr. Davey) with the reassurance that he seeks, I must underline that point.

Regulations will describe the method for assessing hazards, set out the principles for scoring the hazards and placing them in bands, and list the 29 hazards to be covered by the system. Guidance to be given under clause 8 will give advice on how local authority officers should operate the system using their judgment, what they should look out for, and what can be done on the premises to remove or reduce a hazard.

Amendments Nos. 100 to 103 seek to make technical changes to the meaning of "hazards". In our view, they undermine the objectivity of the system, which is its prime objective. I also believe that they stem from a belief that the system is in danger of being excessively mechanistic and leaves no room for judgment—that is, that the rating system deals with numbers at the expense of the inspector's professional judgment and knowledge. The system does use numbers, of course, but the hazard score will not be determined by the system. I say again that it will be determined by the inspector's judgment, and I pay tribute to the professionalism of the officers of the Chartered Institute of Environmental Health.

[Keith Hill]

Amendment No. 103 would introduce the concept of relative standards to a system of risk assessment by requiring the "age, character or locality" of a property to be taken into account. That creates something of a slippery slope. I do not argue that the rating system seeks perfection in every dwelling. Some sorts of dwelling have characteristic defects. For example, early 20th century terraced houses may have steep staircases that increase the risk of a fall. A local authority inspector will know that and make appropriate allowance for it. On the other hand, it will not be good enough for him to say that, because many dwellings in his area have leaking roofs, he should play down the seriousness of that defect in a particular dwelling.

The housing health and safety rating system is a tool that provides objective information as a starting point for an inspector to support his judgment of the action needed to deal with a hazard. That judgment should take on board the effect of housing conditions on the health and safety of occupants.

Amendment No. 103 would also introduce considerations of material comfort into a system that assesses the health and safety risks to occupants. I am sure that that is a reflection of representations that have been made to me about the repeal of section 190 of the Housing Act 1985. Aside from any merits of having a separate power to deal with minor disrepair and discomfort, it is inappropriate to introduce it in the housing health and safety rating system formula.

The housing health and safety rating system will pick up disrepair when it contributes to any hazard in category 1 or 2. I understand that authorities would like to have wider powers to deal with conditions that are not even hazards. The housing heath and safety rating system provides a tool for authorities to prioritise intervention, and they can choose to tackle disrepair that contributes to modest hazards, should that be their approach.

When disrepair does not even contribute to a hazard, we should hesitate to provide open-ended powers. Enforcement action needs to be proportionate and evidence based. There is no reason why authorities cannot provide advice to landlords when they judge that defects might lead to discomfort or further deterioration in the future and monitor those conditions. I therefore invite the hon. Member for Kingston and Surbiton to withdraw the amendment, but I hope that my remarks have reassured him.

I shall now deal with Government amendments Nos. 6 to 13, which, I am delighted to say, largely respond to representations that were made in Committee. Clause 3 requires local authorities to consider the housing conditions in their district at least once a year, with a view to determining what action to take, for example, under their powers to deal with hazards identified under the housing health and safety rating system, or their powers to declare renewal areas or provide financial assistance for home repair or improvement.

In Committee, I was pressed on the frequency of such consideration by local authorities, and hon. Members presented arguments for both more and less frequent consideration. I undertook to reconsider the requirement. Clause 3 replicates provisions that were enacted most recently in the Local Government and Housing Act 1989. However, the Government's approach to local housing strategies has developed since then, and authorities are no longer expected to produce them annually. The requirement in clause 3 to keep the housing stock under review remains important, but the obligation to do so annually is out of kilter with the approach to strategies.

Amendment No. 6 therefore retains the obligation to keep the stock under review, but removes the requirement about frequency. The purpose of the clause is to ensure that a local authority maintains a current awareness of the state of the housing stock in its area so that it can reach well-informed judgments about the action that it needs to take. As I said in Committee, the purpose of the provision is not to require an authority to produce reports at specific intervals, although we expect authorities to keep records that can be made available to the appropriate national authority. I am grateful to the hon. Member for Kingston and Surbiton for his welcome for the clause.

Clause 4 deals with the requirements on local authorities to inspect premises to determine whether they contain hazards. It also deals with the requirements on authorities and their officers to respond to complaints about housing conditions. In Committee, the handling of complaints received what I described at the time as "a good thrashing", and I have concluded that the extended discussion that took place was due, at least in part, to a lack of clarity in the way in which clause 4 deals with the issue. The amendments are intended to set out more clearly the way in which the Government expect complaints to be tackled and to draw a sharper distinction between official and other complaints.

1.45 pm

Amendments Nos. 7 and 8 remove subsection (3) and establish a general duty on local authorities to arrange for an inspection of premises to be carried out. That duty arises if the authority considers that an inspection would be appropriate, either as a result of a review under clause 3 or for any other reason, to determine whether a category 1 or 2 hazard exists on those premises. The amendment therefore provides for the kinds of circumstances that, in the normal course of business, are most likely to lead an authority to inspect a property and consider enforcement action under part 1. They include ordinary, day-to-day complaints to the authority.

There is no duty on authorities to respond to every such complaint but, as I said in Committee, we expect them to respond to complaints that are not vexatious or frivolous. Amendment No. 7 therefore sets out what I might describe as the "default" approach to complaints.

Let me deal with what clause 4 calls "official" complaints. They have a dual significance in that they carry the weight of a justice of the peace or a parish or community council and are made to the proper officer rather than to the authority. The proper officer, who, in this context, is likely to be a senior environmental health officer, has duties independent of the authority's, including a duty to inspect premises in response to an official complaint. That lends those complaints—in both the giving and the receiving—an additional

significance. It enables them to be considered without any suggestion that political or financial considerations may have been brought to bear.

Much of the debate in Committee focused on the official complaints and on amendments that would have extended the power to make such a complaint to other institutions. However, I stress again that the official complaints are the exception rather than the rule. Indeed, I have to confess to the House that a recent trawl by the Chartered Institute of Environmental Health has not identified a single authority that can recall the use of the official route for complaints.

That is not to say that the official route has no value.

Mr. Edward Davey *rose—*

Keith Hill: If I may be allowed to make my argument and the hon. Gentleman still wants to intervene, I would welcome his remarks.

The findings illustrate, as I maintained in Committee, that the ordinary workaday route for tenants and residents to complain directly to their local authority works well in the vast majority of cases and there is no need to widen the official route.

Mr. Davey: The Minister is making an interesting speech, which would have enlightened our previous "thrashing" debate. However, perhaps the current formal route is not sufficiently wide and the findings that he has secured back the case that we made in Committee.

Keith Hill: In Committee, we were in a sort of competition to extend the category of those regarded as official complainants. However, the reality appears to be that the current system works well enough and we perceive the official route as a fall-back, default mechanism or recourse when other more obvious routes fail.

Andrew Bennett (Denton and Reddish) (Lab): Does my right hon. Friend accept that there has always been a tension between the public health and management sides of a council? Does he also accept that, especially when houses have been bought up because of, for example, road widening, the council tends, in its management of the road-widening scheme, to resist pressure from the public health side to make temporary improvements to those properties? There is now a danger that, if local authorities do not have the resources to put their council properties into a state of good repair, the housing authority could manage a house with, for example, poor electrical wiring and be embarrassed by the pressure from the public health side of the council. It is important that the Minister emphasises that the public health side should have priority.

Keith Hill: On the whole, I am inclined to agree with my hon. Friend and to emphasise that, of course, public health must have considerable priority. He perhaps takes us wider than the immediate issue, but I have listened to him very carefully and, as ever, I will bear his observations in mind as I pursue these matters.

I took the point made by hon. Members in Committee that not all areas are blessed with a parish or community council, and I recognise that those councils do not have the same independence as justices of the peace, but I am not about to deprive those who have access to such a council of that second string to their bow, even though one is enough.

Subsection (4), as amended by amendment No. 10, ensures that all inspections, whether by the authority in response to an ordinary complaint or by the proper officer in response to an official complaint, are carried out in accordance with regulations, including those under clause 2, which will prescribe the method of hazard assessment. That means that all inspections carried out in response to complaints, whether ordinary or "official", will be carried out with the same rigour.

Amendment No. 13 further strengthens the procedure for official complaints by ensuring that it is properly rounded off with a report by the proper officer, whether the hazard revealed by the officer's inspection has turned out to be category 1 or 2. Amendments Nos. 9, 11 and 12 are technical and consequential.

On amendment No. 134, let me begin by assuring the hon. Member for Poole (Mr. Syms) of the continuing even-handedness of the Government's approach in these matters. As I said in Committee, we anticipate the start-up costs of these arrangements to be about £4 million to £5 million.

Members will be aware that in January we had a thorough debate in Committee on an amendment with the same purpose as amendment No. 134. Indeed, the Committee even divided on that amendment, so I acknowledge that certain members of the Committee were not entirely persuaded by my arguments. That said, my arguments against this amendment remain unchanged.

Clause 8 enables the Secretary of State in relation to England, and the National Assembly for Wales in relation to Wales, to give guidance to local housing authorities on the exercise of their functions under part 1. That guidance will be about how properties are to be inspected and assessed using the housing health and safety rating system and how authorities, once they have assessed a hazard, should apply the enforcement duties and powers provided in part 1. Those relate to the use of improvement notices, prohibition orders, hazard awareness notices, demolition orders, and clearance, and also to the use of the emergency measures under the provisions added to the Bill by Government amendment in Committee.

Amendment No. 134 would add to the topics on which guidance may be given. I must declare to the House that I remain entirely unconvinced that those additions are necessary. The amendment appears to question the fact that environmental health officers employed by local housing authorities are already qualified to operate the rating system.

I recognise that the rating system requires a change of approach by local authorities—this is the first time that we have brought risk assessment and housing conditions together under a regime that has been around in some shape or form for the past 80 years—but the housing health and safety rating system is essentially a tool to assist professional judgment, as I have repeatedly said.

[Keith Hill]

Environmental health practitioners are already used to risk assessment methods in other areas of their work. I am comforted by the Chartered Institute of Environmental Health, which in its response to our recent consultation on the enforcement guidance gave an account of the work that practitioners do. The CIEH response points to environmental health practitioners'

"experience in risk assessment procedures and ability to take an holistic view of the health, safety and welfare of occupiers alongside traditional building and means of escape defects."

It seems to me, therefore, that the hon. Member for Poole takes a dimmer view of the experience and abilities of environmental health professionals than does the CIEH.

The chartered institute is a key housing stakeholder and I do not underestimate the contribution that its members will make to the success of our reforms, but it is clear that we are not talking here about the need for new qualifications. Rather, I have said that we will do what we can to ensure that the rating system is implemented smoothly. There will be training in the system, and we are considering what training will be required, but in the meantime, there cannot be many EHOs or authorities who remain ignorant of the principles underlying the system, as version 1 entered the public domain in 2000 and a draft of version 2 has been available since last December.

Proposed new subsection (1)(f), which amendment No. 134 would insert in clause 8, appears once again to be an attempt to write a regulatory impact assessment into the guidance. That is not the function of guidance on either a technical assessment or the use of the enforcement options. I have said before that inspections are likely to vary considerably in the time that they take, both in the field and back at base. The computer programme that will be part of version 2 of the housing health and safety rating system should enable inspectors to save time by entering data as they carry out the inspection.

As to proposed new subsection (1)(g), which would be inserted by the amendment, it is not clear in what circumstances authorities may need to compensate landlords. Landlords will have a right to appeal on the improvement notices and prohibition orders for which the Bill provides before they take effect, or, in the case of the emergency measures, after the measures have been taken.

Compensation may well be an outcome of an appeal in some such cases. I suggest that compensation is a matter that should be dealt with on appeal. I cannot agree that compensation should be a matter for Government guidance under clause 8, nor, as I said before, can I see that compensation is a likely outcome for a landlord who has kept his tenants in conditions so hazardous that a local authority has felt compelled to take enforcement action.

I turn now to the question of fire, which of course is one of the 29 hazards dealt with by the rating system. There will indeed be guidance on hazards from fire, which will cover the causes and preventative measures. Fire is one of the most important hazards. Nevertheless, I do not think it necessary to single out fire safety in the Bill. All the hazards will be spelled out in the regulations, which prescribe the housing health and safety rating system method under clause 2.

Mr. John Hayes (South Holland and The Deepings) (Con): I am trying to be helpful to the Minister, as he knows I generally am. As he is moving on to those matters, will he specifically deal with the report by the National Landlords Association, with which he will be intimately familiar? I see he is looking at it with knowledge and familiarity. The report makes this absolutely clear:

"Just over 5 per cent. of England's population live in HMOs, which, statistics suggest, suffer just over 5 per cent. of England's fire fatalities."

I do not necessarily make the argument for the association, but I know that he will want to deal with its argument in the fullest and most persuasive way.

Keith Hill: I am most grateful to the hon. Gentleman for drawing the House's attention, if not mine, to the report in question. I give him the assurance that we shall deal with those issues of fire hazard in connection with HMOs in our debates this afternoon. Not for the first time, if I might say so in recognition of his skills and abilities, he anticipates weighty matters that will come before us in due course.

Though we had a good debate on the issue in Committee, allow me to say again, with the leave of the House, something about how local authorities are being asked to deal with hazards. When inspecting a property, the inspector asks, "What is the likelihood of an incident taking place—for example, the risk of an outbreak of fire—and what harm will be caused, taking account of other factors such as the precautions that have been taken in the property and the means of escape?"

We want local authorities to prioritise action against all serious hazards, and in the case of HMOs covered by part 2 they will be required to do so following an application for a licence. We will emphasise that in the guidance we issue to authorities. The guidance will also include advice on how housing authorities can work with fire authorities to ensure that both housing and fire safety legislation work effectively.

2 pm

The Bill now requires local authorities to consult fire authorities before taking enforcement action under part 1 in an HMO. That will ensure that expert advice is available to local authorities. When an authority has assessed a serious category 1 hazard, it will be under a duty, under clause 5, to take appropriate enforcement action. Should an improvement notice be served under clause 9, the action taken by the owner or landlord must, as a minimum, ensure that the hazard ceases to be a category 1 hazard. The authority will therefore need to ensure that any remedial action required in the case of fire is appropriate. It would be inconsistent with a system of risk assessment to prescribe specific means of dealing with hazards. However, the technical guidance to be issued under the clause will recommend that there should be adequate means of escape from fire from all parts of a building. For HMOs, there should be adequate fire protection, including, as appropriate, sprinkler systems. That does not mean that authorities

will require such systems in all HMOS, but that it will be appropriate to fit them where the risk justifies it. In conclusion, our technical guidance will be already be comprehensive in its treatment of fire and other hazards, and the elements of the amendment are either misplaced or appropriate.

In the time remaining for this group of amendments, let me turn to non-Government amendment No. 104, as I want to reassure the hon. Member for Kingston and Surbiton. This amendment seeks to ensure that when a local housing authority serves a notice of emergency remedial action under chapter 3 of part 1 of the Bill, in order to deal with a hazard that presents an imminent risk of serious harm to the occupiers of residential premises, the taking of the action is not affected by any appeal that may be made against the notice. I am happy to confirm that the amendment is unnecessary because such a notice will enable the authority to take action immediately.

Clause 44 provides a right of appeal to the residential property tribunal against such a notice, but the appeal will not prevent the local housing authority from taking the action. When an appeal is made under clause 44, the tribunal may confirm, reverse or vary the decision of the authority, although this might be considered unacceptable if works have already been carried out. In such circumstances, schedule 10 allows the appropriate national authority, in regulations, to make provision for additional relief. These regulations might provide that when emergency remedial action has been taken and the tribunal determines that the local housing authority was wrong to decide that such action was necessary, the tribunal may require the authority to compensate the owner for any damage incurred or return the premises to the state that they were in before the works were carried out. I therefore invite the hon. Gentleman to withdraw his amendment. In passing, I commend Government amendment No. 29 to the House.

Finally, let me turn to amendment No. 119, about which my hon. Friend the Member for Stoke-on-Trent, North (Ms Walley) spoke so eloquently. I assure her that I will continue to listen to the arguments, although she will understand that I can make no commitments. I recognise the reasons for this amendment. I am aware that there is some support among local authorities and housing professionals for retaining powers of some kind to deal with disrepair. Part 1 of the Bill, however, enables authorities to deal effectively with substantial disrepair. Using the housing health and safety rating system, they can apply the evidence of the effect of that disrepair on occupants—not merely on tenants in the private rented sector but on all occupants, should they be at any risk.

Section 190 of the Housing Act 1985 currently gives discretion to local authorities to serve a repair notice when a dwelling, though not unfit, is in such a state of disrepair that substantial repairs are necessary to bring it up to a reasonable standard. Such a notice can also be served when the condition of the dwelling interferes materially with the personal comfort of an occupying tenant. I am sure that hon. Members will appreciate that, technically, this amendment will not work. By retaining section 190 as it stands, an authority will need to have regard to a standard of fitness, and we are of course repealing the fitness standard. In the spirit of generosity that has characterised our proceedings on the Bill, however, I am happy to address the underlying issue.

We told the Select Committee on the Office of the Deputy Prime Minister, whose distinguished Chairman is in his place, that we would consider its recommendation to retain an amended section 190. However, having considered this matter, I am not minded to support the retention of a power on the lines of section 190. There are sound reasons for that. Part 1 of the Bill will not prevent authorities from taking action against substantial disrepair. The hazards from structural failure, fire, cold, falls, asbestos and electrical faults, for example, set out in version 2 of the guidance, illustrate the kinds of disrepair that can give rise to such hazards, against which authorities will have either a duty or very wide discretionary power to take action.

To give local authorities revised powers to deal with substantial disrepair would create a parallel regime. That is not good regulation, and if those parallel powers were to deal only with minor disrepair, they would undermine the rationale for the health and safety rating system: that interventions should be prioritised, proportionate and based on evidence.

It being one and a quarter hours after the commencement of proceedings on the programme motion, MR. DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [this day].*

Amendment negatived.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

Clause 3

LOCAL HOUSING AUTHORITIES TO REVIEW HOUSING CONDITIONS IN THEIR DISTRICTS

Amendment made: No. 6, in page 3, line 39, leave out subsection (1) and insert—

'(1) A local housing authority must keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them under any of the provisions mentioned in subsection (2).'.—*[Keith Hill.]*

Clause 4

INSPECTIONS BY LOCAL HOUSING AUTHORITIES TO SEE WHETHER CATEGORY 1 OR 2 HAZARDS EXIST

Amendments made: No. 7, in page 4, line 18, at beginning insert—

'(1ZA) If a local housing authority consider—

(a) as a result of any matters of which they have become aware in carrying out their duty under section 3, or

(b) for any other reason,

that it would be appropriate for any residential premises in their district to be inspected with a view to determining whether any category 1 or 2 hazard exists on those premises, the authority must arrange for such an inspection to be carried out.'.

No. 8, in page 4, line 28, leave out subsection (3).

No. 9, in page 4, line 38, leave out '(1) or (3)' and insert '(1ZA) or (1)'.

No. 10, in page 4, line 41, at end insert

'or proper officer (as the case may be)'.

[Keith Hill]

No.11, in page 4, line 46, leave out '(1) or (3)' and insert '(1ZA) or (1)'.

No. 12, in page 5, line 2, leave out 'or (3)'.

No.13, in page 5, line 4, after '1', insert 'or 2'.—*[Keith Hill.]*

Schedule 3

IMPROVEMENT NOTICES: ENFORCEMENT ACTION BY LOCAL HOUSING AUTHORITIES

Amendment made: No. 29, in page 177, line 35, at end insert

', and a copy of the notice must be served on any other person who is an occupier of the premises.

(3A) The notice and any such copy must be served sufficiently in advance of the time when the authority intend to enter the premises as to give the recipients reasonable notice of the intended entry.'.—*[Keith Hill.]*

Clause 54

LICENSING OF HMO TO WHICH THIS PART APPLIES

Mr. Hayes: I beg to move amendment No. 127, in page 36, line 9, leave out 'the following' and insert 'all'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Amendment No. 128, in page 36, line 9, leave out from 'HMOs' to end of line 19.

Amendment No. 3, in page 36, line 10, at end insert—

'( ) any HMO in the authority's district of 3 storeys or above or in which at least 5 people live, and'.

Amendment No. 87, in page 36, line 10, at end insert—

'( ) any HMO in the authority's district of 3 storeys or above or in which at least 4 people live, and'.

Amendment No. 105, in page 36, line 37, leave out '5 years' and insert '12 months'.

Amendment No. 129, in page 36, line 37, leave out '5' and insert '3'.

Amendment No. 106, in page 36, line 38, at end insert—

'(c) a local authority may apply to the appropriate national authority for authority to extend the 12 month period in 54(6)(b) to a maximum of 5 years. The authority in making its application must satisfy the appropriate national authority that there are good reasons why it cannot reasonably comply with the requirements of 54(6)(b).'.

Government amendments Nos. 31 and 32.

Amendment No. 1, in clause 66, page 44, line 5, at end insert—

'(c) the energy efficiency of the house concerned.'.

Amendment No. 107, in clause 66, page 44, line 10, leave out paragraph (b) and insert—

'(b) conditions requiring the written statement of terms in paragraph 1(5) of Schedule 4 to contain details of—

(i) the responsibilities of the occupier in respect of his own conduct;

(ii) the responsibilities of the occupier in respect of the conduct of other occupiers and visitors;

(iii) the ways in which the licence holder may address any nuisance or annoyance caused to others by persons occupying or visiting the house.'.

Government amendment No. 33.

Amendment No. 2, in clause 66, page 44, line 16, at end insert—

'(da) conditions requiring the installation of energy saving measures or efficient heating systems'.

Amendment No. 108, in clause 72, page 49, line 16, at the end insert

'and

(c) section 21 of the Housing Act 1988 (c. 50) shall not apply.'.

Government amendments Nos. 34 and 14.

Government new clause 6—*HMO declarations.*

Government new clause 7—*Revocation of HMO declarations.*

Government amendments Nos. 125 and 50 to 53.

Amendment No. 122, in clause 214, page 157, line 44, at end insert

'and

(c) a short-term stay hostel'.

Amendment No. 123, in clause 214, page 158, line 8, at end insert—

'(5A) In subsection (4), "short-term stay hostel" means a building or part of a building which offers temporary accommodation and is occupied wholly or mainly by visitors from outside the United Kingdom (whether or not employed in the United Kingdom).'.

Government amendments Nos. 126, 56 to 59, 65 and 66.

Amendment No. 124, in schedule 11, page 218, line 1, leave out paragraph 5.

Government amendments Nos. 67 to 69 and 35 to 37.

Amendment No. 95, in clause 99, page 68, line 37, at end insert—

'(2A) A local housing authority must have regard to any breach of the duty owed to persons occupying the house under section [HMOs and duty of care].'.

Government amendment No. 17.

New clause 17—*Housing ombudsman for students*—

'(1) For the purpose of the investigation of complaints made about landlords by students, there shall be an office of Housing Ombudsman for Students.

(2) The Housing Ombudsman for Students will be appointed by the Secretary of State.

(3) An appropriate code of conduct for the Housing Ombudsman for Students will be established by regulations by the Secretary of State.

(4) The Secretary of State will, by regulation, make provision about the investigation by the Housing Ombudsman for Students of complaints made about landlords by students.

(5) Regulations under subsection (4) will make provision about—

(a) the matters about which complaints may be made;

(b) the grounds on which a matter will be excluded from investigation, including that the matter is the subject of court proceedings or was the subject of court proceedings where judgment on the merits was given;

(c) the description of individual who may make a complaint;

(d) a power of the Housing Ombudsman for Students to investigate any complaint made (whether the complaint is subsequently withdrawn or not), and, where he investigates, the making of a determination;

(e) a power of the Housing Ombudsman for Students to propose alternative methods of resolving a dispute;

(f) the powers of the Housing Ombudsman for Students for the purposes of his investigations (including powers to consult and co-operate with other persons), and the procedures to be followed in the conduct of investigations;

(g) the powers of the Housing Ombudsman for Students on making a determination, which may include power—

(i) to make recommendations as to action to be taken to remedy any injustice to the person aggrieved and to prevent any similar injustice being caused in the future,

(ii) to make orders with regard to the payment of compensation or to order that a person is not to exercise, or require the performance of, certain rights or obligations, and

(iii) to publish statements, or to make orders requiring the publication of statements, that a person has failed to comply with an order mentioned in sub-paragraph (ii);

(h) the manner in which determinations are to be—

(i) communicated to the complainant and the person against whom the complaint was made; and

(ii) published (with or without excisions).

(6) Regulations under this section may contain such supplementary, incidental, consequential or transitional provisions and savings as the Secretary of State considers appropriate.

(7) Regulations under this section may make different provision for different cases or descriptions of case.'.

New clause 21—*Warm homes*—

'(1) The appropriate national authority shall issue guidance for the improvement of existing HMOs and the implementation in future housing stock (where possible) of—

(a) installation of products manufactured for cavity walls, loft or underfloor insulation, external and internal wall cladding and draft proofing

(b) Greater control of domestic heating systems, low emissivity glazing and efficient fitting of pipes and plumbing.

(2) The local housing authority should seek to act in accordance with subsection 1 and with the Sustainable Energy Act 2003.'.

New clause 25—*Landlord associations and codes of practice*—

'(1) The Secretary of State may ask one or more bodies representing landlords to draw up a code of practice for his consideration under section 193;

(2) Before exercising his power under subsection (1), the Secretary of State must determine that any such body is itself fit and proper, and is capable and competent to represent the landlords who are its members;

(3) In reaching his determination in subsection (2), the Secretary of State should give particular regard to any training, professional development or accreditation schemes operated by that body for its members.'.

New clause 28—*HMOs and duty of care*—

'(1) A person having control of or managing a HMO owes to all persons occupying the house a duty to take such care as is reasonable in all the circumstances to see that they are reasonably safe from personal injury or from damage to their property.

(2) A person having control of or managing a HMO who is in breach of the duty of care in subsection (1) commits an offence.

(3) A person who commits an offence under subsection (2) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(4) A local housing authority must have regard to any breach of the duty in subsection (1) when considering the health and safety condition under section 99.

(5) In this section—

"HMO" means a house in multiple occupation as defined by sections 213 to 217, save that the provisions of Schedule 11 do not apply to this section, and references to an HMO include (where the context permits) any yard, garden, outhouses and appurtenances belonging to, or usually enjoyed with, it (or any part of it).'.

Amendment No. 120, in clause 194, page 146, line 38, at end insert—

'(3A) The regulations may empower local authorities to require, by notice, owners of houses in multiple occupation to carry out such works or actions as may be necessary to put in place, or observe, satisfactory standards of management.'.

Amendment No. 121, in clause 209, page 155, line 22, leave out from 'section' to end of line and insert

'sections 213(3), 142, 143, 144, 150 or Schedule 4'.

Government amendment No. 21.

Amendment No. 96, in schedule 11, page 217, line 8, after 'Part 1', insert—

'or section [HMOs and duty of care]'.

Amendment No. 97, in schedule 11, page 217, line 9, after 'Part 1', insert—

'or section [HMOs and duty of care]'.

Amendment No. 98, in schedule 11, page 217, line 11, after 'Part 1', insert—

'or section [HMOs and duty of care]'.

Mr. Hayes: I hope that I can follow your laudable example, Mr. Deputy Speaker, and be pertinent and pithy, thus allowing the maximum time for exploration of the detailed matters involved in this and later parts of the Bill.

I want to discuss not just amendments Nos. 127 to 129, tabled by me and my hon. Friends, but to spend a good deal of time—with your permission, Mr. Deputy Speaker—on other amendments and new clauses in this group. They concern such important matters as warm homes and the appointment of a housing ombudsman for students, which Conservative Members have championed in Committee and on other occasions.

The first few amendments are designed to clarify whether the Government will seek to bring more HMOs within the licensing framework. A number of people are concerned about the balance of the Bill. We must be ever mindful of the balance between regulation and the proper protection of vulnerable citizens in particular. We have argued throughout the proceedings so far that that balance must be struck in a way that does not act as a disincentive to those who provide much-needed accommodation for rent. Issues such as cost, burden and the difficulty of staying within the law are considerable disincentives to marginal landlords—people who might stop letting their properties just as easily as they might start letting them.

Matthew Green (Ludlow) (LD): The hon. Gentleman is on to a good point in relation to concerns about regulation. I am therefore bemused by his first two amendments, which would appear to include all HMOs in the regulations, rather than restricting them, which I thought was the thrust of his argument. I am therefore confused, right from the start.

Mr. Hayes: The hon. Gentleman is often confused, but not always. I concede that I should perhaps have said at the beginning that the first two amendments were probing amendments, but I did say that they were designed to clarify whether the Government would seek to bring more HMOs within the licensing framework, as he will see from the record. Conservative Members are highly sensitive to that question. We are mindful of the balance that I was beginning to describe, and which was acknowledged by the hon. Gentleman, between regulation and protection; and we are anxious, on behalf of landlords and others, about the risk of seriously deterring landlords from investing in this sub-sector of the rented sector.

Sir Sydney Chapman: We should be particularly sensitive at a time when public housing, or housing in the social sector, has declined, and when the number of new homes has declined. We must be careful not to discourage private landlords from supplying much-needed housing, particularly in places such as Greater London, unless there are very good reasons for closing properties because they constitute a hazard.

Mr. Hayes: My hon. Friend, who is an expert on these matters, properly draws attention to a particular failing on the Minister's part. I do not want to embarrass the Minister more than is necessary, but we are among friends here, are we not? I think that the Minister would want me to remind him of his failure in respect of social house building. He has let down the country, himself and the Government. He has many qualities and strengths, which will doubtless be on show today, but the 50 per cent. reduction in social house construction under this Labour Administration further emphasises the need to fill the gap with other suitable properties. If that is not done, many vulnerable people will not be able to obtain the houses that they need so desperately for themselves and their children. As my hon. Friend says, it is all the more important for us not to deter private landlords at a time when there is not enough social housing, and the amendments that the hon. Member for Ludlow (Matthew Green) quickly identified as probing amendments are designed to test the Government in that regard.

The Council of Mortgage Lenders feels that the licensing of all HMOs would be excessive, but believes that there may be a back-door policy of extending licensing not just to them but to a substantial proportion of the private rented sector. Like the Opposition, it seeks assurances from the Government.

I pay tribute to the Minister for taking on board the concern expressed in Committee about fit and proper persons. Government amendment No. 32 seeks to extend the definition of evidence relating to whether someone is a fit and proper person to evidence that a person has been convicted of sexual offences. The Government have tabled a number of other useful technical amendments, which shows that the Minister listened carefully in Committee. That does not surprise me, and I do not think that it will have surprised anyone else because much of the debate in Committee was constructive and intended to improve the Bill.

2.15 pm

I want to say a little about the Liberal Democrat amendments. I do not like to say more than is necessary about the Liberal Democrats, although we recently combined usefully on the Planning and Compulsory Purchase Bill, and I do not want to spoil the emerging affair between us and the minor party. *[Laughter.]* I mean, of course, the emerging political affair. I have to say, however, that amendment No. 105, which requires local housing authorities to fulfil their general duties within 12 months rather than five years, is a regulatory step too far. Authorities would, I think, find it extremely difficult to fulfil their obligations. That is an optimistic aspiration at best and in all probability an unrealistic one. Under amendment No. 106, if

"there are good reasons why it cannot reasonably comply",

a local authority may apply for an extension of the 12-month period to five years. The answer to that is that all authorities would apply, as few would be able to comply with what I consider an over-zealous time scale.

Let me now say something about our new clauses 17 and 21. Conservative Members, along with many Labour Members, are champions of those who campaign against fuel poverty. I see that the hon. Member for Nottingham, South (Alan Simpson) is present. I want to make it clear, on my own behalf and that of my party, that he has a noble record in that respect. We can join forces in raising genuine questions about the Government's ability to meet their own targets for the delivery of warm homes. Fuel poverty blights lives and it is not acceptable for any Member or party to allow the problem to continue when it could be rectified with reasonable practical ease. Many Members have tabled amendments, at this stage and earlier, drawing attention to the concerns of those who, like me, are determined to highlight that problem.

It is estimated that between 30,000 and 60,000 people die unnecessarily in winter because they have not enough money to heat their homes. I need say little more than that, except that we know that fuel poverty is caused by a combination of inadequate income and inadequate home insulation. New clause 21, which is modest and practical, is designed to push the Minister further towards a policy that would unite Members throughout the House in pursuit of the campaign against fuel poverty, in the interests of some of our most vulnerable citizens.

New clause 17 would establish a housing ombudsman for students, who are specifically excluded from the regulations in the Bill. I note that amendment No. 124, tabled by the Liberal Democrats, requests their inclusion, but I do not think that that counteracts or contradicts our demand for an ombudsman, which has been welcomed by the National Union of Students. It has written to me saying that it welcomes our new clause in principle. A letter from the vice-president for welfare, who is running the NUS housing campaign, raises a number of specific issues about the role of the ombudsman. I also have good news from the housing

ombudsman himself, who has written to me and also to my hon. Friend the Member for Poole (Mr. Syms) saying that he might well be able to add this responsibility to his existing brief, so that he or one of his deputies could perhaps become the students' ombudsman.

We see a real need to protect vulnerable students. Most universities do a good job in providing accommodation and many halls of residence are of the highest possible standard, but it is important for us to build in some protection to deal with those that are not.

I have tried to cover what is an enormous subject, given the grouping of the amendments and new clauses. I make no criticism of the Chair, of course. I hope that it is fair to say that all our amendments and new clauses are designed to be practical and positive, and I am sure that the Minister has read and will respond to them in that spirit.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I should like to speak to amendment No. 3, which is also supported by two of my hon. Friends and three Liberal Democrat Members. I had therefore wondered whether I got the amendment right, but on balance I think that I probably have.

This is a relatively simple amendment, which I am sure the Minister could simply accept. It deals with the issue, which was raised in Committee, of which houses in multiple occupation will be incorporated in the mandatory national licensing arrangements. The Minister said then that he was likely to use as the definition properties that had three or more storeys and five or more people living in them. The amendment seeks to change "and" to "or", so the definition would cover properties with three or more storeys or five or more people. That is an important point. Although the change involves the small words "and" and "or", it would make quite a big difference to some properties that will otherwise be excluded from the scheme.

I should like to try to tease out a number of issues from the Minister, if he is in a teaseable mood today. I hope that we can get one or two responses from him. I am sure that he will say in response that the amendment would put the definition on the face of the Bill, whereas he prefers the position in which that is done by regulation through secondary legislation, because it is then easier to adapt to changing circumstances as we go along. I have listened to that argument with interest but if he is going to mount it, as I am sure that he will, perhaps he will also inform the House of whether he sees the definition that he gave in Committee, if that is what he is going to stick with—three or more storeys and five or more people—as just a starting point for a national licensing scheme. Does he foresee a situation in which, once local authorities have a certain number of properties in the national licensing framework, he might look to extend the definition as authorities become able to cope with more properties? It would be interesting to learn that from him, because it might give us a different appreciation of what he and the Government intend.

Will the Minister reflect on why we are looking to introduce a national licensing system for HMOs at all? I suggest that there are two essential problems with HMOs, which come up over and over again. The issue that particularly interested him in Committee, which was why he wanted to stick with a definition that excluded any properties lower than three storeys, was risk. We went into the assessment that has been made of fire risk, and the conclusive evidence that the greatest risk of fire, and deaths from fire, in HMOs occurs in properties of three or more storeys. That is clear. However, I put it to the Minister that there are two main problems. Risk, particularly risk from fire, is one fundamental reason for licensing HMOs, but there is another difficulty, which perhaps occurs more often, although its impact is arguably less serious: nuisance. Nuisance from HMOs, where there is concern from neighbours about dereliction, rubbish scattered around the property and the noise and nuisance that can come from the occupants—often in part because a property is being badly managed—has little to do with a property's height and whether it has two or three storeys. It has much more to do with the number of people who live in a close environment. That is why my definition is better than that which the Minister proposes.

Chris Ruane (Vale of Clwyd) (Lab): In my hon. Friend's definition of HMOs, would the three storeys include the cellar and the attic?

Mr. Betts: We went through that in Committee and the Minister will probably be able to reinforce the argument. We were told then that an attic or cellar might well count towards the number of storeys. However, there is a further problem because if a landlord then chose to block off the cellar, basement or attic, the property might not count. There could therefore be a three-storey property with a blocked-up attic that was not included under the definition. That issue should be taken up, and perhaps the Minister will say more on it.

Lynne Jones (Birmingham, Selly Oak) (Lab): My hon. Friend mentioned the problems other than fire hazards that occur in HMOs of fewer than three storeys. Does he accept that, in many areas, particularly where there are large numbers of students occupying smaller properties, there can be similar problems even when only four people occupy a property? What are his views on the amendment tabled by my hon. Friend the Member for Nottingham, South (Alan Simpson)?

Mr. Betts: That is an interesting point, which takes us back to the arguments about the Housing Act 1996. The position of the Labour Opposition at that time was that the definition should be three or more storeys or four or more people, which is exactly what is in amendment No. 87, tabled by my hon. Friend the Member for Nottingham, South (Alan Simpson). I accept that point, but by sticking to the figures used by the Government and inserting "or" instead of "and", I am trying to raise the principle that the problems of HMOs do not just concern risks such as that from fire. They also concern the management of the property in terms of nuisance, especially in student areas. The number of people in a property is more important in that regard than the number of storeys. If the Minister insists on a definition that means that any property lower than three storeys, irrespective of the number of people in it, will not be subject to the national licensing arrangements, that leads to a position in which many properties where there is the potential to create nuisance will be excluded from

[Mr. Betts]

the scheme. That is a real concern that I hope he will address. It is the additional issue of nuisance that I hope that he will take into account in the final definition.

The Minister might point out that there can be additional licensing and that it is open to any local authority to designate an additional area in which the definition of HMOs for licensing can be different from that prescribed by the Minister for the national scheme. I have had discussions with him on that point and I hope that he will respond on it.

Funding arrangements are important for local authorities because in their present budgets, education and social services funding tends to be passported, so that what is left is often constrained and under pressure. My understanding is that the first start-up costs of the national scheme will be borne by an up-front Government grant, but that the ongoing costs will be covered by the charge made for licences. However, when a local authority considers an additional licensing scheme, although any licences under that scheme will cover the day-to-day running costs, the start-up costs, because of the consultation that must be undertaken, are likely to be greater than the start-up costs of implementing the national licensing scheme. Yet as I understand it, there are to be no additional funds whatever from central Government for that.

The start-up costs—for all the consultation and arrangements laid down in the Bill—of additional licensing arrangements will come out of the small amount of money that local authorities have for street cleaning, environmental improvements, parks and gardens, and other important services on which local people rely. Perhaps the Minister will consider giving us some comfort in that regard. It would not take much for central Government to agree that, where an additional licensing scheme is ultimately accepted and approved—the Minister said in Committee that he would not seek to second-guess local authorities on that—the start-up costs, at least, should be borne by central Government.

Mr. Hayes: The hon. Gentleman is making a compelling case, as ever on such issues. What broad assessment has he made—or does he know what assessment the Minister has made—of those costs? I am particularly concerned about extra resources and staffing, and the retraining of existing staff. We have not had clear answers on that and I wonder whether the hon. Gentleman could elucidate.

Mr. Betts: A response with that sort of detail is probably up to the Minister to give. I understand that he has accepted that, where there is a statutory requirement for a mandatory licensing scheme because that is an extra responsibility on local authorities, the Government are committed to providing for that under their principle of funding for such costs. However, they are not committed to funding any discretionary work that local authorities do on additional schemes.

I know that other hon. Members want to speak, but I have a few more points to raise with the Minister. I understand that he is discussing with local authorities in housing market renewal areas the possibility that they could bring in additional licensing arrangements without having to come to the Secretary of State for approval for them. Perhaps the Minister could give us some information on that.

Local authorities have mentioned the lack of interaction between the legislation and HMOs in terms of class 1 hazards. Has that problem been resolved? As I understand it, where there is a class 1 hazard, a prohibition order can be put on the property. As a result, the property could be excluded from being an HMO, but because such an order does not come into force for 28 days, and because there is a right to appeal during that period, it might be necessary for the local authority to take a decision on licensing the property as an HMO at the same time as it has identified a class 1 hazard. The problem associated with the class 1 hazard would not be resolved for some months, so what would the authority do in the meantime? That issue needs to be addressed.

2.30 pm

Finally, I turn to an important issue raised by Chris Galley, a Sheffield city council officer who is responsible for dealing with these matters. We need to be rigorous in introducing a national licensing scheme and local authorities need to be rigorous in enforcing it. But in addition to ensuring that we catch landlords who act wrongly, we should also be interested in educating them to act in the right way. As well as trying to raise standards through an inspection regime that is designed to catch landlords out, will there be funding for local authorities for the start-up costs of the scheme, so that they can engage with landlords through a proper education programme in an effort to raise standards? I doubt whether the cost of the licence will cover that, although the Minister will correct me if I am wrong. That is another important issue that needs to be addressed.

Matthew Green: This is a huge group of amendments, including 12 Liberal Democrat amendments and two new clauses that deal with seven major issues. In addition, we have added our names to amendment No. 3. I hope that the House will bear with me as I try to go through some of the amendments. I shall try to allow plenty of time for others to get in.

I was mightily relieved to hear that the first two Conservative amendments are probing ones. I was worried that the Conservatives were harking back to their days as the party of over-regulation. I want to add to the comments of the hon. Member for Sheffield, Attercliffe (Mr. Betts) on amendment No. 3. There is a real case for the Government's having to justify why they are not going for three storeys or five or more occupants, given that they supported that principle fairly extensively in the past. Indeed, the Entec report, which is one of their own commissioned reports, makes it clear that all three-storey houses in multiple occupation are high risk, regardless of occupancy levels. That is the very report on which the Government relied in making the case, and rightly so, for the licensing of HMOs. The same report also identified two-storey bedsits and homes for vulnerable persons as being high risk. A two-storey bedsit could easily contain five or more people, but currently, it would be outside the mandatory system, even though it should be in it.

Amendment No. 3 would in fact cover only 120,000 properties, extending the provision to just 19 per cent. of HMOs. That is not over-regulation but regulation of the most vulnerable and dangerous properties. There is a real case for the Government to answer here. Their argument that they propose to rely on regulation might be satisfactory if we could believe that they would introduce it. However, they have made it clear throughout the process that they will regulate only in respect of three or more storeys and five or more occupants.

Another argument that the Minister has used against the amendment is that local authorities could use the discretionary powers to extend the scheme to areas in which there were particular problems. A Shelter survey of local authority environmental health teams discovered that 13 of the 32 authorities taking part were considering additional licensing to cover a larger number of HMOs in their local area, but worryingly, 10 of the authorities that were not likely to extend licensing provided examples of dangerous and substandard HMOs that fell outside the limits of the mandatory scheme. The discretionary powers still have to be agreed by the Office of the Deputy Prime Minister, but the Minister has not said that the ODPM would agree to local authority applications for such powers—and it is clear that, even if it does agree, many local authorities are not likely to follow the procedure.

I should point out that most of the local authorities that responded to the Shelter survey were Labour run. I wish the Minister would listen to those Labour authorities and councillors. I shall quote the excellent Labour authority of Telford and Wrekin, which is a near neighbour of mine. It has just been capped, but we shall leave that issue to one side for the moment; it is still rated as "excellent". It states:

"Size and storeys are not the most important factors but increase the risk."

However, that is the principle on which the Government are relying, in respect of a provision that will include very few properties.

Amendment No. 105, which is one of our amendments, seeks to ensure that licensed houses in multiple occupation do not contain hazards that present a threat to the health or safety of occupants. As currently drafted, the Bill allows licensed properties to contain hazards for up to five years after the application for a licence. The amendment would require local authorities to bring such properties up to standard within 12 months. The Conservatives suggested a period of three years, but under our proposal, a local authority could apply for an additional discretionary period if it had particular problems.

The Conservatives said that all local authorities would apply under the terms of such a provision, but not all would. For example, because my own South Shropshire district council is in a rural district—the Minister chided me in Committee because it has not undertaken a voluntary scheme—it has only three properties that fall within the HMO category. It should consider starting such a scheme quickly. Indeed, under our amendment, many local authorities could put such a scheme in place quickly, and those with a particular problem or burden could apply for extra time. So we have shown some flexibility. The amendment does not insist on a period of 12 months; a case can be made if a longer period is needed.

Mr. Hayes: The hon. Gentleman will appreciate our concern about the capacity of local authorities to deal with these matters. He seems to be saying that those local authorities that do not in any case have many HMOs will find it very easy to adopt such a scheme, but the point of such legislation is that it should apply to places where the risk is greatest and the problem is at its height. What worries me is that there are insufficient resources and training for such duties, and we have had no assurance from the Minister that they will be provided.

Matthew Green: I share some of those concerns, but whereas ours is a practical amendment, the Government's provision simply gives everybody too much time. Five years is too long a period in which to allow such properties to be inspected and brought into the regime; indeed, the Conservative amendment reflects that by calling for a period of three years. We have tried to introduce a double-lock system, whereby inspection should take place within 12 months unless a strong case can be made for doing otherwise. These are different ways of approaching the same problem, but it is clear that the Government's proposed regulation is too lax for us to agree to—a fact that must cause Labour Back Benchers concern.

I welcome Government amendment No. 32, which adds sex offences to the list of offences that local authorities will consider in deciding whether a licence applicant is a fit and proper person. This issue was raised in Committee, the Government undertook to look at it and they have rightly tabled an amendment on it. It is clearly unacceptable for a sex offender to be the manager of a property containing numerous potentially vulnerable people.

Amendment No. 107 was designed to force the Government to discuss once again what they meant by the landlord controlling the actions of the tenant, but the Government have tabled their own amendment No. 33, which clarifies the licence holder's obligation, restricting it to "anti-social behaviour" by a tenant or visitor—and only to the extent that the landlord is "reasonably" able to do so. We welcome that, as we highlighted the matter in Committee. I shall spend no more time on amendment No. 107 because it has been largely dealt with by Government amendment No. 33. The Minister will not need to respond, which should save him a little time.

Amendment No. 108 deals with an issue that I attempted to raise in Committee, but we all got a bit lost—perhaps that is the politest way of putting it—so I shall have another go. It is a probing amendment, designed to deal with the problem that the "no rent payable" sanction against unlicensed landlords in clause 72 could result in the eviction of tenants. The stipulation that section 21 of the Housing Act 1998 shall not apply prevents landlords from using the accelerated possession procedure to evict tenants as a result of those sanctions.

The current provisions do not reflect the reality faced by tenants on low incomes with no security of tenure, who are unable to enforce their housing rights without

[Matthew Green]

risking eviction. HMOs represent a scarce housing resource and clause 72 could result in existing tenants being made homeless. Tenants with a shorthold tenancy will simply face possession action by their landlord if they attempt to enforce the "no rent payable" provision on unlicensed properties. In practice, many tenants will choose not to risk losing their homes and will simply continue to pay the rent. Those tenants on housing benefit will face withdrawal of their benefit, leaving them unable to pay their rent other than by dipping into what limited savings they might have. They risk homelessness if their landlord brings their shorthold tenancy to an end.

The Select Committee heard from Brent private tenants' rights group, which raised that very point, as the Chairman, the hon. Member for Denton and Reddish (Andrew Bennett), will probably recall. It said:

"Shorthold tenants will have no more power to refuse to pay the rent than they have power to exercise any other housing right. For housing benefit claimants, the situation is tragic, because their benefit will cease, and they will lose their homes at the earliest opportunity. Many of these tenants will be in priority need and will have no option but present as homeless to the local authority."

The Local Government Association raised similar concerns.

Sarah Teather (Brent, East) (LD): I endorse my hon. Friend's point. My constituency has the highest number of houses in multiple occupancy anywhere in the country and the work done by the group that my hon. Friend mentioned is second to none in raising awareness of the issue.

Matthew Green: I thank my hon. Friend. She and the group are quite right to bring that matter to the House's attention.

When the Select Committee reported, it concluded:

"We are concerned that the 'no rent payable' provisions could have adverse consequences for tenants, potentially leading to their eviction. If the Government plans to retain these provisions, the final version of the Bill must include adequate safeguards so that tenants cannot be evicted because their landlord is unlicensed."

That was clearly recognised by the Select Committee, and the Minister has not dealt satisfactorily with it. It is a relatively technical point and not of great political significance, so I hope that the Minister will have a closer look at the effects of the provision and agree to amendments in the other place.

Our amendments Nos. 122 and 123 deal with issues that were not raised in Committee. They would amend the definition of hostel to include "short-term hostel". We define such a hostel as

"a building... which offers temporary accommodation and is occupied wholly or mainly by visitors from outside the UK".

It is primarily designed to deal with back-packers' hostels, in which there have been some hideous examples of fires in other parts of the world. We are concerned that the Bill does not cover those hostels. I hope that the Minister will either accept these amendments or present some alternatives. Such a provision could help to deal with the circumstances when people brought into the country by gangmasters have to live in very cramped conditions. I hope that the Government will accept some such amendment on the grounds that it would strengthen their powers in that respect.

2.45 pm

I welcome Government amendment No. 58, which repeats an amendment that I moved in Committee. It would delete the word "woman's" from the term "woman's refuge". I was never certain why the Government were restricting the provision to women's refuges, when there are also battered men. After amendment, the definition of a refuge is a place where people may stay if they have left their homes owing to physical or mental violence or threats of such from their spouse or cohabitee. I am glad to see such a unisex solution. As I said, I was surprised that the Government had been so sexist in their original drafting, which I am sure was just an aberration.

I hope that we will vote on amendment No. 124, which would remove from the Bill the exemption of student halls of residence. It is supported by the National Union of Students, and the Government have not, frankly, argued a strong case why halls of residence should not be licensed. Indeed, in their 1999 consultation, the Government did not propose to exclude halls of residence, on the grounds that there was

"some evidence of unacceptable standards in these sectors."

That is stated in the Government's own consultation document. Subsequently, however, it has been suggested that public sector bodies, including universities, might be exempted from licensing, because they were under "some degree of control" or could be "expected to behave responsibly". In my opinion, that is not sufficient.

I would like to raise one particular issue that was not debated in Committee. It came to my attention when I visited Manchester students' union. There, the university uses PFI schemes to deliver student halls of residence. They are run by private companies, but appear to be exempt because they are "university halls of residence". Yet they are being run for profit by outside companies. At the very least, I hope that the Minister will ensure that the definition does not exclude those properties from the licensing of HMOs, as would appear to be the case. The universities certainly believe that they are exempt from the legislation.

Andrew Bennett: Let someone else get in to the debate!

Matthew Green: I shall move swiftly on. The Chairman of the Select Committee will note that many amendments have been tabled in my name.

Government amendment No. 67, which deals with student buildings, would have the opposite effect to our amendment No. 124 and would make the position worse.

Our amendment No. 95 is a drafting amendment that accompanies new clause 28, which introduces a general duty of care on all landlords of houses in multiple occupation as defined by clause 213. It is supported by Shelter and the Select Committee. The matter was not raised in the Committee and I hope that the Minister will explain why the Government do not accept it.

Our new clause 25 would introduce the possibility of a code of practice for landlords and I know that some landlord associations support the idea. Having such a code of practice is a means of delivering many of our objectives, including the licensing of HMOs, without overburdening regulation.

Hon. Members will be pleased to hear that our remaining amendments—Nos. 120, 121, 96, 97 and 98—are drafting amendments that accompany new clause 28 and can be dealt with accordingly. I would have liked to explain some of the amendments further, but I have already incurred the wrath of the Select Committee Chairman, who is the victim of the Government's own programme motion as much as anything else. I will leave it there, but I repeat that I want to press amendment No. 124 to a vote.

Alan Simpson (Nottingham, South) (Lab): I rise to support amendment No. 87, which I intend to press to a vote.

I begin by thanking the Opposition spokesman, the hon. Member for South Holland and The Deepings (Mr. Hayes), for his kind and generous remarks about my work on fuel poverty. That is an issue to which we will return later in the debate. I also want to thank the members of the Standing Committee that considered the Bill—and especially my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts)—for what they said in Committee about the problems encountered in university cities, and the proliferation of properties that are being acquired and turned into HMOs.

I also want to congratulate the Government on grasping the nettle that is a national licensing scheme. However, I want to press the amendment, as the holes in what we have done mean that people will criticise us rather than thank us.

Last night, I attended a public meeting in my constituency. The banner headline on yesterday's edition of the *Nottingham Evening Post* was "Students Drove Me to the Brink of Suicide". A two-page spread inside told how attractive areas of the city were doomed to become the slums of the future. Such was the scale of feeling in the city that the meeting was covered on BBC Radio Nottingham as an outside broadcast.

I did not come across anyone at the meeting who was close to suicide, but many appeared to be close to murder. People expressed a great deal of anger at the way in which their lives, in settled areas and communities, had been turned over because properties that were traditionally family houses had been sucked up and converted into HMOs.

Nottingham is the fastest growing university city in the country. In a couple of years, its student population will total about 55,000. In some of the areas that I represent, half the properties are occupied by students in HMOs. The police complain that those areas are becoming unpoliceable. Schools say that families no longer live there, and that as a result there are no children to make up school roll requirements. Many residents say that they do not have a clue where the landlords of these properties can be found.

Representatives of landlords' associations were on the panel at last night's meeting, but even they said that they had nothing to fear from an inclusive regulatory process that meant that everyone running an HMO should be subject to a licence. However, there are gaps in the way that the Bill defines HMOs, and the landlords at last night's meeting said that those gaps will be an invitation to cowboys.

Good landlords do not present a problem—many of the best have been involved in setting up voluntary agreements, and they stand by those agreements—but cowboys are a problem for everyone. The landlords told the meeting that the proposed definition of HMO will allow the most exploitative of landlords to move from three-storey properties into two-storey properties, and that that is exactly what they will do. They said that those landlords will seek to exploit the definition and make the greatest amount of money for the smallest outlay. Do they care about standards and conditions? Not one jot, we were told, and that is why I urge the House to support a definition that is as inclusive as it needs to be if we are to preclude the Bill becoming a cowboys' charter.

Many residents at the meeting asked exactly the same questions as the local authority was trying to ask. How do we deal with misbehaviour by tenants when there is no constraint on the people who own the property? The Government—rightly, properly and proudly—have introduced a series of measures to tackle the standards of tenants' behaviour, including antisocial behaviour orders. In addition, local authorities have been invited to take a much tougher and intrusive line when it comes to telling council tenants, "Look, if you can't control your kid's behaviour, your tenancy is in jeopardy and you can expect to be evicted."

Do any similar powers exist in respect of the private sector, and HMOs? No. Last night, everyone—including representatives of the police, the local authority, landlords and the universities, and even student bodies—was asking for a level playing field. They want standards of decency and community stability to be part of the framework for housing provision, in which safe neighbourhoods and sustainable communities are delivered, and are not just slogans used by the Government.

We can achieve that if we have the courage to use a definition that covers the majority of properties currently being acquired and converted into HMOs. My definition would accept the three-storey limit but would apply to properties in which four or more people live. Effectively, therefore, it would also cover properties in the two-storey category.

I hope that the House has the courage to vote for the amendment. If it does, landlords, local authorities, students and communities across the country will sing our praises. If we do not have that courage, we will get only brickbats from communities that are divided against each other.

Mr. Harold Best (Leeds, North-West) (Lab): The account just given by my good and hon. Friend the Member for Nottingham, South (Alan Simpson) mirrors what is going on in my constituency. One difference is that the equivalent of what happened at his public meeting last night happened seven years ago in my area.

The Bill is to be welcomed. I want to place on the record my appreciation of the efforts of my right hon. Friend the Minister for Housing and Planning. Real

[Mr. Harold Best]

work has been done that will help to ease the real problems that exist. I want to deal with how the peculiarities of tenancy agreements and property management have been exaggerated by the explosive growth in student numbers. That has happened in densely populated areas that once were homes for traditional families.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Does my hon. Friend accept that in a place such as Loughborough, a market town with a population of between 55,000 to 60,000, the impact of student numbers—there are between 12,500 and 14,500, depending on how one counts them—is even greater than in large cities? I support amendment No. 87 because the vast majority of properties in towns such as Loughborough are much smaller, being terraced houses with two or three bedrooms. The problem highlighted by my hon. Friend the Member for Nottingham, South (Alan Simpson) is enormous in my area, and has also caused house prices in the town centre to rise way beyond the traditional entry level for first-time buyers.

Mr. Best: I have no difficulty in endorsing that point. The problem is not confined to large cities. Leeds has a population of 750,000 and it has two universities. In addition, people attending Huddersfield university live in what has become the student area. The effect on house prices is equivalent to what my hon. Friend described in his constituency.

I want the Bill to contain a clear definition of the term "storey". How many storeys does a particular house have? For example, a traditional family house with a ground floor, a first floor and an attic used to be considered to have two storeys. Such houses used to cover acres of land in my constituency. However, for practical purposes—and those are what we must be concerned about—those houses have four storeys. That is important: thousands of houses that used to be family homes have been opened up to exploitation, with a catastrophic effect on what we might normally call community structures. For example, it is difficult to get people to vote. We have polls in which the turnout is only 12 per cent., which is unbelievable given that 10 years ago, in the same area, turnout was between 40 and 50 per cent. in local government elections.

The other issue is crime. That area had the highest burglary rate in the UK last year and the year before. It will probably have the highest rate this year and next. The peculiarities that we are legislating for must be understood. I appreciate the Minister's efforts, but this legislative programme must be further advanced as rapidly as possible.

3 pm

Keith Hill: This has been a lively debate, in the course of which many separate issues have been raised. I shall respond first to the issues raised by the hon. Member for Ludlow (Matthew Green) on behalf of the Liberal Democrats, because what I have to say may be of interest to all those who have contributed to the debate.

The hon. Gentleman spoke in support of amendments Nos. 127 and 128, and I have to tell him that the Government have no plans to extend mandatory licensing. However, as I have said before, we intend to review the operation of the licensing system within three years and we will come back to the House if any proposal to amend it finds favour. I hope that that gives the hon. Gentleman some comfort. I also hope that other colleagues will have heard that reassurance.

The hon. Gentleman also discussed other amendments, including new clause 21, with which I shall deal if I have time. However, we will have the opportunity to debate the issues of warm homes and energy efficiency under a later group. I turn, therefore, to those issues on which an intention to divide the House was expressed. Amendment No. 124 was spoken to by the hon. Gentleman. It would remove the exemption from the definition of houses in multiple occupation for those properties managed by universities and occupied by their students, such as halls of residence, in schedule 11.

I genuinely believe that there has been a misunderstanding in some quarters about whether property owned by universities but leased to other bodies for them to manage is also exempt from the definition. That is not the case, and Government amendment No. 60 clarifies that position. We tabled that amendment to make the situation clearer. Properties owned by universities and managed by another company, but of which the university retains control—and continues to receive the rents from the tenants—will be exempt from the HMO definition and, therefore, licensing. Properties that are owned by universities but managed by another organisation, and of which the university does not retain control—for example, because it has granted a long lease—will not be exempt from the HMO definition and may therefore be subject to licensing. That clarifies the position and goes some way towards what the National Union of Students and others would like. However, it does not go far enough for them, as they would like all properties owned by universities but managed by another organisation to come within the HMO definition.

The Government are aware of the concerns expressed by the National Union of Students about the conditions in some halls of residence. We are not, however, convinced that licensing or management regulations would be a solution to those problems. For a start, we are not aware that the problems are on the scale alleged. I have seen examples and they appeared mainly to concern the physical condition of the property. As I said in Committee, those issues can be addressed through part 1 of the Bill, which covers the health and safety rating system—and could not in any case be dealt with through licensing. Of course, I appreciate that there will be cases of management failure, but the Government expect universities and other higher education establishments to regard the health, safety and welfare of their students as of paramount importance, equally in the lecture halls and in the residential accommodation they provide.

Mr. Hayes: If the Minister had accepted our suggestion of an ombudsman, perhaps some of the arguments for bringing all student accommodation into the net would have evaporated. The Minister said that

there were some problems, although they were not general. Why not have an ombudsman to whom people could appeal in those exceptional cases?

Keith Hill: I hope to respond to the remarks made by the hon. Gentleman on the issue of a student ombudsman and, if he will permit me, I shall complete my line of thinking in an attempt to persuade the Liberal Democrats not to divide the House.

If, in individual cases, there are grounds for complaint about poor management, any complaints should be made to the university authorities, and the Government anticipate that they will be dealt with promptly and effectively. However, as there is little hard evidence of widespread poor management of university halls of residence, the Government are not persuaded that there is a sufficiently strong case for bringing university-managed accommodation in England and Wales within the definition of HMOs, other than for the purpose of part 1 of the Bill.

I come now to amendments Nos. 3 and 87 and the debate on studentification, which was less defensive than concerned. A divergence of opinion was evident between hon. Members about when the requirement for mandatory licensing should apply. My hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) will know that we debated extensively in Committee the Government's proposed scope for mandatory licensing of HMOs—those of three storeys or more and occupied by five or more persons—and the reasons for that formulation. Amendment No. 3, tabled by my hon. Friend, would require a local authority to licence all HMOs of three storeys or more, or any HMO occupied by five persons or more. By contrast, my hon. Friend the Member for Nottingham, South (Alan Simpson) tabled amendment No. 87, which seeks mandatory licensing of HMOs of three storeys or more and occupied by four or more persons.

My hon. Friend the Member for Sheffield, Attercliffe raised many highly detailed questions, and I know that he will forgive me if I say that this is not the time or place to respond in similar detail. However, I undertake to write to him in response to the issues that he raised. His starting question was whether the current mandatory regime was a starting point for a mandatory licensing regime. As I have said before, that is not the Government's intention. We have accepted the principle of mandatory licensing, but we have done so on the basis of a clear and pragmatic justification—the issue of vulnerability to fire risk.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): Will my right hon. Friend give way?

Keith Hill: I shall give way to my hon. Friend in a second when I have completed this thought. The Government have borne in mind two considerations on the issue of mandatory licensing—the burden on local authorities, which any licensing regime would impose, and our wish to protect and encourage the private rented sector, which I also mentioned in Committee. Of course, we shall bear down on abusive landlords, but we recognise that on the whole the sector plays an extremely important role in the housing industry, both by giving people a first step on the housing ladder and in relation to labour mobility. The sector is also rather vulnerable—the average landlord owns only three properties. It has been characterised as a cottage industry, so we are reluctant to impose excessive burdens on it. We want to encourage it rather than burden it.

I apologise for taking so long to make my point. I shall now give way to my hon. Friend the Member for Brighton, Kemptown (Dr. Turner).

Dr. Turner: I want to refer to amendments Nos. 1 and 2, which are grouped with amendment No. 127. They would restore a principle that the Government had previously agreed in respect of my private Member's Bill, and would deal with licensing, energy efficiency and energy conservation requirements for HMOs, given that such properties are subject to some of the worst energy conservation conditions and the greatest fuel poverty, and house some of the poorest and most vulnerable tenants. That principle was agreed by the Government two years ago, so can my right hon. Friend explain why it is no longer part of the HMO licensing requirements? Will he consider reinstating it?

Keith Hill: We have already discussed the new housing health and safety rating system, which, as my hon. Friend knows, would allow cold and damp to be taken into consideration in the orders and requirements that environmental health officers might make. We shall by no means exclude issues such as warmth and thermal energy from our approach to the condition of housing stock and the need for action. My hon. Friend has considerable expertise in such matters, so he, better than most, knows that we are committed, through the warm front programme, to extensive improvement in providing warm housing stock in the private sector. However, we are certainly not in a position at this stage to make as a requirement the sort of measures that he recommended in his earlier proposals.

I want to return to some of the issues raised by my hon. Friend the Member for Sheffield, Attercliffe and I shall then respond to the remarks made by my hon. Friend the Member for Nottingham, South. I listened very carefully to my hon. Friend the Member for Sheffield, Attercliffe to ascertain the justification for his proposal to extend the mandatory licensing regime, and it was on the basis of nuisance. As he knows, the Government are clear about their criterion for mandatory licensing: it is based on a clear assessment of fire risk. However, I remain to be convinced that the properties that would be included in my hon. Friend's extended definition of mandatory licensing for HMOs would intrinsically be sources of nuisance or would have the potential to create nuisance.

In response both to my hon. Friend and to my hon. Friend the Member for Nottingham, South, who raised a different concern—the studentification phenomenon—I point out that the Government are providing for an additional licensing regime, as all colleagues are aware, and where there is evidence of proven wrongdoing and proven risk there is the possibility of extending the licensing regime beyond what is caught by the current mandatory proposals. I hope to speak about that shortly.

Mr. Reed: Does my right hon. Friend understand the frustration in places such as Loughborough, where 98 per cent. of properties would not fall within the Government's current definition? As he knows from his many visits to the wonderful town of Loughborough, the town centre, especially the Storer road area, has changed dramatically, so a much narrower definition is required. There is nuisance, and if he would like me to join him in a walk around the Storer road area to see the consequences of not having a licensing scheme I should be more than willing to do so.

3.15 pm

Keith Hill: I have not had the opportunity to discuss these matters with my hon. Friend, but I have certainly had ample opportunities, both in formal and informal contexts, to discuss them with my hon. Friends the Members for Leeds, North-West (Mr. Best) and for Nottingham, South. I have told them repeatedly that the Government cannot, in the Bill, legislate for where people live. We are legislating on the physical condition and management of housing stock. It is not invariably the case that students live in housing of poor physical condition. Indeed, it is frequently asserted that the studentification of abandoned city centre areas can actually lift the quality of the stock. Similarly, it is not the case that properties in student areas are, without exception, badly managed.

I do not for one moment deny the consequences of the concentration of student populations in terms of local services. There are certainly pressures on local schools and there may even be pressures on services such as post office facilities, but those issues do not relate directly either to the quality of the housing stock or the prevailing management conditions of that stock. I repeat that where a case can be made that there is systemic poor management of properties in localities, the additional licensing regime for which the Bill provides will respond to those situations.

Lynne Jones: I thank my right hon. Friend for giving way, but he somewhat misleads the House by giving the impression that studentification, as he calls it, can lead to an increase in the amenities or the quality of the housing stock in an area. Certainly, most of my hon. Friends who have experience of the problem in their constituencies would say that the houses converted to student accommodation are, by and large, former owner-occupied properties in good condition and that studentification leads to a great deterioration in the area and in the quality of life there.

Keith Hill: I do not for a moment challenge my hon. Friend's observation about the quality of life, but I simply say that the argument goes both ways on whether the acquisition of properties for the purpose of accommodating students leads automatically to a decline in the quality of the physical condition of those properties. The argument goes both ways, and there are persuasive arguments on both sides.

I need rapidly to move on to explain and offer some reassurance, I very much hope, to the House about the possibilities for interventions in the licensing domain under this legislation. As I explained in Committee, the Government have adopted three-storey HMOs as the starting point for mandatory licensing because those properties pose the greatest risk of causing injury or death from fire. People living in a two-storey HMO are about four times less likely to die as a result of a fire than those living in a three-storey building.

As I also said, the number of occupants is a factor to be considered. Clearly, the greater the numbers of storeys in an HMO, the more people are likely to live in the property, so the risk of fire increases. Of course, many HMOs are less than three storeys and house five people or more, but those people are far less vulnerable to injury from fire than those in three-storey houses. I also appreciate that some three-storey HMOs are occupied by four people, but it is far more likely that three-storey buildings will house more people than that number, and I reiterate that the greater the number of persons, the higher the risk of fire.

We have estimated that mandatory licensing will apply to about 120,000 properties in England, housing five or more people. A line must be drawn somewhere on where HMO mandatory licensing applies. The Government believe that we have got this right at properties with three storeys and above that are occupied by five or more people, forming at least two households. However, local authorities must have, and we are giving them, powers to license problematic categories of HMOs in their areas. If a local authority establishes that there are management problems with all HMOs of, for example, three storeys or more occupied by four people or all HMOs occupied by five people that justify licensing, we are giving the local authority the tools to do so with the additional licensing regime.

I very much hope that that serves to reassure colleagues who come to the House with quite desperate concerns about the pressures arising from a concentration of student numbers.

It being two and a half hours after the commencement of proceedings on the programme motion, MADAM DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [this day].*

Amendment negatived.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

Clause 60

REQUIREMENT FOR HMOS TO BE LICENSED

Amendment made: No. 31, in page 39, line 40, leave out '(1) or (2)'.—*[Keith Hill.]*

Clause 65

TESTS FOR FITNESS ETC. AND SATISFACTORY MANAGEMENT ARRANGEMENTS

Amendment made: No. 32, in page 43, line 10, at end insert

'or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (offences attracting notification requirements)'.—*[Keith Hill.]*

Clause 66

LICENCE CONDITIONS

Amendment made: No. 33, in page 44, line 10, leave out

'steps to be taken with a view to controlling the behaviour of'

and insert

'the taking of such steps as are reasonably practicable to prevent or reduce anti-social behaviour by'.—*[Keith Hill.]*

Clause 75

INDEX OF DEFINED EXPRESSIONS: PART 2

Amendments made: No. 34, in page 50, line 32, at end insert—

'Anti-social behaviour	Section 56(5)'.

No. 14, in page 51, line 3, at end insert—

'Modifications	Section 209(7)'.

—*[Keith Hill.]*

New Clause 6

HMO DECLARATIONS

'(1) If a local housing authority are satisfied that subsection (2) applies to a building or part of a building in their area, they may serve a notice under this section (an "HMO declaration") declaring the building or part to be a house in multiple occupation.

(2) This subsection applies to a building or part of a building if the building or part meets any of the following tests (as it applies without the sole use condition)—

(a) the standard test (see section 213(1A)),

(b) the self-contained flat test (see section 213(1B)), or

(c) the converted building test (see section 213(1C)),

and the occupation, by persons who do not form a single household, of the living accommodation or flat referred to in the test in question constitutes a significant use of that accommodation or flat.

(3) In subsection (2) "the sole use condition" means the condition contained in—

(a) section 213(1A)(d) (as it applies for the purposes of the standard test or the self-contained flat test), or

(b) section 213(1C)(e),

as the case may be.

(4) The notice must—

(a) state the date of the authority's decision to serve the notice,

(b) be served on each relevant person within the period of seven days beginning with the date of that decision,

(c) state the day on which it will come into force if no appeal is made under subsection (9) against the authority's decision, and

(d) set out the right to appeal against the decision under subsection (9) and the period within which an appeal may be made.

(5) The day stated in the notice under subsection (4)(c) must be not less than 28 days after the date of the authority's decision to serve the notice.

(6) If no appeal is made under subsection (9) before the end of that period of 28 days, the notice comes into force on the day stated in the notice.

(7) If such an appeal is made before the end of that period of 28 days, the notice does not come into force unless and until a decision is given on the appeal which confirms the notice and either—

(a) the period within which an appeal to the Lands Tribunal may be brought expires without such an appeal having been brought, or

(b) if an appeal to the Lands Tribunal is brought, a decision is given on the appeal which confirms the notice.

(8) For the purposes of subsection (7), the withdrawal of an appeal has the same effect as a decision which confirms the notice appealed against.

(9) Any relevant person may appeal to a residential property tribunal against a decision of the local housing authority to serve an HMO declaration.

The appeal must be made within the period of 28 days beginning with the date of the authority's decision.

(10) Such an appeal—

(a) is to be by way of a re-hearing, but

(b) may be determined having regard to matters of which the authority were unaware.

(11) The tribunal may—

(a) confirm or reverse the decision of the authority, and

(b) if it reverses the decision, revoke the HMO declaration.

(12) In this section and section (Revocation of HMO declarations) "relevant person", in relation to an HMO declaration, means any person who, to the knowledge of the local housing authority, is—

(a) a person having an estate or interest in the building or part of the building concerned (but is not a tenant under a lease with an unexpired term of 3 years of less), or

(b) a person managing or having control of that building or part (and not falling within paragraph (a)).'.—*[Keith Hill.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 7

REVOCATION OF HMO DECLARATIONS

'(1) A local housing authority may revoke an HMO declaration served under section (HMO declarations) at any time if they consider that subsection (2) of that section no longer applies to the building or part of the building in respect of which the declaration was served.

(2) The power to revoke an HMO declaration is exercisable by the authority either—

(a) on an application made by a relevant person, or

(b) on the authority's own initiative.

(3) If, on an application by such a person, the authority decide not to revoke the HMO declaration, they must without delay serve on him a notice informing him of—

(a) the decision,

(b) the reasons for it and the date on which it was made,

(c) the right to appeal against it under subsection (4), and

(d) the period within which an appeal may be made under that subsection.

(4) A person who applies to a local housing authority for the revocation of an HMO declaration under subsection (1) may appeal to a residential property tribunal against a decision of the authority to refuse to revoke the notice.

[Keith Hill]

The appeal must be made within the period of 28 days beginning with the date specified under subsection (3) as the date on which the decision was made.

(5) Such an appeal—

(a) is to be by way of a re-hearing, but

(b) may be determined having regard to matters of which the authority were unaware.

(6) The tribunal may—

(a) confirm or reverse the decision of the authority, and

(b) if it reverses the decision, revoke the HMO declaration.'.—*[Keith Hill.]*

Brought up, read the First and Second time, and added to the Bill.

Schedule 11

BUILDINGS WHICH ARE NOT HMOs (EXCEPT IN PART 1)

Amendment proposed: No. 124, in page 218, line 1, leave out paragraph 5.—*[Matthew Green.]*

The House divided: Ayes 166, Noes 294.

Division No. 165] **[3.22 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, Sir John
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Doughty, Sue
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Holmes, Paul
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Letwin, rh Oliver
Liddell-Grainger, Ian
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
McLoughlin, Patrick
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Ruffley, David
Sanders, Adrian
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Ayes:
Mr. Andrew Stunell and Gregory Barker

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Barnes, Harry
Battle, John
Beard, Nigel
Bell, Sir Stuart
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon

Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Davey, Valerie *(Bristol W)*
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Follett, Barbara
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morris, rh Estelle
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Pearson, Ian
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Gordon *(Pendle)*
Price, Adam *(E Carmarthen & Dinefwr)*
Primarolo, rh Dawn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Ms Bridget Prentice and Mr. John Heppell

Question accordingly negatived.

Alan Simpson: On a point of order, Madam Deputy Speaker. You will be aware that a large part of the preceding debate focused on the contentious subject of houses in multiple occupation and properties that are included in that category. Given that hon. Members in all parts of the House saw that as a central issue, can you advise me how Members with strong feelings on the matter might secure a vote on the definition, which will be central to this part of our housing strategy?

Madam Deputy Speaker (Sylvia Heal): Under the programme motion, there are times when the occupant of the Chair has some very difficult decisions to make, and I realise that in that instance it is unlikely we will please all of the Members all of the time. There are a number of amendments still to be discussed in this place. Of course, the Bill does go to another place.

Clause 1

NEW SYSTEM FOR ASSESSING HOUSING CONDITIONS AND ENFORCING HOUSING STANDARDS

Amendment made: No. 125, in page 2, line 41, leave out from 'persons' to the end of line 43 and insert

'who form a single household.'.—*[Keith Hill.]*

Clause 213

MEANING OF "HOUSE IN MULTIPLE OCCUPATION"

Amendments made: No. 50, in page 156, line 19, leave out subsection (1) and insert—

'(1) For the purposes of this Act a building or a part of a building is a "house in multiple occupation" if—

(a) it meets the conditions in subsection (1A) ("the standard test");

(b) it meets the conditions in subsection (1B) ("the self-contained flat test");

(c) it meets the conditions in subsection (1C) ("the converted building test");

(d) a declaration notice is in force in respect of it under section (HMO declarations); or

(e) it is a converted block of flats to which section 215 applies.

(1A) A building or a part of a building meets the standard test if—

(a) it consists of one or more units of living accommodation not consisting of a self-contained flat or flats;

(b) the living accommodation is occupied by persons who do not form a single household (see section 216);

(c) the living accomodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 217);

(d) their occupation of the living accommodation constitutes the only use of that accommodation;

(e) rents are payable or other consideration is to be provided by at least one of those persons in respect of their occupation of the living accommodation; and

(f) two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities.

(1B) A part of a building meets the self-contained flat test if—

(a) it consists of a self-contained flat; and

(b) paragraphs (b) to (f) of subsection (1A) apply (reading references to the living accommodation concerned as references to the flat).

(1C) A building or a part of a building meets the converted building test if—

(a) it is a converted building;

(b) it contains one or more units of living accommodation that do not consist of a self-contained flat or flats (whether or not it also contains any such flat or flats);

(c) the living accommodation is occupied by persons who do not form a single household (see section 216);

(d) the living accomodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 217);

(e) their occupation of the living accommodation constitutes the only use of that accommodation; and

(f) rents are payable or other consideration is to be provided by at least one of those persons in respect of their occupation of the living accommodation.'.

No. 51, in page 157, line 13, leave out from 'a' to 'is' in line 15 and insert

'building or part of a building consisting of living accommodation which, having regard to the layout of that accommodation,'.

No. 52, in page 157, leave out line 19 and insert—

'"self-contained flat" means a separate set of premises (whether or not on the same floor)—

(a) which forms part of a building;

(b) either the whole or a material part of which lies above or below some other part of the building; and

(c) in which all three basic amenities are available for the exclusive use of its occupants.'.—*[Keith Hill.]*

Clause 214

HMOs: HOUSES AND OTHER RELEVANT BUILDINGS

Amendment made: No. 53, in page 157, line 20, leave out clause 214.—*[Keith Hill.]*

Clause 215

HMOs: CERTAIN CONVERTED BLOCKS OF FLATS

Amendment made: No. 126, in page 159, leave out from 'a' in line 2 to end of line 4 and insert

'house in multiple occupation under section 213(1)(e)), does not affect the status of any flat in the block as a house in multiple occupation.'.—*[Keith Hill.]*

Clause 216

HMOs: PERSONS NOT FORMING A SINGLE HOUSEHOLD

Amendment made: No. 56, in page 159, line 8, leave out '(1)'.—*[Keith Hill.]*

Clause 217

HMOs: PERSONS TREATED AS OCCUPYING PREMISES AS ONLY OR MAIN RESIDENCE

Amendments made: No. 57, in page 159, line 35, leave out '(1)'.

No. 58, in page 159, line 41, leave out 'women's'.

No. 59, in page 159, line 44, at end insert—

'(3) In subsection (2)(b) "refuge" means a building or part of a building managed by a voluntary organisation and used wholly or mainly for the temporary accommodation of persons who have left their homes as a result of—

(a) physical violence or mental abuse, or

(b) threats of such violence or abuse,

from persons to whom they are or were married or with whom they are or were co-habiting.'—*[Keith Hill.]*

Schedule 11

BUILDINGS WHICH ARE NOT HMOs (EXCEPT IN PART 1)

Amendments made: No. 65, in page 217, leave out line 14.

No. 66, in page 217, line 16, at end insert—

'(za) a local housing authority,'.

No. 67, in page 218, line 3,leave out 'only' and insert 'solely or principally'.

No. 68, in page 218, line 20, leave out

'a leasehold estate in it'

and insert

', whether in the whole or any part of it, either the freehold estate or a leasehold interest'.

No. 69, in page 218, line 27, at end insert

', except for the purpose of determining the status of any flat in the block'.—*[Keith Hill.]*

Clause 86

TESTS FOR FITNESS ETC. AND SATISFACTORY MANAGEMENT ARRANGEMENTS

Amendment made: No. 35, in page 58, line 17, at end insert

'or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (offences attracting notification requirements)'.—*[Keith Hill.]*

Clause 87

LICENCE CONDITIONS

Amendment made: No. 36, in page 59, line 15, leave out

'steps to be taken with a view to controlling the behaviour of'

and insert

'the taking of such steps as are reasonably practicable to prevent or reduce anti-social behaviour by'.—*[Keith Hill.]*

Clause 96

INTERIM AND FINAL MANAGEMENT ORDERS: INTRODUCTORY

Amendment made: No. 37, in page 65, line 34, leave out '(1) or (2)'.—*[Keith Hill.]*

Clause 98

SPECIAL INTERIM MANAGEMENT ORDERS

Amendment made: No. 38, in page 68, line 13, after 'interim' insert 'or final'.—*[Keith Hill.]*

Clause 100

OPERATION OF INTERIM MANAGEMENT ORDERS

Amendment made: No. 39, in page 70, line 2, leave out from beginning to 'on' in line 4.—*[Keith Hill.]*

Clause 101

LOCAL HOUSING AUTHORITY'S DUTIES ONCE INTERIM MANAGEMENT ORDER IN FORCE

Amendment made: No. 40, in page 70, line 33, leave out

'the house is not an HMO other than one to which Part 2 of this Act applies,'

and insert

'subsection (4) does not apply to the house,'.—*[Keith Hill.]*

Clause 104

FINANCIAL ARRANGEMENTS WHILE ORDER IS IN FORCE

Amendment made: No. 41, in page 73, line 24, at end insert—

'(4A) The interim management order may provide for—

(a) the rate of interest which is to apply for the purposes of paragraph (b) of subsection (4); and

(b) the intervals at which payments are to be made under that subsection.

Paragraph 24(2A) of Schedule 6 enables an appeal to be brought where the order does not provide for both of those matters.'.—*[Keith Hill.]*

Clause 107

MAKING OF FINAL MANAGEMENT ORDERS

Amendment made: No. 42, in page 75, line 17, leave out

'be an HMO other than one to which Part 2 applies,'

and insert

'not be one that would be required to be licensed as mentioned in subsection (2)(a),'.—*[Keith Hill.]*

Clause 108

OPERATION OF FINAL MANAGEMENT ORDERS

Amendment made: No. 43, in page 76, line 40, leave out from beginning to 'on' in line 42.—*[Keith Hill.]*

Clause 129

INDEX OF DEFINED EXPRESSIONS: PART 4

Amendment made: No. 17, in page 91, line 33, at end insert—

'Modifications	Section 209(7)'.

—*[Keith Hill.]*

Schedule 6

MANAGEMENT ORDERS: PROCEDURE AND APPEALS

Amendments made: No. 62, in page 191, line 14, leave out 'and'.

No. 63, in page 191, line 15, at end insert

'and

'(c) the date on which the order is to cease to have effect in accordance with section 100(4) and (5) or 108(3) and (4) (or, if applicable, how the date mentioned in section 100(6) is to be determined),'.

No. 64, in page 194, line 44, at end insert—

'(2A) An appeal may be made under sub-paragraph (1)(b) on the grounds that the terms of interim management order do not provide for one or both of the matters mentioned in section 104(4A)(a) and (b) (which relate to payments of surplus rent etc.).

(2B) Where an appeal is made under sub-paragraph (1)(b) only on those grounds—

(a) the appeal may be brought at any time while the order is in force (with the result that nothing in sub-paragraph (3) or paragraph 25 applies in relation to the appeal); and

(b) the powers of the residential property tribunal under paragraph 26 are limited to determining whether the order should be varied by the tribunal so as to include a term providing for the matter or matters in question, and (if so) what provision should be made by the term.'.—*[Keith Hill.]*

New Clause 13

SECTION 138: IMPOSITION OF CONDITIONS.

'(1) A potential buyer who has made a request to which section 138(1) applies may be required to comply with either or both of the following conditions before any copy is provided.

(2) The potential buyer may be required to pay a charge authorised by section 138(7).

(3) The potential buyer may be required to accept any terms specified in writing which—

(a) are proposed by the seller or in pursuance of his instructions; and

(b) relate to the use or disclosure of the copy (or any information contained in or derived from it).

(4) Such a condition is only effective if it is notified to the potential buyer before the end of the period of 14 days beginning with the day on which the request is made.

(5) Where the potential buyer has been so notified of either or both of the conditions authorised by this section, the permitted period for the purposes of section 138 is the period of 14 days beginning with—

(a) where one condition is involved, the day on which the potential buyer complies with it by—

(i) making the payment demanded, or

(ii) accepting the terms proposed (or such other terms as may be agreed between the seller and the potential buyer in substitution for those proposed),

as the case may be; or

(b) where both conditions are involved, the day (or the later of the days) on which the potential buyer complies with them by taking the action mentioned in paragraph (a)(i) and (ii).'.—*[Keith Hill.]*

Brought up, and read the First time.

Keith Hill: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: New clause 27—*Incomplete home information packs*—

'A property may be marketed with an incomplete Home Information Pack in circumstances where reasonable efforts have been made to obtain the missing information.'.

New clause 32—*Regulation of estate agents*—

'(1) The Secretary of State shall by regulations set up a mandatory licensing scheme for persons engaged in estate agency work in relation to Home Information Packs to ensure that such persons satisfy minimum standards of competence.

(2) The regulations shall specify a degree of practical experience which is to be taken as evidence of competence and, without prejudice to the generality of subsection (1) above, the regulations shall also—

(a) prescribe professional or academic qualifications which shall also be taken to be evidence of competence;

(b) designate any body of persons as a body which may itself specify professional qualifications the holding of which is to be taken as evidence of competence;

(c) make provision for and in connection with the establishment of a body having power to examine and inquire into the competence of persons engaged or professing to engage in estate agency work; and

(d) delegate to a body established under paragraph (c) above the powers of the Secretary of State with respect to the matters referred to in paragraph (a) above.'.

Government amendments Nos. 81 and 82.

Amendment No. 88, in clause 137, page 94, line 21, leave out from beginning to 'have' and insert

'As a matter of voluntary discretion, a person may'.

[R] Relevant registered interest declared.

Amendment No. 110, in page 94, line 23, after '143', insert

'unless the property is marketed as being sold without a home information pack'.'

Amendment No. 89, in page 94, line 23, at end insert—

'(1A) The seller, when marketing the property, is obliged to specify whether or not a home information pack is to be provided'.

Amendment No. 90, in page 94, line 24, leave out subsection (2).

Amendment No. 109, in page 94, line 30, at end insert—

'( ) the seller markets the property himself'.

Amendment No. 111, in page 94, line 30, at end insert—

'(c) the seller has indicated that the property is to be sold without a home information pack'.

Amendment No. 91, in clause 138, page 94, line 33, after 'which,' insert ', where available,'.

Government amendments Nos. 83 and 84.

Amendment No. 112, in page 95, line 10, leave out paragraph (c).

Government amendment No. 85.

Amendment No. 113, in clause 144, page 99, line 3, at end insert—

'(aa) for ensuring that members of the scheme are independent'.

Amendment No. 114, in page 99, line 4, leave out 'suitable' and insert 'adequate and appropriate'.

Amendment No. 115, in page 99, line 10, at end insert—

'( ) for sellers, buyers and lenders to be entitled to bring proceedings in respect of a home condition report upon which they have relied in any transaction'.

Amendment No. 92, in page 99, line 16, at end insert—

'(8) A responsible person will be exempt from the requirement to provide a Home Condition Report in the following circumstances—

(a) the sale of a new home provided that it is registered with a warranty provider designated by the Secretary of State,

(b) the resale of a new home where the warranty cover remains in force,

(c) the transfer of ownership by a developer of a new home to another company prior to marketing the property to the public where the company assuming ownership is registered with a warranty provider designated by the Secretary of State.'.

Amendment No. 93, in page 99, line 18 leave out clauses 145 to 149.

Government amendments Nos. 86 and 44 to 46.

Amendment No. 133, in clause 209, page 155, line 25, at end insert

'or

(d) any regulations under Part 5.'.

Amendment No. 131, in clause 226, page 163, line 17, leave out '153'.

Amendment No. 132, in page 163, line 38, leave out '(other than section 153)'.

Keith Hill: I rise with a degree of embarrassment, Madam Deputy Speaker, because I have lost my place, and I feel that the House requires an explanation—*[Interruption.]* The Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), has rescued me, and I am now in a position to commend Government new clause 13 to the House.

The Government amendments are designed to ensure that the home information pack proposals are as effective as possible, without interfering more than is necessary with the rights of sellers, although I fear that some hon. Members think that the Bill already interferes excessively. However, I assure the House that part 5 of the Bill is absolutely necessary if we are to improve the home buying and selling process in England and Wales, which is currently shambolic.

Clause 150 currently provides that the Secretary of State will identify the situations in which the use of information in the pack is restricted. New clause 13 replaces that with a provision allowing sellers themselves to identify conditions on the use and onward disclosure of information supplied in the pack. In practice, however, sellers and agents who have gone to the trouble and expense of compiling a pack are likely to want to use it to maximum effect by making it available to potential buyers without imposing conditions, unless, for example, they are a celebrity who wants to prevent the media from getting hold of it.

Under new clause 13, sellers and their agents would still need an HIP and to provide a copy to trading standards officers on demand. Sellers and agents can already refuse to supply a copy of the HIP to any person to whom the seller is not prepared to sell or who does not appear to be a genuine buyer. New clause 13 will not add restrictions to access by potential buyers; it just allows conditions to be attached by the seller to the use and onward disclosure of information in the pack. We see no reason to qualify or restrict the conditions that may be imposed, and there seems little point in doing so, bearing in mind that the seller could simply refuse to supply a copy of the HIP on the grounds that they would not sell the property to the person in question.

Mr. Edward Davey: Will the Minister explain how the new clause will enable the seller or the seller's agent to identify a person who asks for a HIP?

Keith Hill: Again, the hon. Gentleman must forgive me, because I did not catch the entirety of his question. Will he repeat it?

Mr. Davey: By all means. How will the new clause enable a seller or a seller's agent to be certain of the identity of the person to whom the HIP is being given? Part of the concern is that people—possibly journalists—who want a scoop on, for example, Posh and Becks, might go round estate agents asking for particulars. How will the new clause deal with that aspect of the problem?

Keith Hill: If the hon. Gentleman will forgive me, we hope to come on to that exact point in later exchanges.

Government amendment No. 86 removes clause 150. Government amendment No. 81 is a drafting amendment that ensures that clause 136 is consistent with the idea that the duties set out in clauses 137 to 139 continually apply while a person is the responsible person, and Government amendment No. 82 permits exceptions to that continual duty. For example, clause 138 only creates a legal duty in relation to a particular request, and the amendment ensures that clause 136 is consistent with that approach. Amendment No. 83 is needed to ensure that clause 138(2) is consistent with clause 149(5). As currently drafted, clause 138(2) requires a responsible person to supply copies of the documents that are in the HIP on the date that the request is made.

Clause 149 gives a right to bring legal action for costs against the responsible person if the information that is supplied in the pack is not what is in the home information pack on the date the pack is supplied. It is important that the two duties match up and vital that buyers get the most up-to-date version of the pack.

3.45 pm

Clause 138 sets out some circumstances in which the responsible person may turn down a request for copies without breaching any duty. Amendment No. 84 makes it clear that the responsible person has 14 days to establish whether, on reasonable grounds, they are entitled to turn down a request.

Amendment No. 85 is a drafting amendment that is consequential on new clause 13. Clause 138(8) provides that the period allowed to provide a copy of the pack is 14 days from the date on which the request is made. The amendment makes it clear that that is subject to any extension of that period arising where conditions have been imposed under new clause 13. Clause 138(8A) provides that the duty to provide a copy of the pack ceases when the property is taken off the market or sold before the end of the 14 days. Amendment No. 85 makes it clear that a person will not breach any duty if, for example, he fails to provide a copy of the pack when he has already agreed to sell his house to another person.

Mr. Syms: This important part of the Bill remains controversial among Conservative Members and others, so I suspect that it will lead to a vote. If we catch your eye, Madam Deputy Speaker, we shall want to move amendment No. 88, which would make the provision of a home information pack voluntary, because, having listened to all the arguments in Committee, we are still unconvinced about the scheme's benefits. If it was such a good idea, the industry would adopt it anyway, but imposing it will add substantially to the costs faced by home buyers and may well slow the process down, not speed it up. We were told in Committee that the cost of a home information pack would be about £600, but the bodies to which I have spoken suggest that that would be a minimum amount and that the real cost would quickly move closer to £800 or £900—perhaps even £1,000. That would be a comparatively small cost for the owner of a £1 million property in Chelsea, but a substantial burden on the

[Mr. Syms]

owner of a home worth £30,000 or £40,000 in the midlands or the north. The scheme will create real problems, especially in areas of low demand.

Mr. David Kidney (Stafford) (La' But does the hon. Gentleman agree that most of those costs are already incurred in today's market, the only difference being that the buyer pays them, not the seller?

Mr. Syms: I agree that many of the costs are already imposed, but they usually fall due only when the house is sold, whereas the costs involved in this pack will be incurred when the house goes on the market. Although there is of course no guarantee that it will eventually sell, somebody with a house worth, say, £40,000 in an area of low demand will have to meet the cost at some point—possibly up front, as suppliers of the packs may demand in areas where they have less confidence that the home will be sold. The danger is that those who can ill afford it will have to pay those who have provided the information without the guarantee that they will eventually sell their home. That may be a very material feature when people decide whether they want to put their house on the market—or, indeed, to test the market by putting their house with an estate agent, as many people do in the current conditions. Now, people will be able to test the market only by incurring costs of £600, £700 or £800.

Bob Spink (Castle Point) (Con): Does my hon. Friend agree that his analysis, which I believe to be correct, leads to the conclusion that fewer people will put their houses on the market, which means that supply will be restricted, thus driving up house price inflation?

Mr. Syms: There is a risk of that happening. Indeed, the Minister will need to reassure the House on a number of issues in regard to this project, including the shelf life of a home information pack. Most of the professional bodies to whom I have spoken believe that, following the process of producing the pack and the home condition report, its shelf life would probably be six months—certainly for the home condition report. If a house did not sell, there might therefore be further costs involved in updating aspects of the pack.

We also heard extensively in Committee about the problem of the severe shortage of surveyors, with perhaps 9,000 to 10,000 being needed. Between now and 2006–07, when the scheme will be introduced, substantial efforts will have to be made by all the relevant professional bodies and by the building industry to produce the number of people necessary to undertake the surveys involved. We all get frustrated by the fact that transactions in the housing market sometimes do not proceed as rapidly as they should. I suspect that the answer is more to do with technology than with change, and I pay tribute to the hon. Member for Stafford (Mr. Kidney), who raised these issues in Committee. We had some good debates about how non-paper-based information could be used to speed up the housing market. My colleagues and I are not convinced that a home information pack is the answer.

As I understand it, if someone goes into an estate agent, they will initially get the details of the property. If, having looked at them, they considered themselves a potential buyer, they would ask the estate agent if they could view the home information pack. Under new clause 13, which the Minister introduced, it would need to be supplied within 14 days, and would possibly be subject to a charge or to some kind of legal agreement or conditions, so that a degree of confidentiality could be obtained regarding the information.

I presume that, as the person would still be only a potential buyer at that point, the costs incurred under the new clause would be the costs of printing off and sending the information, and that the full cost of producing a home information pack would be charged only when someone had actually undertaken to buy a property and signed a contract. I presume that the full cost would be met only at that point. So, when new clause 13 states that the

"potential buyer may be required to pay a charge authorised by section 138(7)",

I presume that that refers only to an administrative charge for supplying the information to potential buyers.

Perhaps the Minister can tell the House what has been put down in the Bill as a reasonable charge. At the moment, estate agents provide a nice picture of the property and its details free. No doubt, if a prospective buyer were a little more serious and wanted to view the property, they would ask for the home information pack, and the issue of a charge would arise. Some estate agents might decide to accept that cost as part of their overheads because they wanted to sell the property. Indeed, some owners might decide to carry the cost of printing off and sending out the details because they were desperate to sell. However, under new clause 13, it looks as though an estate agent could levy a charge for the provision of this information.

My concern is that estate agents could charge rather more substantial sums than is envisaged by the Government. No figure has been discussed in relation to the provision of this information to potential buyers, as opposed to the actual buyer. Will the Minister give the House an indication of what such a charge might be? Estate agents have to run their offices, pay their staff, and hold and print the information, and I can envisage some of them providing the information on a paper-based system and having to charge a potential buyer £30 to £40 for it. How will that impact on the way in which the market works?

I would therefore like to hear more about new clause 13. In Committee, we did not really talk about the charge. We talked about the main buyer and the main overall costs. The Minister listed specific aspects of the home information pack and stated what he believed that the charge would be. As I said earlier, he also disputed that it would be more than £600. However, if estate agents or those selling homes are allowed to charge a fee purely for printing a document, putting it in a glossy brochure and sending it through the post—perhaps registered delivery if they do not want the information to be publicly available—the charge under new clause 13(2) could be substantial. How would that impact on the way in which the market works?

I am sorry to say that the Minister's most persuasive and articulate arguments in Committee did not persuade my hon. Friends or me that the new clause was

the best way forward. At the appropriate point, we may seek your permission, Madam Deputy Speaker, to put amendment No. 88 to the vote so that hon. Members can express how they feel. We believe in voluntary not compulsory procedures. If the market works and the pack is as big an asset as the Government believe, I am sure that the industry will pick it up as a voluntary option, which does not have to be imposed by central Government diktat.

Mr. Betts: I want to speak about new clause 32, which would introduce a scheme to license estate agents. The home information pack is a major regulation issue and I must admit that when I first heard about it and we considered it in the Select Committee on the Office of the Deputy Prime Minister, I was mildly sceptical about whether it would improve the process of selling and buying homes. Such is the power of the Minister's persuasive talents that I came round to the view that it is generally a good scheme and should be supported. I am sure that he will think about my persuasive talents when he decides to support new clause 32.

The Government are committed to a major item of regulation that will clearly formulate the way in which houses are bought and sold in this country. As part of that process, solicitors will perform their traditional conveyancing role. Of course, they have to be qualified and they are regulated in a specific way. The compulsory home conditions survey that we are introducing is also subject to regulation and the inspectors who carry out the surveys must be qualified for the job. There is an issue about training, which the hon. Member for Poole (Mr. Syms) mentioned, and the Government must tackle that to get the scheme right.

As public representatives, we have some duty to safeguard people from their worse follies. Two thirds of people buy a property without a proper home conditions survey. That is a bit silly and it is right for us to protect them from the mess into which they can get. That is one of the reasons for my support of the proposal for the home information pack.

However, although a series of professionals engaged in the process will be subject to licensing, regulation and the need for qualifications, the group of individuals who put the pack together, formulate and produce it will be completely unregulated. Any individual can walk in off the street, rent a property on a short-term lease, then stick a notice outside stating, "We are Rip-off and Folly, local estate agents. Come and sell your house through us." They would be entitled, with no controls, to formulate and produce a home information pack, which is subject to legislation and regulation. That is a glaring anomaly. The set of individuals who have to bring together the whole regulated process and will probably be paid more than anyone else for their endeavours—some people may not always perceive them as endeavours—will remain unregulated.

The BBC's "Brassed Off Britain" and *Which?*, the Consumers Association publication, have undertaken work to examine the current position. A survey was conducted into buying and selling homes in this country. It showed that 1.8 million homes are bought and sold every year and that fewer than half the people polled were satisfied with the service that they received from estate agents. That is probably not surprising. Over two thirds thought that estate agents frequently gave misleading information about their properties and 82 per cent. thought that all estate agents should be trained. It does not seem unreasonable to insist that those who do that job should be trained.

People were very concerned that those who would do the home conditions survey should be trained. I think those who would produce the sellers pack should be trained as well, and that they should have a professional qualification. Two thirds thought that the Government should license estate agents. That view, I think, would be fairly well reflected among Members of the House if they were asked to give their opinion based on their own experience.

4 pm

I do not want to imply that every estate agent does a bad job, but we should go and talk to the better estate agents—the ones who have a reputation to think about—as they also would welcome a licensing arrangement, because it would lift the standard of their industry and bring a new respect to it. Such an arrangement would also mean that the rip-off merchants and the cowboys could not do a bad job and give the whole of estate agency a bad name. Many of the good estate agents would welcome my proposals.

There is, of course, an ombudsman for estate agents. The problem there, however, is that only a third of estate agents belong to the scheme. While someone who is selling a home can decide to go to an estate agent who is a member of that scheme—I certainly recommend it—people who want to buy a particular home that they are interested in cannot choose to go to a member of the scheme because the agent for the property will already have been appointed by the seller. That is another flaw.

In the meantime, the Minister could easily decide that all estate agents must become a member of the ombudsman scheme. That would be a step in the right direction, but it would not be perfect because, essentially, an ombudsman scheme is about sorting out problems after they have occurred. However, a proper system of regulating and licensing estates agents, and ensuring that they are trained, would try to deliver a better service from the beginning and prevent problems from occurring in the first place.

Mr. Simon Thomas (Ceredigion) (PC): I want to make one point that I hope the hon. Gentleman accepts. It is not true that all estate agents are not trained or are not professionals in some way, shape or form. Many estate agents, particularly in rural areas, are chartered surveyors as well. Therefore, they have that other aspect to their work.

I agree with the hon. Gentleman in this regard: if we are to have compulsory home information packs, the buyer and the seller need some assurance on the contents of those packs. Most people will still trust the estate agent to put the pack together, but if it contains a fault they will have no comeback on those estate agents, unless they belong to the scheme to which he has referred. He is on the right track there.

Mr. Betts: I thank the hon. Gentleman for that point, with which I agree in general. Indeed, I had a phone call from the Royal Institution of Chartered Surveyors the

[Mr. Betts]

other day, saying that it generally supports the licence scheme as well. It needs to give that professionalism and certainty to the service being delivered.

I put it to the Minister that there is a difference now that we are to have the home information pack. The public will believe that, because the Government are insisting on the pack, it somehow has Government approval behind it. If the people who are formulating the pack and pulling it together are not necessarily trained—some may be, some may not be—not necessarily qualified; subject to no proper controls and no proper regulation; and not necessarily part of an ombudsman scheme, the Government could be the ones who get blamed in the end for the deficiencies of the service.

Mr. Alan Hurst (Braintree) (Lab): My hon. Friend may realise that estate agencies often contain within their partnership chartered surveyors, who may well be the same people who draw up the home survey report. There is an inherent conflict of interest from which the purchaser—now called the buyer—may well suffer.

Mr. Betts: That is another fair point that needs to be sorted out. It shows again why we ought to have clear regulations laid down so that the public understand what is expected and required of the individuals who engage in this process on their behalf.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I declare an interest as a fellow of the Royal Institution of Chartered Surveyors. Becoming a chartered surveyor involves a minimum of four years' training. In proposing a training scheme, will the hon. Gentleman give the House some idea of what training he thinks would be necessary and who would grant the qualification at the end of the process?

Mr. Betts: No, not off the top of my head. I have deliberately left the new clause open so that Ministers can take it away and consider those issues with the people in the industry. I see a body being set up, perhaps by the industry, but under regulation. That is something for the Minister to come back on. I do not want to say at this stage that two or three years' training would be appropriate, but clearly some training, a qualification and a form of licensing are what I am arguing for.

Finally, I understand that the Minister may be in a dilemma. I am sure that he is aware that when the public are polled and consulted on these issues, often, the only group of individuals who are seen to come lower down in their estimation than politicians are estate agents. He might be in danger of ensuring, at a stroke, greater public respect and support for the job of estate agency by lifting that group of individuals above his colleagues in the public esteem. In considering that issue, I am sure that the Minister will also have regard to the fact that if he introduced a scheme for licensing and training estate agents throughout the country, he would probably become the most popular individual politician in the country. I leave him with that thought.

Mr. Edward Davey: The hon. Member for Sheffield, Attercliffe (Mr. Betts) is raising his status with his helpful speech and new clause. At this relatively late stage of the Bill, were the Government radically to reform part 5 and make a home information pack voluntary, but adopt the approach of the hon. Member for Sheffield, Attercliffe, they could get a consensus in this House. It is agreed, not necessarily by every Member of the House but quite widely, that the estate agency profession needs regulation and training. The hon. Gentleman did not mention, but he might have done, that the National Association of Estate Agents is in favour of the profession being regulated, which might strike some people as odd, but the good estate agents are concerned to drive out the cowboys. What is interesting is that those same estate agents, who are looking to improve the quality of their profession, think that the compulsory home information pack would be a disaster, both for their profession and for the housing market.

Unlike the hon. Gentleman, therefore, I was not convinced by the soothing words of the Minister in Committee. I want to spend some time explaining why the Liberal Democrats oppose the Government's proposal to introduce compulsory regulation of the buying and selling of homes.

I shall start by replying to the Minister's introduction of new clause 13. It is doubtlessly a step forward in terms of ensuring that the seller can ensure that a potential buyer does not disclose information. As I sought to indicate, however, it has not gone far enough. There are still concerns that people who roll up claiming to be potential buyers could have nefarious motives. Clause 138(4)(c) states that the duty of producing a home information pack does not apply if the "responsible person", the estate agent,

"believes on reasonable grounds that the person making the request . . . is not a person to whom the seller is likely to be prepared to sell the property."

The Minister might say that that provision guards against the concern that an agent might have that the home information pack will be given to someone from the criminal fraternity, for example. I return to the point that I made in an intervention, however: how will the "responsible person" be able to identify these people? We are being given a process through regulation whereby the criminal fraternity, journalists and others—they are not synonymous—will be able to access the property details of individuals, about which I am very concerned.

Mr. Hurst: I declare an interest as a member of the country's most regulated profession, as I am a solicitor in the firm of Law, Hurst and Taylor. I do not know whether the hon. Gentleman makes too strong a point. At present, anybody can walk into an estate agent's office and receive sale particulars and sometimes a glossy brochure. Were film stars or other people of note to offer their properties for sale, all the information that the journalist, and probably the criminal, could want is already available without any check whatever from high street agents.

Mr. Davey: I agree with the Law Society, which is worried that the home information packs may contain much more information than estate agents' particulars—details of burglar alarms, for example. Those certainly do not appear in the information provided by estate agents.

The main issue is whether the packs should be compulsory or voluntary. Our amendments Nos. 110 and 111 would have an effect similar to that of amendment No. 88, tabled by the hon. Member for South Holland and The Deepings (Mr. Hayes), which we shall support if it is pressed to a vote. They seek to make the provision of packs voluntary. We think that if the content of the packs is set out in law so that everyone knows what will be in them, they may well prove helpful to those buying and selling property, so we should let the market decide. By all means let sellers offer the packs as an added competitive advantage to attract potential buyers, but let us not impose them on the market. That might load extra costs on to people who might then be dissuaded from putting their properties on the market, either because they are short of a few readies or because they are merely speculatively testing the market, having seen a property that they liked at the weekend. Making the packs compulsory could freeze the market.

I wonder whether Professor Barker was asked to look at the new clause. She has produced an important piece of work about housing supply and restrictions on its improvement. Many people, not just in the House but outside, think that this new regulation will make the situation much worse. I bet Professor Barker would have been very alarmed if it had been brought to her attention.

Sir Sydney Chapman: I entirely agree with what the hon. Gentleman is saying. Given that the provision represents a radical departure from the present arrangements governing the buying and selling of homes, would it not be wise for the Government to introduce it as a voluntary measure? If it proves to be as much of a success as its proponents claim, it can always be made compulsory later.

Mr. Davey: As the hon. Gentleman may know, the Law Society has its own transaction scheme, which the Minister praised in Committee. It was designed to streamline and speed up the collecting of information for the buyer, and to help avoid gazumping and gazundering. Some 75 per cent. of buyers have signed up to it, on a voluntary basis. It excludes the search, because people declined to pay for it upfront. The experiment has proved popular, but the Government are ignoring the experience of the scheme by seeking to force detailed information on people.

Amendment No. 109 seeks to ensure that a seller who is marketing his own property need not produce a home information pack. We feel that in the age of the internet, people should be encouraged to use the technology to market their own properties if they so choose, and should be exempt from regulation of this kind. I do not see why the Government are against that sort of DIY home selling, which would be a great competitive spur to this particular market.

4.15 pm

New clause 27 seeks to enable someone to market their home when they have an incomplete pack in circumstances in which reasonable efforts have been made to obtain the missing information. That is necessary because the seller will be reliant on other bodies and organisations to access information for the home information pack. For example, they might need to obtain service charge information from a landlord or managing agent. What will happen if that landlord or agent delays, imposes unreasonable charges or fails to furnish invoices or receipts for payments made for previous service charges, which people often like to see when they purchase a property? If a seller has made reasonable attempts to put together a home information pack but has been thwarted by people whom they cannot control, it seems unreasonable to prevent them from going ahead and marketing their property. I hope that the Minister can give a full answer to the proposition in new clause 27.

Amendment No. 113 takes up a point already made. We want to make sure that the home inspectors who produce the report are independent. There is a real concern that estate agents, mortgage lenders, building fabric warranty providers and financial product providers will all come together in a vertical integration of the market in which the conflicts of interest will be many and damaging to the consumer interest. The Government are arguing that the measure favours the consumer, but if those sorts of company come together, with home inspectors being part of estate agent firms or financial institutions, consumers will seriously lose out. There are some real vested interests who support this new measure, and if the Government were really standing up for consumers they would understand that, and stop that new cartel in its tracks before it formed.

Amendment No. 114 seeks to amend clause 144 to ensure that the people who provide the packs have adequate indemnity insurance. The Government have been crossing their fingers and hoping that the people who provide the packs will be able to get professional indemnity insurance, although they have been told by the market that that will be very expensive and might exclude many people. That could make the shortage in the supply of people able to carry out inspections even worse. I hope that the Minister will give due consideration to amendment No. 114.

Mr. Clifton-Brown: Amendment No. 114 is the most crucial of the lot, because if the home condition inspectors do not have professional indemnity insurance, no reliance at all will be able to be placed on their inspection reports. When one considers the money involved in buying or selling a house, one realises that the possibility of those inspectors' missing some vital defect in a property could involve many thousands of pounds. If that process is not properly insured, the whole system will fall into disrepute.

I do not see how an insurance company will be able to provide that cover unless the inspectors are properly trained and qualified, a point made by the hon. Member for Sheffield, Attercliffe (Mr. Betts). That aspect needs careful thought before the Government introduce home condition reports.

Mr. Davey: I am grateful for that point, which the hon. Gentleman made very well. It brings me to amendment No. 115, which is along similar lines. It seeks to allow sellers, buyers and lenders to bring proceedings where they have relied on information contained in the home condition report that then proves incorrect. It is important that that aspect be clarified. If the Government are doing consumers a service—an

[Mr. Davey]

argument that I do not really accept—they need to make sure that the reports work. That means not just that inspectors should have professional indemnity insurance behind them, but that if the reports prove incorrect, the consumer knows that they can go to law, without any problems, and seek redress. I hope that amendment No. 115 will be accepted.

Amendment No. 115 and many of the others that I have tabled seek to make a dreadful proposal slightly better, so I hope that even at this late stage, the Government will take a different tack. I hope that they will support amendment No. 88, support the amendments that my party has tabled, support the new clause of the hon. Member for Sheffield, Attercliffe, but drop the absurd, outrageous, costly and damaging proposal to make home information packs compulsory.

Mr. Kidney: Fundamentally, the Government seek to make the seller responsible for having all the information needed for the transaction at the beginning, rather than the buyer collecting it in dribs and drabs during the transaction itself, as happens now. We are talking about 1.8 million transactions a year, nearly two thirds of which are in chains, with an average of five transactions per chain. So in a voluntary system, just one non-participant in a chain prevents everybody from benefiting from the Government's scheme. Because of our reliance on such chains under the current system, there is a 33 per cent. transaction failure rate, which is extremely wasteful.

We have heard many times about Maria Coleman, the Bristol estate agent who has a voluntary scheme called "Open Book", through which everything is prepared by the seller at the beginning of the transaction. Her hugely successful voluntary scheme has reduced the failed transaction rate from 33 per cent. to just 3 per cent. It has been running for some seven years, so perhaps Conservative Members can explain to me why there has not been a landslide take-up of such schemes. In fact, Maria Coleman has so many problems with others not following the scheme that she supports compulsion.

Andrew Selous (South-West Bedfordshire) (Con): As I recall, it was pointed out in Committee that Maria Coleman's scheme provides her with significant additional fee income. Does the hon. Gentleman not think that vested professional interests are involved, in order to boost their earnings?

Mr. Kidney: The extra money is of course for the inspectors. However, the Government's scheme makes provision for inspectors, so that is not a consideration. What is a consideration is that under the current system, several buyers incur the same costs for one property, yet only one will buy it—again, that is wasteful—whereas one seller would incur the costs for everyone. I am sure that the market will develop systems to enable the seller to put off repayment of the costs until the transaction has concluded, as happens with the voluntary scheme.

As the hon. Member for Poole (Mr. Syms) rightly said, there are two problems: shelf life and the sale not proceeding. Here, the Government have clearly decided to grit their teeth and see things through. I am glad that the hon. Gentleman mentioned my discussion in Committee of electronic home information packs, which will cut costs and time yet further. I certainly support the registration of estate agents to make sure that they perform their part of the scheme competently.

At the moment, only one in five buyers purchases a house—at huge expense; indeed, it is the greatest investment of their lives—with a surveyor's report that is equivalent to, or better than, a home buyer's report and valuation. Four out of five do not obtain a report of that standard. Most buyers purchasing with a mortgage rely instead on the lender's survey and report. There are three levels of survey: a basic valuation of a property; a home buyer's report and valuation; and a full structural report. Some 80 to 90 per cent. of buyers with a mortgage rely on a basic valuation. They are paying, so they choose the cheapest.

Someone else obtains the report, but it is the buyers who rely on it. It is worth pointing out that when things go wrong with the report, buyers sue the valuers. That will help to reassure hon. Members that under the Government's scheme, there will be a remedy. In fact, a few lenders refuse to disclose the report in order to avoid litigation risk to themselves and their valuers. Thus some people pay for the basic valuation report, do not get to see it, but carry on and buy their homes. Basic valuation reports clearly involve shorter time inspections and are for a different purpose; they are not what buyers require when making such a huge investment. Most lenders' valuers carry out physical inspections in making those reports, but in recent years there have been a few examples of fast-tracking, which some call desk-top evaluations or drive-by evaluations. Such practices are much more common in the United States of America.

There are legitimate concerns about the number of inspectors and their training, the presence of their indemnity insurance, and the cost of the infrastructure and implementation plan, but those are all practicalities. They must be got right, but they do not amount to objections to the principles, which concern transparency, certainty, consumer protection and consumer satisfaction.

A Consumers Association survey of more than 1,000 adults at the end of last year found that 82 per cent. thought that home information packs would be "very useful" and 13 per cent. "fairly useful"—95 per cent. in total. The Office of the Deputy Prime Minister report on "Piloting the Home Condition Report", published in February this year, found that the majority of those taking part—sellers, buyers, estate agents, conveyancers and inspectors—liked the idea of a home condition report and found it easy to understand. The report said:

"Most sellers and buyers considered the report to be accurate and independent."

It really is a good scheme, which has had all the right preparations and a long lead-in time, as the Minister has announced. The scheme will be a success.

Sir Sydney Chapman: I shall be brief, as much of what I wanted to say has already been covered by my hon. Friend the Member for Poole (Mr. Syms) and, indeed, by the hon. Member for Kingston and Surbiton (Mr. Davey).

The crucial question is whether the proposal for home improvement packs will streamline the buying and selling of a home, or be just an additional bureaucratic

cost. As my hon. Friend explained, the cost is likely to be in the order of £600 and perhaps more. I am willing to take an even bet with anyone that if it were £600 in the first year, it would increase by 50 per cent. within five years. That is an aside, but if we are to introduce a radically new proposal, we must think about costs.

I want to raise two issues. First, some people in the market need to sell their home quickly because an emergency has occurred. Will the new scheme help to deal with that problem? Secondly, as my hon. Friend the Member for Poole mentioned, there are problems with houses of very low value. We tend to think, quite rightly, that the cost of buying is going up and up. I know that in the three most northern regions in England, the average cost of a house has now hit the six-figure barrier—more than £100,000. The average cost of a home in London, though, is more than £250,000. There is no problem there. The problem arises generally in parts of the north where housing is very cheap because, for one reason or another, it is virtually unsellable. Various Government amendments and new clauses will change the Bill, but I hope that the scheme that results will bear in mind that particular problem.

All in all, it is a radically new proposal and genuine arguments exist on both sides of the issue. It would be a foolish person who denied that some of the arguments for introducing HIPs were compelling, but, equally, there are opposing arguments. I am bound to say, as an honorary member of the Royal Institution of Chartered Surveyors—I am not a fellow and I have no financial interest—that we should err on the cautious side and introduce the scheme on a voluntary basis first. If it proved successful, it could then be extended.

Keith Hill: I regret having to rise to speak when I know that other hon. Members want to enter the debate, but it is wholly appropriate that I respond to points raised in the debate so far.

I shall start by responding to two specific questions. The hon. Member for Kingston and Surbiton (Mr. Davey) intervened on my speech to ask how new clause 13 would enable the seller or agent to be certain of the identity of a person to whom a pack was given. The precise answer is that it would not. The position will remain as at present. If the seller is concerned, conditions can be attached, but our conviction is that most sellers will not be concerned. A propos the same new clause, the hon. Member for Poole (Mr. Syms) asked what the charge for a copy of the pack covers, and the answer is, the cost of the copy and the documents requested.

4.30 pm

My hon. Friend the Member for Stafford (Mr. Kidney)—also known as my guru—spoke eloquently on this subject. I suspect that we shall hear from him again, and those of us who are early-morning listeners to Radio 4 heard him before 7 o'clock this morning.

I want to deal with those amendments that would introduce a voluntary home information pack system, rather than the compulsory system that is proposed. I must resist them. As I have said repeatedly, a voluntary HIP system would essentially continue the shambolic mess that we have at present. It would allow sellers to avoid the duties by ensuring that the marketing material made it clear that the property was being sold without a pack. Going down that road would lead us to the worst of all worlds.

HIPs need to be compulsory to ensure that everyone benefits from them. We are in no doubt about that: voluntary arrangements simply would not work. It is inevitable that, given the choice, some sellers—perhaps a measurable proportion—would choose to market their homes without an HIP. They might do that in an attempt to avoid costs, or in the hope that they might avoid having to disclose information, for example about a problem with the condition of the property that an HIP would identify. That would be unfair to buyers who had provided a pack for their own sale.

More harmfully, the amendments would result in an unsatisfactory two-track process, in which sales without packs would slow down connected sales with packs. In a chain, that would cancel out the very benefits that the Bill seeks to achieve. We would end up with a system that fostered waste, uncertainty and delay—the very opposite of the Government's intentions. There is no scope for relaxing the mandatory nature of the duties if we want to improve the efficiency of the housing market and protect the interests of all home buyers and sellers.

I turn to new clause 32, moved—also very eloquently—by my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts). He got in very early with the joke about politicians versus estate agents that will have been in the front of hon. Members' minds when considering this matter.

Mr. Clifton-Brown: Will the Minister give way?

Keith Hill: No. I will not give way to the hon. Gentleman because, in due course and as rapidly as possible, I want to deal with a point that he raised in the debate.

The licensing of estate agents is, quite rightly, of considerable interest. This debate is very timely, following the recent report from the Office of Fair Trading, to which my hon. Friend the Member for Sheffield, Attercliffe alluded, and the even more recent publications by *Which?* and the Royal Institution of Chartered Surveyors.

The issues debated today in relation to new clause 32 will be of even greater significance when HIPs are introduced, as many hon. Members observed. Estate agents will have a pivotal role in delivering HIPs to their seller clients and to the home-buying public. HIPs will cover a range of documents and information that are currently outside the marketing role that agents perform. That means that estate agents will need to be more professional and have a better knowledge and understanding of all aspects of the process of buying and selling homes. It is essential to the smooth and successful introduction of HIPs that estate agents rise to this challenge, as the RICS and the National Association of Estate Agents recognise.

I therefore sympathise with the intentions behind new clause 32, but hope that my hon. Friend the Member for Sheffield, Attercliffe will appreciate that I am unable to accept it.

The OFT has published a market study report on estate agents that includes recommendations about the future regulation of the industry. My right hon. Friend

[Keith Hill]

the Secretary of State for Trade and Industry is considering the report's recommendations and aims to publish a response within 90 days. Ministers and officials at the Department of Trade and Industry are meeting estate agents' representative groups, consumer groups and other interested parties to help inform the Government response. I assure my hon. Friend the Member for Sheffield, Attercliffe that my Department is very much involved with this process. I hope that he will be prepared to await the Government's response to the OFT report. In the light of that, I invite him to withdraw his new clause.

Amendment No. 114 was referred to by the hon. Members for Ceredigion (Mr. Thomas) and for Kingston and Surbiton, and by my hon. Friend the Member for Sheffield, Attercliffe. The hon. Member for Cotswold (Mr. Clifton-Brown) said that it was the most crucial amendment of the lot.

It would specify that a home inspector's indemnity insurance is "adequate and appropriate". The certification scheme will determine a suitable level of cover. The criteria against which the Secretary of State will approve the certification scheme, or schemes, will ensure that that issue will be properly addressed, taking into account the prevailing conditions at the time.

Clause 14(5) provides that the Secretary of State cannot approve a certification scheme unless the members of the scheme have in force suitable indemnity insurance. The amendment in question would substitute "adequate and appropriate" for "suitable". It goes without saying that the Secretary of State would not approve a scheme if the insurance provisions were not "adequate and appropriate". It is not necessary to spell that out in the Bill.

Amendment No. 115, tabled by the hon. Member for Kingston and Surbiton, would specify in the Bill that sellers, buyers and lenders can bring proceedings in respect of a home condition report on which they had relied. That is unnecessary, as those rights will be provided for. Clause 143(8) clearly signposts that intention. In relation to prescribed documents, that clause enables the Secretary of State to impose a requirement that three specified categories of person be able to enforce the terms of the contract under which the document is prepared. That is intended to ensure that buyers and lenders, as well as sellers, can rely on the contents of the pack, including the home condition report.

It being three and three quarter hours after the commencement of proceedings on the programme motion, MADAM DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [this day].*

Question agreed to.

Clause read a Second time, and added to the Bill.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

Clause 137

DUTY TO HAVE A HOME INFORMATION PACK

Amendment proposed: No. 88, in page 94, line 21, leave out from beginning to "have" and insert—

"As a matter of voluntary discretion, a person may"—*[Mr. Syms.]*

Question put, That the amendment be made:—

The House divided: Ayes 177, Noes 290.

Division No. 166] **[4:36 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burnett, John
Burns, Simon
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Doughty, Sue
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Fox, Dr. Liam
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Maples, John
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew

Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Sanders, Adrian
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Ayes:
Mr. David Ruffley and
Mr. Geoffrey Clifton-Brown

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Battle, John
Beard, Nigel
Bell, Sir Stuart
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoon, rh Geoffrey
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Kelly, Ruth *(Bolton W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morris, rh Estelle
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Owen, Albert
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*

Ruane, Chris
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Taylor, rh Ann *(Dewsbury)*
Taylor, Dan *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Twigg, Stephen *(Enfield)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*

Tellers for the Noes:
Mr. Fraser Kemp and Derek Twigg

Question accordingly negatived.

Clause 136

APPLICATION OF SECTIONS 137 TO 139

Amendments made: No. 81, in page 94, line 17, at end insert 'until his responsibility ceases'.

No. 82, in page 94, line 18, leave out subsection (2) and insert—

'(2) Each of those duties is subject to any exception relating to that duty which is provided for in those sections.

(3) The duty under section 138(1) is also subject to any condition imposed under section (Section 138: imposition of conditions).'—*[Paul Clark.]*

Clause 138

DUTY TO PROVIDE COPY OF HOME INFORMATION PACK ON REQUEST

Amendments made: No. 83, in page 94, line 39, leave out 'request is made' and insert 'document is provided'.

No. 84, in page 95, line 5, leave out 'when the request is made' and insert

'before the end of the permitted period'.

No. 85, in page 95, line 28, leave out from 'document' to end of line 33 and insert—

'(8) The permitted period for the purposes of this section is (subject to section (Section 138: imposition of conditions)(5)) the period of 14 days beginning with the day on which the request is made.

(8A) If the responsible person ceases to be responsible for marketing the property before the end of the permitted period (whether because the property has been taken off the market or sold or for any other reason), he ceases to be under any duty to comply with the request.'.—*[Paul Clark.]*

Clause 150

RESTRICTIONS ON DISCLOSURE OR USE OF HOME INFORMATION PACK

Amendment made: No. 86, in page 101, line 12, leave out Clause 150.—*[Paul Clark.]*

Clause 154

INTERPRETATION OF PART 5

Amendments made: No. 44, in page 103, line 4, after 'regarded' insert

'for the purposes of this Part'.

No. 45, in page 103, line 8, after 'is' insert 'only'.

No. 46, in page 103, line 9, leave out '(and only if)'.—*[Paul Clark.]*

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Madam Deputy Speaker. Earlier, in points of order, the Foreign Secretary promised further to clarify his remarks about Sir Jeremy Greenstock not receiving the Red Cross report. Yesterday, of course, the Defence Secretary said that he had done so. The Foreign Secretary said that he would come to the House at either 4 o'clock or 7 o'clock to do so. Have you had any firm indication that he will definitely come here at 7 o'clock to make an oral statement clarifying those remarks?

Madam Deputy Speaker: I am aware of the right hon. Gentleman's comments, but I am not aware, and have had no message, that a Minister will come to the House. I am sure, however, that the hon. Gentleman appreciates that that is not strictly a point of order for the Chair but a matter for Ministers to decide.

New Clause 8

EXCEPTIONS TO THE RIGHT TO BUY: DETERMINATION WHETHER EXCEPTION FOR DWELLING-HOUSE SUITABLE FOR ELDERLY PERSONS APPLIES

'(1) In Schedule 5 to the Housing Act 1985 (c.68) (exceptions to the right to buy) paragraph 11 (single dwelling-house particularly suitable for elderly persons) is amended as follows.

(2) In sub-paragraph (4) (questions arising under paragraph 11 to be determined by the Secretary of State), for "the Secretary of State" (in both places) substitute "the appropriate tribunal or authority".

(3) After sub-paragraph (5) insert—

"(5A) In this paragraph "the appropriate tribunal or authority" means—

(a) in relation to England, a residential property tribunal; and

(b) in relation to Wales, the Secretary of State.

(5B) Section 191 of the Housing Act 2004 (appeals to Lands Tribunal) does not apply to any decision of a residential property tribunal under this paragraph."

(4) Subsections (5) and (6) apply to any application under paragraph 11(4) in respect of a dwelling-house in England which—

(a) has been made to the Secretary of State before the day on which this section comes into force, and

(b) has not been determined by him before that day.

(5) If the application was made more than 28 days before that day, it is to be determined by the Secretary of State as if the amendments made by this section had not come into force.

(6) Otherwise—

(a) the application is to be determined by a residential property tribunal, and

(b) the Secretary of State must make all such arrangements as he considers necessary for the purpose of, or in connection with, enabling it to be so determined.'.—*[Yvette Cooper.]*

Brought up, and read the First time.

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: Government new clause 9—*Right to buy: claim terminated by demolition notice.*

Government new clause 10—*Landlord's notice to complete.*

Government new clause 11—*Right to buy: suspension by court order.*

Government new clause 12—*Right of assured tenant to acquire dwelling not affected by collective enfranchisement.*

New clause 18—*Market Plan for right to buy sales*—

'(1) To monitor sales resulting from right to buy, local authorities will be required to formulate and publish publicly a yearly marketing plan for right to buy sales.

(2) The marketing plan will include:

(a) figures on the number of properties sold through the right to buy scheme in the last 12 months;

(b) a target figure for the number of properties to be sold through the right to buy scheme in the coming 12 months;

(c) plans for how to achieve (b).'.

Government amendments Nos. 70 and 71.

Amendment No. 116, in page 106, line 18, leave out '18', and insert '36'.

Amendment No. 117, in page 106, line 21, leave out '18', and insert '36'.

Amendment No. 94, in page 108, line 12, at end insert—

'16 The Right to Buy does not apply in a rural area if the area has been exempted by regulations made by the Secretary of State.'.

Government amendments Nos. 72 to 74 and 26.

Yvette Cooper: I shall confine my remarks to the Government amendments and new clauses.

Paragraph 11 of schedule 5 to the Housing Act 1985 provides that a landlord may deny tenants the right to buy if the home is particularly suitable for occupation by elderly people. It also provides that tenants may appeal to the Secretary of State if they are denied the right to buy on those grounds. The number of such appeals has risen in recent years to more than 400 in 2003, with 20 to 25 per cent. being successful, enabling the tenants to buy their homes, usually because all the relevant factors have not been taken into account or because local circumstances have changed. To help landlords and tenants, we will shortly consult stakeholders on ways of clarifying and improving the guidance issued in 1993.

New clause 8 transfers the jurisdiction for determining appeals of this kind by tenants living in England from the Secretary of State to a residential property tribunal. That will make no substantive difference to the determination of appeals. We do not propose to change the statutory rules in paragraph 11 that determine whether a property is particularly suitable for occupation by elderly persons. Determinations by a residential property tribunal will be subject to judicial review, as are those of the Secretary of State at present. That will have the benefit of making the process more transparent and bringing together housing and related appeals and determinations under a single jurisdiction, and will over time afford opportunities for greater efficiency. The National Assembly for Wales will assess the position there independently.

On Government new clause 9 and Government amendment No. 71, there has been concern in local communities and in the House about people speculating on regeneration and demolition projects and exercising the right to buy purely to make a profit out of compulsory purchase orders, increasing the cost of regeneration and demolition schemes and also threatening their viability. Clause 158 adds to the exceptions that apply to the right to buy under schedule 5 of the Housing Act 1985 the provision that the right to buy "does not arise" where a demolition notice is in force stating that the landlord intends to demolish the property during the next 18 months. That means that no new claim for the right to buy can be made in relation to such properties. The aim is to address an existing loophole.

It has been suggested that, as worded, the clause could fail in its effect, because an advertisement placed by a landlord to the effect that he intended to demolish a building could persuade a tenant to apply for the right to buy before any demolition notice had been served. The wording in clause 158 does not make it sufficiently clear that existing claims as well as future claims should be covered. We do not want to create a mad race between people trying to get in a right to buy application and the serving of a demolition notice just to address the loophole. New clause 9 therefore makes it clear that a demolition notice properly served in accordance with the requirements of clause 158 will bring to an end any outstanding right to buy application in respect of the property in question.

We recognise that tenants may have put in right-to-buy applications at a much earlier stage in good faith, believing that they would proceed, and may incur fees and professional costs and expenses. The new clause therefore also provides for compensation to be paid in respect of any such expenditure that has been reasonably incurred in respect of a right-to-buy claim established before a demolition notice comes into force. Amendment No. 71 amends clause 158 so that a demolition notice will have to explain the right to compensation and how it may be exercised.

Government new clause 10 tackles another form of exploitation of the right to buy rules by companies and tenants. Under the Housing Act 1985, landlords may impose a timetable on tenants who are perceived to be

[Yvette Cooper]

delaying the purchase of their homes under the right-to-buy scheme. A landlord may serve a first notice to complete under section 140 of the Act, and then a second notice to complete and subsequent requirements. If the tenant does not comply with these notices, the right-to-buy application is deemed to have been withdrawn, but only after a minimum of 16 months can any sanction be imposed upon the tenant. If there are other matters outstanding—perhaps a dispute about the value of the property—it can be delayed further.

That can mean that, in a rising property market, the longer a tenant waits, the less he will pay for the property in real terms. The opposite, however, is true for the landlord, who has to sell the property at a price that is increasingly lower than its market value at the time of completion, and has to incur the expense of chasing a tenant who is delaying matters deliberately. In exceptional cases, that has allowed tenants, by reselling quickly, to make a substantial profit even after repaying some or all of their right-to-buy discount. By contrast, section 153A of the Housing Act 1985 allows a tenant to take action against a slow landlord much more swiftly. Tenants have at least 16 months to complete their purchase, while landlords face a financial penalty if they delay the process for more than one month. The new clause attempts to shift the balance so that, instead of having to wait for at least 12 months, a landlord can serve a first notice to complete after three months, if they wish. It still gives the tenant more time than the landlord, it brings the total time in line with the private sector and it addresses a loophole that people have exploited.

5 pm

Government new clause 11 gives the landlord of secure tenants a further weapon by which to tackle antisocial behaviour. In some instances, the right-to-buy scheme gives tenants who behave antisocially a means of escaping the consequences of their behaviour by purchasing their home. In such cases, the landlord cannot use the same measures over the tenant and the property, which is clearly an unintended consequence.

New clause 11 enables landlords of secure tenants to seek an order suspending the right to buy for a specified period in respect of the tenancy on the ground of antisocial behaviour. The court may grant a suspension order only if it is satisfied that the tenant or a person residing in or visiting the property has engaged in, or threatened to engage in, antisocial behaviour, and that it is reasonable to make the order. A suspension order will end any existing applications and prevent any new applications from being made during the period specified by the court, but it will not impact on the accumulation of discount.

Government amendments Nos. 72 and 73 further strengthen the measures to combat antisocial behaviour by allowing landlords not to complete a right-to-buy claim if an order to suspend it is pending. Government amendment No. 74 contains a provision similar to that in clause 167 that allows right-to-buy tenants to apply for the right to acquire or the preserved right to buy, which means that their landlords can also access the information that they require to carry out their functions under clause 166.

Government new clause 12 seeks to remedy an unintended consequence of leasehold legislation that has only just come to light. Under the Leasehold Reform, Housing and Urban Development Act 1993, qualifying tenants of flats were given rights to purchase the freehold collectively, with a mandatory leaseback to the housing association of remaining rented flats. The unintended consequence is that RSL assured tenants stand to lose their statutory right to acquire their rented home if others in a block of flats have exercised their right to enfranchisement. So far, no cases in which a tenant has lost their right to acquire their rented property have come to our attention, but the Housing Corporation notified us about the problem, and, because the change is recent and we anticipate future cases, we think it right to act now.

Mr. Clifton-Brown: New clauses 8 to 10 restrict a person's right to buy. What steps will be taken to notify people who fall within those new clauses that their rights are being restricted? The matter is clearly complicated, and, as with other legislation on the Rent Acts, I hope that any notice sent to tenants will include a bold warning stating that their rights are being restricted and that if they have any doubts about the meaning of the notice they should consult a citizens advice bureau.

Yvette Cooper: New clause 8 does not restrict the right to buy. The provisions in new clause 9 refer to demolition notices, which must explain the right to compensation. They require that accurate information be given to tenants and I reassure the hon. Gentleman that we expect appropriate information to be given to tenants in all such cases. At a later stage, I will be happy further to discuss with him exactly what kinds of information will be available for tenants under each of those clauses. As he rightly says, the matter is complex because each new clause has a different objective, and some of them—for example, new clause 12—protect the right to acquire or the right to buy.

Mr. Simon Thomas: The new clauses that relate to antisocial behaviour and the right to buy are obviously crucial to the Government's antisocial behaviour strategies. In light of the Westminster council homes scandal, can the Minister assure us that the safeguards will be sufficient to prevent disreputable local authorities from socially engineering the tenants who buy properties in particular areas? In that regard, what sort of evidence would be needed to suspend the right to buy in a court case—is it a matter of civil proof or of criminal proof?

Yvette Cooper: The hon. Gentleman is right to say that we need to prevent terrible behaviour of the kind that took place in Westminster. We are trying to safeguard the rights of local communities who are struggling with antisocial behaviour. Under the new clause, landlords will need to seek an order to suspend on the ground of antisocial behaviour, for a specified period, the right to buy in respect of the tenancy. The landlord will not be able to do that arbitrarily, but will need to go to court and the court will grant a suspension order only if it is satisfied that antisocial or threatening behaviour is taking place and that the request is reasonable. The court will need to take a series of factors

into account, including whether it is desirable for the property to be managed by the landlord during the suspension period.

Some of the other amendments are about suspending the right to buy, or allowing landlords not to complete the right to buy, if other antisocial behaviour measures are already being pursued. Through the new clause, we are trying to ensure that the right to buy does not become a get-out clause that allows antisocial tenants to subvert the other measures that have been introduced to tackle antisocial behaviour. By stipulating that the decision is for the courts, not for local authorities, we have taken care to ensure that, in situations where, in effect, a tenant's property rights are at stake, a fair process is gone through in achieving our aim of dealing with antisocial behaviour.

Jim Knight (South Dorset) (Lab): May I press my hon. Friend on the question that the hon. Member for Ceredigion (Mr. Thomas) asked about the burden of proof in such cases? Although I strongly support the idea that people who are given the right to buy must be responsible tenants and that we should suspend that right if they are being irresponsible through antisocial behaviour, I also believe that the burden of proof should be the same as it is for antisocial behaviour orders—that is, civil, not criminal.

Yvette Cooper: I can assure my hon. Friend that in such circumstances the right to buy will be suspended only for a specified period. We are not trying arbitrarily to impose an unfair penalty, but to give local authorities more tools to deal with antisocial behaviour. The new clause is very much in line with our approach towards antisocial behaviour throughout the Bill, which is to say that we need to give landlords more opportunities to address the problem while ensuring that people's rights are properly protected, that they get a fair hearing and that they are treated reasonably in the circumstances. That is why the role of the court is an important safeguard.

I turn to amendment No. 70. Under section 119 of the Housing Act 1985, a secure tenant does not qualify for the right to buy until they have spent two years as a public sector tenant. Clause 157 extends that qualifying period to five years. It has been suggested that that will disadvantage tenants who take up a new social tenancy, whether it be a secure tenancy or an assured tenancy—for example, when they move from one social housing property to another. We do not intend to penalise existing social tenants who take up new social tenancies by making them wait longer for the right to buy. This minor and technical amendment is designed to avoid such a situation arising and to ensure that tenancies that began before the day on which clause 157 comes into effect will still be subject to the present two-year qualifying period.

I ask the House to support the Government new clauses and amendments.

Mr. Hayes: We now move to the part of the Bill that deals with the right to buy, a subject that was aired in Committee and which, appropriately, we want to say a few words about today. I particularly want to speak to new clause 18, which is intended to provide a shot in the arm for the important principle of the right to buy. The whole House will be familiar with the famous words of Benjamin Disraeli, when he said that the Conservative party was

> "only in its proper position when it represents popular principles. Then it is truly irresistible... It necessarily depends upon enlarged sympathies and noble aspirations".

There can be no more noble an aspiration than the desire to own one's home and the right to buy has played an important part in the fulfilment of that aspiration since it was introduced.

In preparing for this debate, I glanced at the figures for right-to-buy sales since 1980, and I was delighted to learn that around 1.6 million properties have been sold under the scheme. None of that would have taken place without the energy and commitment of the Conservative Government who introduced that important legislation.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab) *rose—*

Mr. Hayes: I will give way to the hon. Lady in a moment, but before I do, perhaps I should say that, although she might be a noble exception, most of those on the Labour Benches are typically either reluctant converts to the cause of the right to buy, or nakedly hostile to it. Perhaps she will tell me which she is.

Ms Buck: I was prompted by the hon. Gentleman's statement that there is no nobler aim than that of encouraging home ownership. Will he perhaps revise that opinion and say that we should instead aspire to ensuring a decent home for all? His party's policy comes into conflict with that more noble objective in that it has never addressed the fact that the right to buy can and does conflict with the objective of providing homes for all, in high-demand areas. Will he say something about the unmet housing needs that have been created in part by the pressure from the right to buy?

Mr. Hayes: Home ownership is a noble aspiration not simply because it is a matter of acquiring a piece of property. The home is evocative of security, warmth, certainty and stability. It is the place to which we all return at the end of the day, so one should not be dismissive of the aspiration to own a home. However, the hon. Lady makes a good point when she says that it is important to have a decent social housing stock. That is why I know that she will join me in condemning this Government for their appalling record on social house building. This Government have built only about half the number of social houses that the last Conservative Government built.

The hon. Lady is also right to say that the measures in the Bill do little to address either my concerns about the pace of the right to buy or her more fundamental concerns about the principle itself. She is right that we need a balanced housing programme and that every Briton deserves the right to live in a warm, secure, stable home that is fit for its purpose and part of a strong and

[Mr. Hayes]

sustainable community. I agree with her entirely on that, but I do not believe that such aspirations are incompatible with the right-to-buy policy.

Mr. Andrew Love (Edmonton) (Lab/Co-op) *rose—*

Jim Knight *rose—*

Mr. Hayes: I will give way, although I do not want to be diverted down a path that you will not let me follow, Mr. Deputy Speaker. However, I am trying, as ever, to be generous to Labour Members.

Mr. Love: The hon. Gentleman did not actually answer the question put to him by my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck). Let me ask him a much simpler one: is it still the Opposition's policy to extend the right to buy to the registered social landlord sector, and what implications does he think that that would have for affordable accommodation?

5.15 pm

Mr. Hayes: I tell the hon. Member for Edmonton (Mr. Love) unequivocally that it is our intention to maintain the policy. There has been no party policy change on the right to buy, but it is important to consider other ways in which to provide high quality social housing. It is also important to create a more fluid system, whereby people move more easily from rented to market housing. One of the problems with the right to buy is that many long-standing council tenants become the long-standing owners of the properties that they purchase and do not move to market housing. That has diminished local authorities' housing stock. That was a fair point, which both the hon. Gentleman and the hon. Member for Regent's Park and Kensington, North (Ms Buck) made.

It is not beyond the wit of man to create an environment where people can aspire to ownership and in which a more fluid market can exist. The hon. Gentleman will know about the possibility of transferable discounts, which the previous Government introduced and the current Government maintain. They allow people to fulfil their aspiration to become home owners and lead to a more fluid market. We are disappointed that the Bill gives that no shot in the arm.

From memory, there were approximately 897 cases of people taking up the opportunity through a transferable discount to move from a rented to a market house in 2002. That is a miserable figure when compared with the total number of people who aspire to own their homes. Seventy per cent. currently own their homes and more than 80 per cent. would like to do so. Any responsible Government or party has a duty to ensure that those people have a realistic prospect of achieving that aspiration. Because the hon. Member for Edmonton is a caring and decent man, I know that he would agree with that. On that happy note, I give way to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown).

Mr. Clifton-Brown: Will my hon. Friend explain to Labour Members who are so hostile to the right to buy why their Government preside over the highest number of homeless people in the history of this country?

Mr. Hayes: I do not want to labour the point about the Government's failure in social house building. I have mentioned it twice already and this is the third occasion. To refer to it four times would be excessive. The Minister, the Under-Secretary and the whole Front-Bench team bear the burden heavily. It must be engraved on their hearts that, as homelessness increases, their record on social house building worsens. We should move on swiftly to avoid causing any further embarrassment to Government Front-Benchers.

Jim Knight: I know that the hon. Gentleman has visited my constituency, because he wrote and told me about it when he was a spokesman on agriculture. He may remember from that visit that there is an acute shortage of affordable housing in my area, largely created by the right to buy and the inability to find anywhere in our beautiful natural environment to build any more housing. Is not the effect of the right-to-buy policy on our rural areas, where families are moving out and schools and post offices are closing, written on his heart? Schools and post offices cannot be sustained because of the lack of social and affordable housing that the Conservative party created.

Mr. Hayes: It is flattering that the hon. Gentleman remembers my visit to his constituency. I, too, remember it and I can tell him that the farmers whom I met were complimentary about him, as I was. I advised them not to vote for him and they said that, although they liked him, they did not like him enough to do that. However, they highlighted some of the challenges that faced the area. I know that he feels deeply about the availability of social housing in rural communities. So do I, given the sort of seat that I represent.

The hon. Gentleman knows that the right to buy is not available to people in small rural communities. He will also know that any Government need to have a policy that is targeted at the problem that he highlights. I hope that that applies to this Government but it certainly applies to the next Conservative Government. If one builds houses for renting or affordable market houses and simply sucks people in from outside the community rather than providing houses for people who need to work or have families there, one does not solve the problem.

Squaring that will be a challenge for the Opposition when we are in government. I am acutely aware of that. One method, to which I believe that the hon. Gentleman will be sympathetic, is the exceptions policy. I believe that it is under threat; perhaps the Minister will give us

an assurance today that it is not. I do not want that avenue to be removed from the communities that the hon. Gentleman described.

Matthew Green *rose—*

Mr. Hayes: I want to get back on stream, but it would be discourteous not to give way to a representative of the minor party before doing so.

Matthew Green: The hon. Gentleman says that the right to buy does not apply in rural areas, but he is becoming confused. When the right hon. Member for Skipton and Ripon (Mr. Curry) was a Minister, he got an exemption for the right to acquire, which is a slightly different right that is not used anything like as often as the right to buy. The right to buy still applies in rural areas. It has decimated the stock in my area just like any other.

Mr. Hayes: The hon. Gentleman will no doubt be looking carefully at the policies that we intend to introduce, which will assist areas such as his in the provision of high-quality social housing and, indeed, affordable market housing. When we do so, I know that he, in the spirit in which he always greets such things, will support us in his constituency and, I hope, elsewhere.

Back to the Bill, Mr. Deputy Speaker. You have been, if I may say so, characteristically generous in allowing a slightly broader discussion than I had perhaps originally intended. However, I wanted to be generous to Labour Members and I hope that we have been able to explore some issues of principle. Out of that has come living proof of my suggestion that Labour Members are reluctant converts to the right to buy. People who have exercised, or who hope to exercise, that right will have listened to the tone of their remarks very carefully. I do not want to be more critical than that, and I shall move on to our new clause.

There is a problem with the right to buy: although it has been a great success, there has been some tailing-off of uptake. That is a problem, as one wants everyone with the aspiration that I described to see it fulfilled. Another is abuse. In Committee, I made it clear that we have no truck with abuse of the right to buy, and it is indeed right and proper that measures be introduced to deal with it. It is not appropriate for a noble aspiration, as I described it, to be turned into a way of abusing the system for people who are behaving unscrupulously.

The Government have properly recognised that and introduced changes, some of which we welcome. However, consistent with the spirit and intention of the original right to buy legislation, it is important that we simultaneously put proper demands on local authorities that may not be carrying out their proper obligations in respect of the right to buy as enthusiastically as they might.

It is clear from a study of local authorities across the country that some drive the right to buy with enthusiasm while others are reticent in encouraging people to take it up. That can involve the speed with which they deal with inquiries, how they market their local policy and how they value their properties. The Minister will know that a study commissioned by the Office of the Deputy Prime Minister found that, in more than a third of appeals against the price of a property valued by the council in the case of a right-to-buy application, the price tag was cut by more than 10 per cent. Indeed, more than three quarters of tenants who purchased from their council under the right-to-buy scheme secured a price reduction.

There is a real problem with pricing not being accurate and that possibly being a disincentive to people who do not appeal. There will be people who see the price and think, "I can't afford that." They will turn back at that stage while those who appeal clearly get a positive result in the vast majority of cases. There is a problem with the right to buy and our new clause seeks to deal with it by proposing that local authorities

"be required to formulate and publish publicly a yearly marketing plan for right to buy sales."

The plan would include targets on the number of properties that the authority planned to sell and how many it had sold, as well as how it would achieve that target. That seems to me a sensible, constructive and measured way to encourage local authorities to think creatively about how to deal with the right to buy. Few local authorities would think that it could not be taken on board at small cost. It would not be a massive exercise, because good local authorities are doing much of that job anyway.

Dr. Alan Whitehead (Southampton, Test) (Lab): I am following the hon. Gentleman's argument carefully. Would not such a plan interfere with the market?

Hon. Members: Yes.

Mr. Hayes: I did not turn a deaf ear to the question. I did not hear it clearly. The truth of the matter, as the hon. Gentleman knows, is that the market is not perfect. [HON. MEMBERS: "Oh."] Let me explain, for the benefit of those Members who are under the illusion that Tories believe that the market is ever right, that that has nothing to do with authentic Tory philosophy. The Tory party, throughout its history, has understood that there needs to be a proper balance between the intervention of government and other agencies and the free market. That is not a revelation. It is the view that has inspired the party of Disraeli, Shaftesbury and Wilberforce—*[Laughter.]*

The hon. Member for Leeds, West (Mr. Battle) is laughing. He will know that most of the 19th-century reforms were introduced and completed by Conservative Administrations against fierce opposition from the Liberal party. In the 20th century, too, Conservative Administrations introduced many measures, including the right to buy, which aided social mobility and extended opportunity to people who would otherwise not have been able to enjoy it and recognised that government must sometimes stimulate, encourage and temper the market. There is nothing odd about that.

Indeed, one might even argue—I know that there is a certain hostility from some on the Labour Benches towards their Front Bench—that it is not the Tory party but the current leadership of the Labour party that has

[Mr. Hayes]

been seduced by the glitz and glamour of power and money. The hon. Gentleman should not therefore be so dismissive of the record—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman has already thanked me for my generosity. May I tell him that it is not limitless?

Mr. Hayes: I wondered at what point your generosity, Mr. Deputy Speaker, might begin to come to an end. We have now reached that important point.

The intention of the new clause is to assist local authorities in the pursuit of a proper purpose. The Government have properly introduced a series of measures in Committee and today aim to curb the abuses of right to buy, with which we have no problem. In that spirit, I hope that they will support the new clause and so provide the balance that is absolutely necessary if the great success of the right to buy is to continue into the future.

Mr. David Drew (Stroud) (Lab/Co-op): I want to speak to amendment No. 94, which I tabled, and to make some points as an antidote to the contribution of the hon. Gentleman who has just spoken.

I was a member of a Labour authority in the early 1980s that pre-empted the Conservative party in terms of the right to buy. The one difference was that for every council house that was sold, we built another one to replace it. That must be the only way in which a sensible right to buy can ever be afforded.

We have had a useful debate already in terms of the implications of the right to buy. In Committee, an attempt was made to consider further exemption on the right to buy where there were rural populations of less than 3,000. I make no apology for reintroducing that issue, because the Government must recognise that the problem of housing is not just an urban one but very much a rural one.

5.30 pm

Over the last five years alone, we have sold off some 40,000 council properties. That has happened at a cost. Yes, the right to buy is about giving the individual choice and the opportunity to buy the home in which he or she lives, but we also know of the damage done to others whom it prevents from living in rural areas. It is pleasing that amendment No. 94, which has been floating around for some time, is supported by both the Local Government Association and Shelter. They feel strongly that something must be done about the growing problem of not just homelessness but lack of accessibility. Our rural communities are being socially cleansed, in the sense that people on lower incomes can no longer afford to live in those areas.

Ms Buck: Does my hon. Friend agree that the hon. Member for South Holland and The Deepings (Mr. Hayes) was wrong in his analysis of the problems connected with the right to buy? My hon. Friend is right about what is happening in rural areas, and indeed in urban areas such as mine. When properties have been sold and then sold on, those in a position to buy them are in a different category in terms of purchasing power and housing need. That leaves a much larger pool of people in true housing need. Properties in my constituency that were originally sold under the right to buy are now being sold for £350,000, and are thus completely beyond the reach of people who need affordable homes.

Mr. Drew: I agree, and the problems affecting London also affect the more expensive parts of the south. On-selling often moves properties completely out of the affordable housing bracket—properties that have already been moved out of the social housing bracket.

The amendment happens to chime with a recommendation in the report produced by the rural group of Labour Members, which I am proud to chair. The report, which was well received by the Front Bench, made a number of suggestions that I feel should be pursued. We said, for instance,

> "The right to buy from councils or RSLs should not be available to tenants in settlements of below 3,000. They concede that this 'may cause difficulties for those who already have this right', but argue that, 'as people realise the effect of the right to buy on their own families, they will understand why it may be withdrawn'."

We were quite cheered by the thought that, as the Government recognised, there were places in which—on a purely local, discretionary basis—the right to buy had reached its natural conclusion. Surprisingly, however, few of the 26 areas that were given an opportunity to consider how they might restrict the right were deemed to be rural. We want to extend the recognition that we now live in very different times.

As I have said, there is one thing worse than the removal of people's ability to buy their existing homes: the fact that they are no longer able to live in many rural areas. This is all about priorities, and about ensuring that we have a mixed rural population. That population is already under great strain in the south, and unless we do something dramatic the situation will worsen.

There are alternatives, and the Government are considering them. One option is Homebuy; another is the system of community land trusts, which I favour. We will be creative, and we will be innovative. The simple fact, however, is that such schemes take time to bring about, whereas the crisis is real and happening now. I hope that my hon. Friends on the Front Bench will consider carefully what we are suggesting. We are not saying that the right to buy should go; we in rural areas are not unreconstructed Stalinists, we are just people who deal with our constituents.

The issue is no longer one on which the Labour party stands in isolation. I gather that the Liberal Democrats moved an amendment on this point in Committee, and there are many Conservatives who are now beginning to consider a similar position because of the way in which we have seen our communities change as a result of the right to buy—and in this case, change for the worse. I should make it very clear that this is a matter that should be left, with the support of the ministerial team, to local discretion. If local authorities feel that the right to buy has a rightful place in their housing policy, then let it continue, but if they have seen the problems of right to buy and feel strongly about them, it is only right and proper that they should be included in the group of 26 existing areas where the right to buy is further restricted.

I hope that Ministers are listening and that this debate will be continued not only here but in the other place when the Bill is considered there. The issue will not go away, and I make no apology for raising it. It is crucial. Anyone who knows anything about rural Britain at the moment knows that when Labour came to power, the No. 1 issue, without any doubt, was transport. Now that that issue has been addressed—not completely, but there are some improvements in transport—it has been overtaken, unfortunately, by housing. Anyone who does any research, or talks to lower-income constituents, will without doubt identify housing as the highest priority. I hope that Ministers take note, and that we can ensure that something is done on this vital issue.

Matthew Green: I shall attempt to be brief, because I know that we want to turn to other matters, but I cannot resist making a quick comment on the Conservatives' new clause 18, which is the "pile 'em high, sell 'em cheap" clause. It is an attempt to get councils to force through right-to-buy sales, and it is quite frankly barmy. Right to buy is right in some areas, but it works to the detriment of others. The hon. Member for Stroud (Mr. Drew) said that it should be left to local discretion, and that is exactly what should be done. No amendment has been tabled that makes that point, but it should really be up to a local authority to decide whether there should be any discount up to £36,000, in any area. That would solve many of the issues with which we are dealing.

I wish to speak to amendments Nos. 116 and 117. The Government have rightly acted to prevent people from using right to buy just before a regeneration scheme or demolition goes ahead, which they know is going to happen, so that they can receive compensation money. The Government are right to take that action, but they have specified a period of 18 months. My understanding, from talking to people who work on such schemes, is that the common lead-in time from the point at which a scheme is announced to the point at which it goes ahead is much nearer to three years. There is quite a lot of concern in the industry, for want of a better word—it is not really an industry—and from people who work in the field that an 18-month period is insufficient. We have suggested a period of 36 months, which would be the three years that those people have mentioned. I ask the Minister to look closely at that time period, because the professionals who work in the field say that it is insufficient and that there will be problems as a result. The action is absolutely right, but the Government need to consider the time frame.

I firmly endorse amendment No. 94, ably moved by the hon. Member for Stroud (Mr. Drew). Right to buy has decimated the housing stock in rural areas. In my constituency, it has caused tremendous problems of loss of social housing stock that cannot be easily replaced, and I commend the hon. Gentleman for tabling the amendment. I raised that point in Committee, and I hope that the Lords will look at it in detail and that the Government will act on it.

Perhaps the best route forward is to leave to local authority discretion whether or not there is a discount. That would be a simple way of dealing with the situation, rather than the current approach of central Government's deciding which are the deserving rural areas. The centre does not always know best; in fact, it rarely knows best. The matter should be left to local discretion. That is new localism, and it is in chime with what the Office of the Deputy Prime Minister is talking about.

I hope that the Government respond positively to the amendment tabled by the hon. Member for Stroud, and I also hope that they extend the time period relating to demolition notices to 36 months.

Several hon. Members *rose—*

Dr. Desmond Turner: I, too, will try to be brief, as I know that many other important new clauses follow mine. New clause 2 would give the Government enabling powers to bring in a national tenancy deposit scheme.

Hon. Members: New clause 2?

Mr. Deputy Speaker Order.

Dr. Turner: I am sorry, Mr. Deputy Speaker, I thought that we had finished the previous group of amendments.

Mr. Deputy Speaker: We are dealing with new clause 8 and the related new clauses and amendments on the selection list. I do not know what the hon. Gentleman has chosen to speak to, but that is what we are dealing with. I call Mr. Geoffrey Clifton-Brown.

Mr. Clifton-Brown: I think I know which group of amendments we are debating. The hon. Member for Brighton, Kemptown (Dr. Turner) was anticipating a debate that is to come, and he will doubtless want to speak in it.

I intervened on the Minister earlier in respect of new clause 8 in particular. It is an eminently sensible provision which determines that houses especially suitable for elderly people should be exempt from the right to buy. We can all think of types of housing—terraced housing, bungalows, small houses and so on—that are particularly suitable for elderly people, and which should remain as such. That is fine in theory, but I am not sure that new clause 8 adequately informs those who live in houses that may or may not be so designated about what is happening to their right to buy. The Minister needs to provide more of an explanation than she provided in answer to my intervention.

When a Government fetter people's rights and take them away, they have a duty to explain to those people in simple terms what is happening to them. As with other notices in housing legislation, the information that such people will receive through the post will be complex. They should be told in no uncertain terms, through a warning on the notice, that if they are in any doubt as to what the notice means, they should consult a citizens advice bureau.

My neighbour the hon. Member for Stroud (Mr. Drew) may have tabled his amendment No. 94 under a misapprehension. If he studies the law carefully, he will discover that under right-to-buy designation orders, it is currently within the Secretary of State's power to designate rural settlements of under 3,000 as exempt

[Mr. Clifton-Brown]

from the right to acquire. I accept that his amendment deals with the right to buy, and it may well be that right-to-buy legislation should be brought into line with that relating to the right to acquire. On thinking about it as I am speaking, the designation orders to which I referred do apply to the right to buy. Perhaps the Minister will clarify that point. As such, the hon. Gentleman's amendment is unnecessary.

In any case, it is worth putting on the record some misapprehensions about the right to buy. The average period of tenancy of all public housing in London is now 20 years and growing; in other parts of the country, it is at least 10 years and growing. The number of houses either in the council house or registered social landlord sector that become available is part of the housing problem. It is so important for the Government to build more affordable housing. If they want to solve the current acute homelessness and waiting list problems, the only way is to build more social housing.

The right to acquire has very little effect indeed, because it amounts to only a small proportion of our total built housing stock. If the Government—or, indeed, a future Conservative Government—were to amend the rules on right to buy so that the proceeds, instead of going to repay borrowing, were put back into building new social housing, much more money would be available to put back into the pool to build more social houses. That is what we should be doing.

5.45 pm

I applaud the Government new clauses, particularly the provisions to deal with the scam whereby people immediately want to buy their homes when a demolition order is put in place. That loophole needed to be closed and I applaud the Government for tackling that.

I do not, however, applaud the Government's provisions for reducing discount, particularly in London. It is now becoming very difficult indeed to acquire a house in London, even with the discount that the Government currently apply. People used to apply for a discount under the right to buy in order to put down a deposit on their mortgage. Because the price of London houses is now so high, it is very difficult for anyone to use the right-to-buy provisions accordingly.

I hope that Government Members will not adopt a prehistoric socialist opposition to right to buy. As my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) said in ably opening the debate, it is the noblest ambition of all for someone to want to buy their own house. *[Interruption.]* One of the few ways in which people living in public sector housing are able to get on to the housing ladder is through right to buy. As my hon. Friend also said, we should be considering not only right to buy, but a whole range of imaginative schemes to help people on to the housing ladder.

I commend the Government new clauses and hope that the Government will in turn consider new clause 18 as a means of helping to speed up right to buy, which seems such anathema to Government Members. After all, if people own their own homes, it takes away their need for housing in the public sector, thereby making places available for people on the waiting list or the homeless. The current position is precarious because of the number of homeless people. I believe that opposition to right to buy will not help to solve the problem.

Yvette Cooper: I should like to respond to the various points raised in relation to this group of new clauses and amendments. It may be an appropriate tribute to the 25th anniversary of Baroness Thatcher's arrival in Downing street that the hon. Member for South Holland and The Deepings (Mr. Hayes) has abandoned her reverence for the free market and commitment to it in all circumstances. If only his party leader had been more inclined to agree with him and rather less enthusiastic about revering her legacy, the Conservatives might be doing rather better right now.

Amendments Nos. 116 and 117 express concern about demolition and regeneration. I recognise concerns in that respect, which is why we have introduced new clauses to ensure that issuing a demolition notice puts an end to existing right-to-buy claims that have already been submitted. We chose to make demolition notices last for 18 months in order to strike a reasonable balance and to discourage the sort of exploitation that has been mentioned. We also want to encourage local authorities and others to get on with the job so that tenants are not unfairly denied the right to buy either because the schemes are unviable or the agencies too slow in the process. Three years can be a long time to get round to demolishing a property, and for tenants to be left in uncertainty and unable to exercise the right to buy. However, the Bill already provides for the 18-month life of a demolition notice to be extended by the Secretary of State, on application by the landlord. We recognise that there will be cases in which regeneration is phased, for example, or where particular schemes take some time. In some cases, a decision may be made to demolish a series of properties in a particular order, even though it may take some time to get round to the phase of demolition that is at stake.

There is therefore flexibility in the existing provision. We will consider the matter further, but we think that the 18-month period is probably right at this stage. In view of that, I hope that the hon. Member for Ludlow (Matthew Green) will not press amendments Nos. 116 and 117.

Amendment No. 94, in the name of my hon. Friend the Member for Stroud (Mr. Drew), would allow the Secretary of State to exempt rural areas entirely from the right to buy. Secure tenants in such an area would not have a right to buy as a result. We recognise that there are pressures on affordable housing in many rural areas, and my hon. Friend set out his concerns about his area very clearly, and made clear the need for affordable housing.

Mr. Hayes: Will the Minister confirm that there is no intention to change or abandon the exceptions policy?

Yvette Cooper: We have said that we intend to continue with that policy. I assume that the hon. Gentleman means the restrictions that apply to the seven national parks, and to the 37 areas of outstanding natural beauty.

Matthew Green: The exceptions policy is used in rural areas to allow affordable houses to be built outside building envelopes. It is currently being considered under one of the new planning policy statements. I should be delighted if the Minister would confirm that she is not about to end the exceptions policy.

Yvette Cooper: I shall clarify exactly what I mean. The Bill does not change the protection in place for the seven national parks, the 37 areas of outstanding natural beauty and the 30 areas designated as rural, for this purpose, by the Secretary of State. That covers about 40 per cent. of the land area of England. Under section 157 of the Housing Act 1985, landlords may place restrictions on the resale of homes sold under the right-to-buy scheme. Landlords can choose between requiring owners either to resell only to people who have lived or worked locally for three years or, if they prefer, to offer the property back to the former landlord.

Mr. Hayes: I want to be absolutely clear about this matter. The exceptions policy is the means by which small numbers of properties in rural communities have been built outside the building line. As the hon. Member for Ludlow (Matthew Green) said, it has proved very effective in developing houses in the sort of communities described by the hon. Member for Stroud (Mr. Drew). Will the Government stick with the policy, or are they going to abandon it?

Yvette Cooper: I hope that the hon. Gentleman will allow me to complete the point about landlords in the seven national parks, as I will then come to the point that he has just raised.

Clause 162 extends the right of first refusal to all other right-to-buy landlords, wherever they are. However, it explicitly retains the current system in the national parks and in areas of outstanding natural beauty and designated rural areas. Our intention is to continue with the present system.

The hon. Member for South Holland and The Deepings asked about the broader issue of the exceptions policy. Our position has been made clear: we are sympathetic to the policy, which we consider to be important. It is subject to continuing consultation, but we hope to include it as part of a more flexible system. We will say more about the matter in due course, as I am not in a position to do so at the moment. We are aiming to achieve a more flexible approach that addresses the conflicting needs and differing pressures that arise in connection with housing issues.

Mr. Drew: I do not want to get hung up on the difference between the exceptions policy and exemptions, but I hope that my hon. Friend will take it from me that the exceptions policy does not really have anything to do with the right to buy. There is a lot of evidence in rural areas that we have got all the land that we are going to get through the exceptions policy. We need to be much more creative, and much more dramatic, when it comes to dealing with the problems of rural homelessness.

Yvette Cooper: My hon. Friend is right, and I thank him for that clarification. My earlier lack of clarity stemmed in part from the fact that the exceptions policy has to do with planning, and is not directly related to the right to buy. As I have said, the Bill retains the existing approach to right to buy in the national parks and so on.

I want to deal with the points in connection with rural areas that arise from amendment No. 94. The Government do not believe that at this stage it would be appropriate to introduce complete bans on the right to buy in certain areas, as the amendment proposes. We need to strike a balance between respecting the aspirations of social tenants in rural areas to become home owners and the need to retain social housing for local people.

The House will know that we have reduced the maximum discounts available to tenants in certain areas. That has happened already in 41 areas of London and the south-east of England that are under the greatest housing pressure. In Committee, my right hon. Friend the Minister for Housing and Planning was asked whether maximum discounts might be an alternative approach in rural areas. He said that the Government recognised that housing pressures were driving up house prices in some rural areas. There is no intention of introducing across-the-board, blanket bans, and the Government are continuing to monitor the situation. I can therefore confirm that we will keep the question of maximum discounts under review.

We are also looking at further ways to increase the supply of affordable housing. We are seeking a more flexible approach that will ensure a fair balance for existing tenants and for people who will need affordable housing in the future. I therefore hope that my hon. Friend the Member for Stroud will seek to withdraw amendment No. 94.

Finally, I want to deal with matters arising in connection with new clause 18, moved by the hon. Member for South Holland and The Deepings. By its nature, the right-to-buy scheme has always been demand led. A tenant who applies for it, who meets the qualifying criteria and whose home is not exempted, has the right to buy his home, and his landlord must sell it to him.

New clause 18 seems to want local authorities to promote and market the right to buy in a different way. It seems unlikely that qualifying tenants would be unaware of the right to buy. Section 104 of the Housing Act 1985 requires landlords to provide secure tenants with information about the provisions of the right-to-buy scheme. Also, there are an awful lot of advertisements on the telly at the moment promoting the right to buy. Various companies want to get involved with tenants as regards the right to buy, so it is surprising that the hon. Member for South Holland and The Deepings seems to suggest that people are not aware of their rights in that regard.

Mr. Hayes: I hope that the Minister will deal with the question of pricing that I raised. A report carried out by the College of Estate Management in Reading stated:

"The government is understood to be anxious that the findings of the report should be kept quiet for fear of prompting a rush of appeals."

[Mr. Hayes]

If properties are regularly and routinely overvalued, that must be a considerable disincentive to people exercising the right to buy.

Yvette Cooper: Obviously, properties need to be appropriately valued. That is not something that the Government can be expected to address in legislation, especially at a time when house prices are changing. However, the hon. Gentleman's proposal that local authorities should market the right to buy in that way seems a little surprising. It would mean that local authorities would have to go to great lengths in terms of time and expense to prepare and update plans to market something that tenants have already made clear they want and are prepared to pay for. We expect there to be more than 60,000 completed right-to-buy sales in 2003–04, so I do not think that the proposal represents a worthwhile use of local authorities' time.

6 pm

We are trying to achieve a balance. We want to give people a chance to get on the property ladder and to support their right to buy, but we also need to ensure that we clamp down on abuses and on the scams that have taken place. We also need to ensure that proper support is provided for affordable housing. We have doubled the level of investment that we inherited since 1997 and targeted more of that investment on areas of highest demand, which also tend to be the areas of highest cost. We cannot escape that fact. We do not think, however, that it is right for local authorities to have to set bureaucratic targets or develop marketing strategies. Nor do we think that it would be right to extend the right to buy to housing associations, because that would threaten their viability. If that viability had to be protected or compensation paid, it could cost £1 billion of public subsidy over three years.

For the reasons I have given, I urge hon. Members not to press their amendments.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 9

RIGHT TO BUY: CLAIM TERMINATED BY DEMOLITION NOTICE

'(1) In section 138 of Housing Act 1985 (c.68) (duty of landlord to convey freehold or grant lease), after the subsection (2C) inserted by section 166 of this Act, insert—

"(2D) Subsection (1) also has effect subject to section 138A(2) (disapplication of subsection (1) where demolition notice is served)."

(2) After section 138 of that Act insert—

"138A Effect of demolition notice before completion

(1) This section applies where—

(a) a secure tenant has claimed to exercise the right to buy, but

(b) before the landlord has made to the tenant such a grant as is required by section 138(1), a demolition notice is served on the tenant under paragraph 13 of Schedule 5.

(2) In such a case—

(a) the tenant's claim ceases to be effective as from the time when the demolition notice comes into force, and

(b) section 138(1) shall not apply to the landlord, in connection with the tenant's claim, at any time after the demolition notice comes into force.

(3) If—

(a) the tenant's claim has been established before the demolition notice comes into force, and

(b) within the period of three months beginning with the date of its coming into force, the tenant serves on the landlord a written notice claiming an amount of compensation under subsection (4),

the landlord shall pay that amount to the tenant.

(4) Compensation under this subsection is compensation in respect of expenditure reasonably incurred by the tenant in respect of legal and other fees, and other professional costs and expenses, payable in connection with the exercise of his right to buy.

(5) A notice under subsection (3) must be accompanied by receipts or other documents showing that the tenant incurred the expenditure in question."

(3) The amendments made by this section do not apply in any case where the tenant's notice under section 122 of that Act (notice claiming to exercise right to buy) was served before the day on which this section comes into force.'.—*[Paul Clark.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 10

LANDLORD'S NOTICE TO COMPLETE

'(1) Section 140 of the Housing Act 1985 (c.68) (landlord's first notice to complete) is amended as follows.

(2) In subsection (3) (notice not to be served earlier than twelve months after landlord's notice under section 125 or 146) for "twelve" substitute "three".

(3) The amendment made by this section does not apply in any case where the tenant's notice under section 122 of that Act (notice claiming right to buy) was served before the day on which this section comes into force.'.—*[Paul Clark.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 11

RIGHT TO BUY: SUSPENSION BY COURT ORDER

'(1) In section 121 of the Housing Act 1985 (c. 68) (circumstances in which right to buy cannot be exercised), after subsection (2) insert—

"(3) The right to buy cannot be exercised at any time during the suspension period under an order made under section 121A in respect of the secure tenancy."

(2) After section 121 of that Act insert—

"121A Order suspending right to buy because of anti-social behaviour

(1) The court may, on the application of the landlord under a secure tenancy, make a suspension order in respect of the tenancy.

(2) A suspension order is an order providing that the right to buy may not be exercised in relation to the dwelling-house during such period as is specified in the order ("the suspension period").

(3) The court must not make a suspension order unless it is satisfied—

(a) that the tenant, or a person residing in or visiting the dwelling-house, has engaged or threatened to engage in conduct to which section 153A or 153B of the Housing Act 1996 applies (anti-social behaviour or use of premises for unlawful purposes), and

(b) that it is reasonable to make the order.

(4) When deciding whether it is reasonable to make the order, the court must consider, in particular—

(a) whether it is desirable for the dwelling-house to be managed by the landlord during the suspension period; and

(b) where the conduct mentioned in subsection (3)(a) consists of conduct by a person which is capable of causing nuisance or annoyance, the effect that the conduct (or the threat of it) has had on other persons, or would have if repeated.

(5) Where a suspension order is made—

(a) any existing claim to exercise the right to buy in relation to the dwelling-house ceases to be effective as from the beginning of the suspension period, and

(b) section 138(1) shall not apply to the landlord, in connection with such a claim, at any time after the beginning of that period, but

(c) the order does not affect the computation of any period in accordance with Schedule 4.

(6) The court may, on the application of the landlord, make (on one or more occasions) a further order which extends the suspension period under the suspension order by such period as is specified in the further order.

(7) The court must not make such a further order unless it is satisfied—

(a) that, since the making of the suspension order (or the last order under subsection (6)), the tenant, or a person residing in or visiting the dwelling-house, has engaged or threatened to engage in conduct to which section 153A or 153B of the Housing Act 1996 applies, and

(b) that it is reasonable to make the further order.

(8) When deciding whether it is reasonable to make such a further order, the court must consider, in particular—

(a) whether it is desirable for the dwelling-house to be managed by the landlord during the further period of suspension; and

(b) where the conduct mentioned in subsection (7)(a) consists of conduct by a person which is capable of causing nuisance or annoyance, the effect that the conduct (or the threat of it) has had on other persons, or would have if repeated.

(9) In this section any reference to the tenant under a secure tenancy is, in relation to a joint tenancy, a reference to any of the joint tenants."

(3) Regulations under—

(a) section 171C of that Act (modifications of Part 5 in relation to preserved right to buy), or

(b) section 17 of the Housing Act 1996 (c. 52) (application of that Part in relation to right to acquire dwelling),

may make provision for continuing the effect of a suspension order where the secure tenancy in respect of which the order was made has been replaced by an assured tenancy.'.
—[Paul Clark.]

Brought up, read the First and Second time, and added to the Bill.

New Clause 12

RIGHT OF ASSURED TENANT TO ACQUIRE DWELLING NOT AFFECTED BY COLLECTIVE ENFRANCHISEMENT

'(1) Section 16 of the Housing Act 1996 (c.52) (right of assured tenant of registered social landlord to acquire dwelling) is amended as follows.

(2) After subsection (3) insert—

"(3A) In subsection (3)(a) the reference to the freehold interest in the dwelling includes a reference to such an interest in the dwelling as is held by the landlord under a lease granted in pursuance of paragraph 3 of Schedule 9 to the Leasehold Reform, Housing and Urban Development Act 1993 (mandatory leaseback to former freeholder on collective enfranchisement)."

(3) The amendment made by subsection (2) applies in relation to the right conferred by section 16 as follows—

(a) it applies for the purposes of any exercise of that right on or after the day on which this section comes into force, and

(b) it so applies whether the lease granted in pursuance of paragraph 3 of Schedule 9 to the Leasehold Reform, Housing and Urban Development Act 1993 was granted on or after that day or before it.'.*—[Paul Clark.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 2

TENANCY DEPOSIT SCHEME (REGULATION-MAKING POWER)

'(1) Where a landlord requires payment of a deposit in relation to any premises occupied as a dwelling under a tenancy, the occupier must pay that deposit into the Deposit Scheme unless subsection (2) applies.

(2) Landlords, or their appointed agents, who are members of national self-regulated bodies that are bonded by insurance schemes approved by the appropriate national authority may request in writing the payment of any deposit lawfully demanded directly to themselves.

(3) Where subsection (2) applies, the occupier must pay the deposit directly to their landlord, upon which the landlord must provide a written receipt.

(4) Any dispute between the landlord and the occupier over the return of the deposit is to be resolved by independent adjudication.

(5) The appropriate national authority may by regulations specify—

(a) The terms, conditions and management of the Deposit Scheme;

(b) Approved bodies and schemes under subsection (2);

(c) The mechanisms and procedures to be followed under subsection (4).

(6) The appropriate national authority may by regulations specify that a failure to adhere to such sections of this Part as it sees fit constitutes acts or omissions for the purposes of section 211(2) of the Enterprise Act 2002.'.*—[Dr. Desmond Turner.]*

Brought up, and read the First time.

Dr. Desmond Turner: I beg to move, That the clause be read a Second time.

I apologise for the earlier confusion. I was becoming anxious because time is running out so fast.

The new clause sets out enabling powers for the Government to introduce a national mandatory tenancy deposit scheme. I shall not detail the arguments in favour of such a scheme or the copious abuses that happen, but many millions of pounds are milked from tenants by unscrupulous landlords and letting agencies every year. Everyone, including respectable and responsible landlords associations, wants that abuse to be stopped.

Matthew Green: I remind the hon. Gentleman that good landlords also lose out from the absence of a

[Matthew Green]

tenancy deposit scheme, because they lose money when tenants withhold their last month's payment. A good scheme would help both tenants and landlords.

Dr. Turner: The hon. Gentleman is right. As far as the Government are concerned, I am knocking on an open door. However, it is only partly open, the hinges are a bit rusty, it needs oiling and it takes a bit of a push to open. That is what my amendment seeks to do. In principle, the Government are minded to move towards a national tenancy deposit scheme. They have carried out a voluntary pilot scheme and their conclusion appears in evidence given to the Office of the Deputy Prime Minister: Housing, Planning and Local Government Committee, which reads:

"It has been a very worthwhile pilot for us because it has proved that the principle of tenancy deposit protection through either of the two methods used—guarantee or the third party custodial approach—does work and it has also shown to us that a voluntary scheme is not going to work".

The principle has therefore been clearly established.

The scheme need not be expensive. Once established, the administration costs could be covered by the interest paid on the deposits held. Some relatively small costs would be incurred as the scheme was set up, but it would be cost-effective once it was set up. I do not foresee many disputes, because after a few cases that demonstrated that abuse of the system no longer worked, neither tenants nor landlords would see much point in trying. I am convinced that it would work and would not need to be as complicated as my right hon. Friend the Minister seems to think. He pointed out that a few outstanding issues remain, such as the need for written tenancy agreements, funding for a custodial deposit scheme, the nature of industry schemes, adjudication, enforcement and how to define a deposit. However, none of those issues is particularly complex or could not be readily resolved during the further progress of the Bill.

I know that my right hon. Friend the Minister has referred the matter to the Law Commission, but I ask him not to wait for the outcome of its considerations. The Law Commission is also considering tenure, and we could have to wait a long time for its conclusions. The Bill is a suitable vehicle through which to establish a tenancy deposit scheme. In the days before congestion charging, one never knew when a London bus would come along. Well, here we have an opportunity and I appeal to my right hon. Friend to get on the bus and do the business. I shall not press the issue to a vote because I know that the Government are well disposed towards it. I prefer instead to stroke the Government into submission, and I ask them to accept the new clause.

Mr. Syms: This suggestion is often brought up by citizens advice bureaux and in surgeries, but the official Opposition are not yet persuaded that it is the right direction to take. Many voluntary schemes work well and the first option should be to consider those. A great deal of money is involved, as it is estimated that there is £790 million in tenancy deposits. The Government should certainly consider the issue to see whether practice in the area can be improved, but we would not be happy to see a regulatory scheme introduced. The argument for doing so is not overwhelming. Best practice and voluntary schemes can improve matters in many areas.

Some of the landlords who deal with the poorest tenants do not take deposits, because those tenants tend not to have deposits. Therefore, a mandatory scheme would not meet some of the objectives of those who favour one. However, in order to allow the Minister to put the Government's views on record on this important and topical subject, I shall conclude my remarks.

Matthew Green: I support a tenancy deposit scheme and I know that the Government need a little push to ensure that it gets into the Bill. However, we need to ensure that any scheme would not be universal. The Government scheme should be a fall-back position for cases in which someone has not joined an industry scheme.

Dr. Desmond Turner: Does the hon. Gentleman agree that the deficiency of voluntary schemes is that only the good landlords join them, and we are not worried about them?

Matthew Green: I agree that that is why it should be mandatory. If the Government scheme is a fall-back scheme and the industry schemes are retained, landlords will have a range of schemes from which to choose. I hope that the Minister will agree that that is the best way forward and will also confirm that the Government will include this provision in the Bill. It would enhance the Bill and this is the best opportunity that we will have to introduce it for several years.

Mr. Clifton-Brown: I am grateful to have caught your eye, Mr. Deputy Speaker, and I shall speak briefly as time is short.

Before the Government introduce a scheme, will they assure themselves as to the scale of the problem? Will they make certain that the costs would not be detrimental to tenants, as tenants would receive no interest on their deposit? Can the Government tell us how quickly each tenant would get back their deposit from that bureaucratic body? Can they also explain how disputes would be dealt with? It would be nonsense if every dispute, however small, had to be dealt with by an adjudicator.

Yvette Cooper: We held a constructive debate in Committee on three amendments that proposed changes to accommodate provisions on tenancy deposits, one of which is now new clause 2. In that debate, my right hon. Friend the Minister for Housing and Planning pointed out that we were extremely sympathetic to the sentiments that had been expressed by Members who supported embedding a tenancy deposit scheme in the measure. As he made clear, the Government support the principle of statutory provisions to safeguard tenancy deposits from wrongful misappropriation.

As the hon. Member for Poole (Mr. Syms) said that the main Opposition party is not convinced of the case for legislation on the issue, we should bear in mind the

responses from the voluntary pilot scheme. There was an extremely slow take-up of the pilot and the results suggest that a voluntary approach would have considerable limitations. It would not recognise the need to ensure that irresponsible landlords and those who exploit their tenants are involved in a broader scheme to protect tenancy deposits.

We held considerable consultation on the issue and we have set out our support for the principle of statutory provisions to safeguard tenancy deposits. We need to recognise the scale of the problem. About 20 per cent. of tenants say that they have faced problems with their landlords over the return of their deposits.

The Government are considering how we should proceed. The hon. Member for Cotswold (Mr. Clifton-Brown) put a series of questions, but at this stage we are not able to say exactly how a deposit scheme might work. We are considering what might be required in drafting such legislation and in the light of those considerations what might be a suitable legislative vehicle.

The hon. Member for Ludlow (Matthew Green) asked about the scope for alternative arrangements and their promotion by trade and professional bodies. We are sympathetic to that idea.

A series of detailed issues needs to be considered, including the balance between primary and secondary legislation. We cannot simply deal with such matters through secondary legislation. In Committee, we explained why the proposals in the new clause would in many respects fall short of what is required.

On several occasions, the Government pointed out that we were keen to consider the scheme as part of the proposals for tenure reform published by the Law Commission.

Dr. Desmond Turner: The drafting of the new clause is probably open to improvement so I should be happy for the Government to draft a new clause, to their satisfaction, which they could table at the other end of the building. That would not be a problem. Can my hon. Friend explain why the Government feel that the issue needs to be conflated with the tenure question? Deposits are likely to be associated with various forms of tenure—shorthold, long and so on—so they could be considered as a freestanding issue.

Yvette Cooper: That is an important point and I shall try to address it. As I said, we made it clear previously that we were keen to consider the matter as part of the broader proposals for tenure reform that were published by the Law Commission. We have always said that we thought there was a case for addressing the issue of tenancy deposits in the context of those proposals.

We have asked the Law Commission to draft indicative clauses on tenancy deposits to accompany publication of its draft Bill in the summer. We have also said that, by that time, we would attempt to produce legislative proposals as a response to the consultation that ended last year. That work is in hand and I can assure my hon. Friend that we are considering whether such proposals could be developed separately from the Law Commission's other work on tenure. As he rightly says, a series of points have been raised by the Law Commission's work; for example, in relation to written statements of agreement—written contracts. We are keen to look into the question of written contracts, which is important, and we are considering whether it would be possible to address the tenancy deposit issue separately.

I stress that we are carrying out that work as speedily as possible, but my hon. Friend and other Members will realise that we must ensure that we develop robust proposals and that we do not end up with hasty and inappropriate legislation. We need to ensure that we resolve some of the complex issues that have been raised and find the earliest possible legislative opportunity to address them.

I can assure hon. Members that we have been looking into some of the detailed proposals made by Shelter and into some of the other complex questions, such as how to ensure the establishment of an appropriate arbitration system and how to make the difficult decisions that would be needed in that regard. We are considering whether there are alternative models and whether there should be a single custodial scheme or whether professional and trade bodies could be allowed to establish schemes. There is a possibility that we might have third-party guarantees, for example through bonding or insurance.

We have consulted on those options but we are still considering the practicalities of implementing them. There are several existing models, including the letting agents' national approved letting scheme. We are keen to find a way to support professional and trade bodies that are raising standards, rather than simply imposing a single model on everybody that might not enhance the raised standards that already exist.

The pilot scheme showed that disputes over deposits at the end of a tenancy often involved inventories or cleaning, so we should need to prescribe such things as the requirements for inventories. Some of those points might be appropriate for secondary legislation and that would enable us to make speedier progress, but we need to be confident that we are achieving the right balance between primary and secondary legislation. As was noted in Committee, we need to consider the need for independent adjudication and determination of disputes and the means or bodies through which adjudication should be provided and appealed. We need to examine how decisions could be enforced and what redress there might be for an individual tenant in the event of a favourable decision. Schemes guaranteeing that the deposit money is available might need to be established and approved as well.

As I have said, we are still interested in the timing of the Law Commission approach. We expect that the Law Commission will report to us as rapidly as possible before the summer. Of course, when we receive its proposals, we will need to consider them as well. We are also considering the issue as speedily as possible in the Department. I am unable to give the House a guarantee about the timing, but I can assure hon. Members that

[Yvette Cooper]

my right hon. Friend the Minister for Housing and Planning and I are keen to report to the House and hon. Members who have expressed an interest in the issue as rapidly as possible because we recognise that there is considerable interest, not only in the House but throughout the country, given that many people face difficulties with landlords.

Clearly, such proposals would benefit the many good and responsible landlords throughout the country and the private rented sector in general by providing more confidence for that sector. That is why we are keen to pursue the issue, but, equally, why we cannot guarantee—

It being five and a half hours after the commencement of proceedings on the programme motion, MR. DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [this day].*

Question negatived.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

New Clause 18

MARKET PLAN FOR RIGHT TO BUY SALES

'(1) To monitor sales resulting from right to buy, local authorities will be required to formulate and publish publicly a yearly marketing plan for right to buy sales.

(2) The marketing plan will include:

(a) figures on the number of properties sold through the right to buy scheme in the last 12 months;

(b) a target figure for the number of properties to be sold through the right to buy scheme in the coming 12 months;

(c) plans for how to achieve (b).'.—*[Mr. Hayes.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 135, Noes 333.

Division No. 167] **[6.22 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baron, John *(Billericay)*
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burns, Simon
Burt, Alistair
Butterfill, Sir John
Cameron, David
Campbell, Gregory *(E Lond'y)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James *(Beverley)*
Curry, rh David
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Fox, Dr. Liam
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Johnson, Boris *(Henley)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Maples, John
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, David
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Ayes:
Mr. David Ruffley and Gregory Barker

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Bailey, Adrian
Baird, Vera
Baker, Norman
Banks, Tony
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Beard, Nigel
Beith, rh A. J.
Bell, Sir Stuart
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul

Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Darling, rh Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Flint, Caroline
Follett, Barbara
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, Andrew *(St. Ives)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Green, Matthew *(Ludlow)*
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Patrick *(Bedford)*
Hancock, Mike
Hanson, David
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Healey, John
Heath, David
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Holmes, Paul
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lawrence, Mrs Jackie
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Moran, Margaret
Morgan, Julie
Mountford, Kali
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Oaten, Mark *(Winchester)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Opik, Lembit
Organ, Diana
Owen, Albert
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Price, Adam *(E Carmarthen & Dinefwr)*
Primarolo, rh Dawn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Coventry NW)*
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Southworth, Helen
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, rh Dr. Gavin
Straw, rh Jack
Stringer, Graham
Stunell, Andrew
Taylor, rh Ann *(Dewsbury)*
Taylor, Dan *(Stockton S)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Tonge, Dr. Jenny
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wills, Michael
Winnick, David
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony

Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes: Mr. Fraser Kemp and Derek Twigg

Question accordingly negatived.

Clause 157

EXTENSION OF QUALIFYING PERIOD FOR RIGHT TO BUY

Amendment made: No. 70, in page 105, line 35, leave out from 'tenancy' to end of line 36 and insert—

'(a) if the tenancy was entered into before, or in pursuance of an agreement made before, the day on which this section comes into force, or

(b) if paragraph (a) does not apply but the tenant is a public sector tenant on that day and does not cease to be such a tenant at any time before serving a notice in respect of the tenancy under section 122 of that Act.

(6) In subsection (5) "public sector tenant" has the same meaning as in Schedule 4 to that Act.'.—*[Paul Clark.]*

Clause 158

EXCEPTIONS TO THE RIGHT TO BUY: HOUSES DUE TO BE DEMOLISHED

Amendment made: No. 71, in page 106, line 17, at end insert—

'(2A) If, at the time when the notice is served, there is an existing claim to exercise the right to buy in respect of the dwelling-house, the notice shall (instead of complying with sub-paragraph (2)(d)) state—

(a) that that claim ceases to be effective on the notice coming into force, but

(b) that section 138A confers a right to compensation in respect of certain expenditure,

and the notice shall also give details of that right to compensation and of how it may be exercised.'.—*[Paul Clark.]*

Clause 166

RIGHT TO BUY: SUSPENSION OF LANDLORD'S OBLIGATION TO COMPLETE

Amendments made: No. 72, in page 116, leave out lines 28 to 36 and insert—

'"(2A) Subsection (2AA) applies if an application is pending before any court—

(a) for a demotion order or Ground 2 possession order to be made in respect of the tenant, or

(b) for a suspension order to be made in respect of the tenancy.

(2AA) The landlord is not bound to comply with subsection (1) until such time (if any) as the application is determined without—

(a) a demotion order or an operative Ground 2 possession order being made in respect of the tenant, or

(b) a suspension order being made in respect of the tenancy,

or the application is withdrawn.

(2B) For the purposes of subsections (2A) and (2AA)—'.

No. 73, in page 116, line 42, at end insert—

'"suspension order" means a suspension order under section 121A.

(2C) Subsection (1) has effect subject to section 121A(5) (disapplication of subsection (1) where suspension order is made."'.'.a—*[Paul Clark.]*

Clause 167

DISCLOSURE OF INFORMATION AS TO ORDERS ETC. IN RESPECT OF ANTI-SOCIAL BEHAVIOUR

Amendment made: No. 74, in page 117, line 25, at end insert—

'(4) Regulations under—

(a) section 171C of the Housing Act 1985 (c. 68) (modifications of Part 5 in relation to preserved right to buy), or

(b) section 17 of the Housing Act 1996 (c. 52) (application of that Part in relation to right to acquire dwelling),

may make provision corresponding to subsections (1) to (3) of this section so far as those subsections relate to section 138(2A) of the Housing Act 1985 (c. 68).'.—*[Paul Clark.]*

Clause 179

IMPLIED TERMS RELATING TO TERMINATION OF AGREEMENTS OR DISPOSAL OF MOBILE HOMES

Amendments made: No. 75, in page 135, leave out lines 24 to 39 and insert—

'"(1A) The occupier may serve on the owner a request for the owner to approve a person for the purposes of sub-paragraph (1) above.

(1B) If a person ("the recipient") receives such a request and he—

(a) though not the owner, has an estate or interest in the protected site, and

(b) believes that another person is the owner (and that the other person has not received such a request),

the recipient must take such steps as are reasonable to secure that the other person receives the request within the period of 28 days beginning with the date on which the recipient received it.

(1C) Where the owner receives such a request, he must, within the period of 28 days beginning with the date on which he received the request—

(a) approve the person, unless it is reasonable for him not to do so, and

(b) serve on the occupier notice of his decision whether or not to approve the person.

(1D) A notice under sub-paragraph (1C) above must specify—

(a) if the approval is given subject to conditions, the conditions, and

(b) if the approval is withheld, the reasons for withholding it.

(1E) The giving of approval subject to any condition that is not a reasonable condition does not satisfy the requirement in sub-paragraph (1C)(a) above.

(1F) If the owner fails to notify the occupier as required by sub-paragraphs (1C) and (1D) above, the occupier may apply to the court for an order declaring that the person is approved for the purposes of sub-paragraph (1) above; and the court may make such an order if it thinks fit.

(1G) It is for the owner—

(a) if he served a notice as mentioned in sub-paragraphs (1C) and (1D) and the question arises whether he served the notice within the required period of 28 days, to show that he did;

(b) if he gave his approval subject to any condition and the question arises whether the condition was a reasonable condition, to show that it was;

(c) if he did not give his approval and the question arises whether it was reasonable for him not to do so, to show that it was reasonable.

(1H) A request or notice under this paragraph—

(a) must be in writing, and

(b) may be served by post.";'.

No. 76, in page 135, leave out from the beginning of line 46 to the end of line 2 on page 136 and insert—

'"(2) Sub-paragraphs (1A) to (1H) of paragraph 8 above shall apply in relation to the approval of a person for the purposes of sub-paragraph (1) above as they apply in relation to the approval of a person for the purposes of sub-paragraph (1) of that paragraph."'.—*[Paul Clark.]*

Clause 181

SUCCESSION TO SITE AGREEMENTS BY SAME SEX PARTNERS

Amendment made: No. 77, in page 137, line 13, leave out clause 181.—*[Paul Clark.]*

Clause 183

SUCCESSION TO CERTAIN TENANCIES BY SAME SEX PARTNERS

Amendment made: No. 78, in page 138, line 16, leave out clause 183.—*[Paul Clark.]*

Clause 186

ADDITIONAL POWER TO GIVE GRANTS FOR SOCIAL HOUSING

Amendments made: No. 18, in page 140, line 9, at end insert—

'(4A) As regards grants made by the Housing Corporation, an order under subsection (3) may also require the imposition of conditions in connection with such grants, and for this purpose may—

(a) prescribe conditions that are to be so imposed;

(b) prescribe matters about which conditions are to be so imposed and any particular effects that such conditions are to achieve.'.

No. 19, in page 140, line 18, at end insert—

'(5A) If, by virtue of subsection (4A), an order under subsection (3) requires conditions to be imposed by the Housing Corporation in connection with a grant to a company under this section, the Corporation in making the grant—

(a) must provide that the grant is conditional on compliance by the company with such conditions as are required by the order; and

(b) if it exercises its power to impose conditions under subsection (6), must not impose any that are inconsistent with the requirements of the order.'.—*[Paul Clark.]*

New Clause 5

OVERCROWDING

'(1) The appropriate national authority may by order make such provision as it considers appropriate for and in connection with—

(a) determining whether a dwelling is overcrowded for the purposes of Part 10 of the Housing Act 1985 (c. 68) (overcrowding);

(b) introducing for the purposes of sections 123 to 128 of this Act a concept of overcrowding similar to that applying for the purposes of Part 10 (and accordingly removing the discretion of local housing authorities to decide particular issues arising under those sections);

(c) securing that overcrowding in premises to which sections 123 to 128 of this Act would otherwise apply, or any description of such premises, is regulated only by provisions of Part 10.

(2) An order under this section may, in particular, make provision for regulating the making by local housing authorities of determinations as to whether premises are overcrowded, including provision prescribing—

(a) factors that must be taken into account by such authorities when making such determinations;

(b) the procedure that is to be followed by them in connection with making such determinations.

(3) An order under this section may modify any enactment (including this Act).

(4) In this section—

(a) any reference to Part 10 of the Housing Act 1985 (c. 68) includes a reference to Part 10 as modified by an order under this section; and

(b) "enactment" includes an enactment comprised in subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)).'.—*[Paul Clark.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 125

REQUIREMENT AS TO OVERCROWDING GENERALLY

Amendment made: No. 15, in page 89, line 44, leave out '12' and insert '10'.—*[Paul Clark.]*

Clause 126

REQUIREMENT AS TO NEW RESIDENTS

Amendment made: No. 16, in page 90, line 16, leave out '12' and insert '10'.—*[Paul Clark.]*

Clause 209

ORDERS AND REGULATIONS

Amendment made: No. 20, in page 155, line 23, leave out 'or' and insert—

'(ba) an order under section (Overcrowding), or'.—*[Paul Clark.]*

Clause 205

SERVICE OF DOCUMENTS

Amendments made: No. 47, in page 152, line 16, after '4' insert 'or this Part'.

No. 48, in page 152, leave out lines 32 to 40 and insert—

'(5) A document required or authorised by any of Parts 1 to 4 or this Part to be served on a person as—

(a) a person having control of premises,

(b) a person managing premises,

(c) a person having an estate or interest in premises, or

(d) a person who (but for an interim or final management order under Part 4) would fall within paragraph (a) or (b),

may, if it is not practicable after reasonable enquiry to ascertain the name or address of that person, be served in accordance with subsection (5A).

(5A) A person having such a connection with any premises as is mentioned in subsection (5)(a) to (d) is served in accordance with this subsection if—

(a) the document is addressed to him by describing his connection with the premises (naming them), and

(b) delivering the document to some person on the premises or, if there is no person on the premises to whom it can be delivered, by fixing it, or a copy of it, to some conspicuous part of the premises.'

No. 49, in page 153, line 11, leave out from '"premises"' to 'means' in line 12.

No. 21, in page 155, line 27, at end insert—

'(7) In this Act "modify", in the context of a power to modify an enactment by order or regulations, includes repeal (and "modifications" has a corresponding meaning).'.—*[Paul Clark.]*

Clause 220

MEANING OF "PERSON HAVING CONTROL" AND "PERSON MANAGING" ETC.

Amendments made: No. 60, in page 161, line 43, at end insert 'in occupation as'.

No. 61, in page 162, line 2, after 'are' insert 'in occupation as'.—*[Paul Clark.]*

Clause 226

SHORT TITLE COMMENCEMENT AND EXTENT

Amendments made: No. 22, in page 163, line 17, leave out

'8, 153, 164, 180, 209'

and insert

'2, 8, 142 to 144, 153, 164, 180, (Overcrowding), 193, 194, 203, 207, 209, 211'.

No. 23, in page 163, line 21, at end insert—

'Subsections (3) to (7) have effect subject to paragraph (b).'

No. 24, in page 163, leave out lines 24 and 25 and insert—

'(a) sections 157, 158 to 163, 168 to 179, 182, 184, 185, 187, 204 to 206, 208, 210 and 212 to 220,'.

No. 25, in page 163, line 33, leave out 'section' and insert 'sections 2 and'.

No. 26, in page 163, line 35, after '156,', insert

'(Exceptions to the right to buy: determination whether exception for dwelling-house suitable for elderly persons applies),'.

No. 27, in page 163, line 35, after '167,', insert '186,'.

No. 28, in page 163, line 38], leave out 'section' and insert

'sections 142 to 144 and'.—*[Paul Clark.]*

Schedule 10

RESIDENTIAL PROPERTY TRIBUNALS: PROCEDURE

Amendments made: No. 79, in page 215, line 41, at end insert—

'(1A) Procedure regulations may include provision enabling a single qualified member of the panel to decide whether an oral hearing is appropriate in a particular case.'.

No. 80, in page 216, line 3, leave out 'sub-paragraph (2)' and insert 'this paragraph'.—*[Paul Clark.]*

Schedule 12

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendment made: No. 30, in page 230, line 5, leave out

'34 In section 210(1) of the Housing Act 1996'

and insert—

'34 The Housing Act 1996 has effect subject to the following amendments.

34A In section 52(1) (general provisions as to orders) after "17," insert "27A,".

34B In section 210'.—*[Paul Clark.]*

Mr. Deputy Speaker: Consideration completed.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Mr. Deputy Speaker. I know that you are bound by convention, but is it not a bit rich in the circumstances that you are forced to say that consideration of the Bill has been completed? In the last part of the guillotined timetable, eight groups of amendments and new clauses were not even debated, including 24 Government amendments and new clauses. There was no opportunity to debate or divide on those matters, and yet again the House has been compromised and insulted. Would you consider, Mr. Deputy Speaker, asking Mr. Speaker if the words that you are forced to utter could be changed, perhaps to "Consideration only partly completed? Sadly, the House of Commons has not been able to do its duty due to the Government's heavy-handedness.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Further to that point of order, Mr. Deputy Speaker. According to the conventions of the House, is it reasonable for the right hon. Member for Bromley and Chislehurst (Mr. Forth) to raise the curtailment of consideration when he did not participate in that consideration at all?

Mr. Deputy Speaker: These are not matters on which I can rule at this point in time. They were debated by the House earlier today in the debate on the programme motion. Any time that we spend on them is simply time taken out of Third Reading.

Order for Third Reading read.

6.39 pm

Keith Hill: I beg to move, That the Bill be now read the Third time.

I thank all Members of the House for their informed, constructive and—I had intended to say universally positive contributions to the debate, but perhaps I should rethink that observation, in the light of the most recent intervention.

Mr. Kidney: Earlier in our proceedings my right hon. Friend generously mentioned my eager anticipation of new clause 15 dealing with empty homes. While we are all in a constructive mood, will he say whether he plans in another place to include arrangements in the Bill to deal with empty homes?

Keith Hill: I am not in a position to anticipate that development, but just as I alluded to my hon. Friend's

appearance earlier today on the "Today" programme, where he spoke on that subject, he will have seen my quotation in the media, in the *Financial Times* yesterday, in which I was reported as saying that I strongly favoured the introduction of legislation on empty homes. I would say, in the circumstances, "enough said".

Bob Spink: Will the Minister give way?

Keith Hill: How can I resist the hon. Member for Castle Point (Bob Spink)?

Bob Spink: I am delighted, but the right hon. Gentleman might wish he had resisted me. He has just thanked me for my contribution, yet his programme motion prevented me from making my contribution. Does he think that is appropriate?

Keith Hill: The hon. Gentleman—

Mr. Deputy Speaker: Order. I do not think we want to revisit the programme motion or the timing of the debate.

Keith Hill: I entirely agree and bow to your judgment, Mr. Deputy Speaker. I merely want to say that through correspondence and other interventions, the hon. Member for Castle Point is constantly in my thoughts. Of course, I seek to serve in every possible respect.

I was saying—

Mr. Clifton-Brown: On a point of order, Mr. Deputy Speaker. As I understand it, on Third Reading the convention of the House is that one can speak only about what is actually in a Bill, not about what might be in a Bill. Would it therefore be in order to discuss what might have been in the Bill as a result of the amendments that we were not able to debate because of the Government's severe timetabling of the Bill?

Mr. Deputy Speaker: The hon. Gentleman can safely leave such matters to the Chair.

Keith Hill: As I was saying, for the third time, the Government are committed to creating thriving, inclusive, sustainable communities and we have already done much to deliver that. We have made significant progress in improving housing supply in the south-east and other growth areas and in addressing renewal and regeneration in the north. Last week my right hon. Friend the Deputy Prime Minister led celebrations to mark the bringing of 1 million homes in the social sector up to a decent standard. But of course we need to do more. Communities are more than bricks and mortar. The Bill will help create a fairer, more efficient housing market and protect the most vulnerable in housing. The Bill will help—

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): Speaking about what gloriously is in the Bill, has my right hon. Friend read this month's edition of *Park Home and Holiday Caravan* magazine yet? On page 13 is an article entitled "Bill of Rights". Nothing could express better the feelings of park home residents about the great improvements that the Government have made via the Bill to their situation. I pay particular tribute to the work of the Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper). I hope that we can go on without further ado to have excellent, constructive discussions about implied terms and further reform in the park home sector.

Keith Hill: My hon. Friend anticipates my allusion in due course to park homes, but as we are on the subject, I concur in his congratulations to the Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper) on her work on the matter. When she introduced the park homes amendments to the Bill in Committee, I was able to follow by taking the opportunity to congratulate, and I am happy to do so again, my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) on his sterling work in leading the campaign for that very necessary reform. He may have to be satisfied with what is already in the Bill.

The Bill will help those most at risk from bad landlords and poor conditions. As my hon. Friend pointed out, it will strengthen the rights of park home owners. In that regard, there was universal rejoicing among all those who had been involved in the proceedings of the Bill. The hon. Member for Kingston and Surbiton (Mr. Davey) said in Committee:

"It has been a good Committee in which hon. Members on both sides contributed to improving the Bill. Although we may return to some battles at future stages, we made progress, especially earlier today when the Government accepted the case for better regulation of park homes. That was a notable achievement."—[*Official Report, Standing Committee E*, 24 February 2004; c. 732.]

We all rejoice at that.

The Bill will also help tackle antisocial behaviour and it will help to create decent places for people to live.

Shona McIsaac (Cleethorpes) (Lab): I echo the comments about the changes for people in park homes. I hope my right hon. Friend will assure me, on behalf of the many park home owners in Cleethorpes, especially those living in Barton Broads, who are having problems with a new landlord, that the Bill will help them. Will my right hon. Friend do everything he can to get it on to the statute book as speedily as possible?

Keith Hill: I am alarmed to learn of the actions being taken against some of my hon. Friend's constituents. To help them and thousands of other park home dwellers throughout the country, I give her my firm undertaking that I will do everything to secure the relevant provision in the Bill at the earliest opportunity. I am grateful for her support in the matter.

The Bill will improve the supply of affordable housing and it will reduce delays and cut out waste when people are buying and selling homes. Other measures that the Bill will introduce deal with overcrowding. As the members of the Committee—

Mr. Love: I congratulate the Government on introducing a new clause dealing with overcrowding. On behalf of those involved, I thank the Government for their flexibility in that regard. Will my right hon. Friend look carefully at the consultation exercise and carry it

[Mr. Love]

out at the earliest opportunity? Will he ensure that when the Government change the overcrowding standard, they bring it up to 21st century expectations?

Keith Hill: I am grateful to my hon. Friend for his enthusiastic press release on the subject. Through the consultation process we are all determined to bring standards up to those that are merited in the 21st century and to alleviate a great deal of suffering.

Ms Buck: I congratulate my right hon. Friend and colleagues on the new clause, which will take us a step towards bringing the standards governing overcrowding into the 21st century, and on commissioning the research that has given us some useful information on the health and welfare implications of overcrowded households. May I stress again that there are 1.5 million children living in overcrowded accommodation in London and under the present ludicrous 19th century standards, 20,000 families living in statutorily overcrowded houses? We need to sweep away the existing provisions, and we must move fast to implement new standards that give those families an opportunity to bring their children up in decent conditions.

Keith Hill: I entirely agree with my hon. Friend. We all hope that we can move towards that desired objective through the new provisions of the Bill and the outcome of the consultation process, but we cannot get away from the fact—and I would not want to do so—that it is also an issue of resource and supply. We must work hard in that regard as well.

On overcrowding, as my hon. Friends have indicated, we have introduced amendments to allow the universal statutory overcrowding standards in part X of the Housing Act 1985 to be amended by secondary legislation. As they indicated, I intend to consult over the next few months about how those powers might be used.

On the licensing regime for houses in multiple occupation, the Government have tabled an amendment to add sex offences to the list that local authorities consider when they decide whether an applicant for a licence is a fit and proper person.

In Committee, the concern was raised that a licence condition on landlords to control the behaviour of their tenants and visitors to the property is too wide and unclear, and that landlords could use it to harass tenants. As a consequence, we have tabled an amendment that clarifies that a licence holder's obligation, if one is imposed in a licence, relates only to antisocial behaviour by a tenant or a visitor, and only to the extent that the landlord is reasonably able to fulfil it.

Concern was also expressed in Committee about the lack of clarity and detail in the Bill on how the proposed grants for non-registered social landlord provision will work in practice, and, in particular, about safeguards and accountability in the absence of a regulatory system similar to that that the relevant authorities exercise over RSLs. We tabled an amendment to provide for a regulation-making power, which allows the Secretary of State to set out conditions that the Housing Corporation must impose, matters that it must address and the effect it must achieve when a grant is given under new section 27A. In Committee, the perfectly understandable concern that a level playing field must exist between RSLs, non-RSLs and, above all, tenants was expressed, and we are determined to achieve such a situation.

Mr. John Battle (Leeds, West) (Lab): I welcome the Government's movement, particularly on HMOs—they listened, which is welcome. In opening the Third Reading debate, however, the Minister mentioned that the Bill's general aim is thriving, sustainable and inclusive communities, but that is unachievable if conflicts between residents, Travellers and Gypsies persist in our society, neighbourhoods and constituencies. The ODPM promised to review the matter during the course of the Housing Bill, and I urge the Minister promptly to bring forward the review and not to lose sight of the opportunity to address the matter as a housing and accommodation issue before the Bill completes its parliamentary stages.

Keith Hill: I am grateful to my hon. Friend for raising his concern about provision for Gypsies and Travellers, which is shared by other Labour Members. His point offers a salutary reminder that that issue is not, as is often perceived, restricted to rural areas, but is an issue in urban areas too. I reassure him that the ODPM is undertaking much work on the issue, and we hope to introduce a series of announcements and proposals, some of which may be incorporated in the Bill.

In short and in total, the Housing Bill will directly contribute to the delivery of sustainable communities. On Second Reading, the Chairman of the ODPM Select Committee, my hon. Friend the Member for Denton and Reddish (Andrew Bennett), observed that this is a good Housing Bill, but that it had the potential to be a great Housing Bill. I hope that it is on its way to becoming a great Housing Bill, and I commend it to the House.

6.53 pm

Mr. Hayes: The right hon. Gentleman is a fair Minister, and he has the potential to become a very good Opposition spokesman, a position in which we hope that he will find himself sooner rather than later.

The consideration of the Bill in Committee and on Second Reading was good, and today's debate was largely positive and constructive. However, we cannot let this opportunity pass without saying that it is unacceptable not to consider 20 Government new clauses and amendments and a dozen other new clauses on Report.

Extremely cynically, the Government talked long on tenancy deposits so that we could not have a debate on warm homes, which would have been welcome on both sides of the Chamber. It is important that people outside this place know precisely what happened today. The new clause on warm homes was modest. It discussed what can reasonably and practically be done, and extending to 2016 the timetable to meet the Government's targets. Both Government and Opposition Members signed it, but it was not debated at the will of the Government, who cut short the Report stage.

As I said, proceedings in Committee were conducted in good spirit, and as I also said, the Minister listened to the arguments advanced from both sides of the Committee. Many people outside this place—industry representatives and people who are concerned about housing—asked me for how long I expected us to debate the matter on the Floor of the House. Believing that the Minister would continue to show the good faith that he showed in Committee, I expected that we might get two days, in which time we could have covered all the aspects of the Bill that have gone unconsidered today.

It is unacceptable that social housing grants to private developers to build social houses—a terribly important issue for the people who will rent those houses and RSLs—has not been debated. It is not appropriate that accessible housing registers for disabled people, empty houses, mobile homes for Gypsies and Travellers and a range of other issues have not been debated. That is an indictment of the Government, and it is a matter that the Lords will consider with grave concern. I expect those issues to be fully explored there, because they have not been fully explored here.

I say that more in sorrow than in anger—my concern is shared by hon. Members on both sides of the Chamber. The Minister and the Whip for this business, the hon. Member for Gillingham (Paul Clark), who is a delicate, sensitive and kindly soul, have not lived up to their reputations.

Mr. Clifton-Brown: This is probably the largest Housing Bill ever—it contains 226 clauses and 13 schedules of highly complex legislation. This democratic Parliament owes the people whom the Housing Bill will affect more than one day's consideration. The Bill should have been considered for two days.

Mr. Hayes: My hon. Friend adds his passion, which is on behalf of all the people who will be affected by the Bill, to my sorrow. He is right to amplify my point, which other hon. Members including the shadow Leader of the House and my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) also made, about appropriate consideration of such weighty legislation.

The Bill deals with many important things. It introduces a new housing health and safety rating system, which, although it will be beneficial in many ways, will be expensive to implement. Questions remain about local authorities' ability to introduce the new system in a timely fashion. Do they have the proper resources and the necessary training and reskilling to make the new housing fitness system a practical reality?

The Bill proposes a licensing system, and we should protect the interests of our most vulnerable citizens, who are obliged to rent houses and live in HMOs. Exploitation is possible in that sector, and it is appropriate that the Government have examined it and brought forward proposals. However, doubts remain whether the licensing system will encompass those in the greatest need and whether the regulatory burden will be so great that it will drive potential landlords out of the business of making homes available to people who need them.

The Bill includes changes to the right to buy. The Government acknowledge, and the Opposition agree, that the abuse of the right to buy should be curbed, but there are doubts whether measures to curb such abuse will act as a disincentive to people who want to exercise their right to buy, and I am disappointed that the Government have not taken our proposals on board, which would have been a shot in the arm for the right to buy while also curbing abuse.

The Government have added provisions on park homes, but only on the prompting of Members on both sides of the House, who noticed their omission at an early stage and asked for that to be rectified. Ministers have taken a lot of credit for making that concession, but they should not crow too much without adding the important caveat that on Second Reading those proposals came not from Government Front Benchers but from Conservative, Liberal Democrat and Labour Back Benchers.

Then we come to home information packs. What use are they really going to be and what value will they add? We know about the uncertainties, the likely costs and the potential effects on the market, but we have heard no convincing arguments—today, in Committee or previously—for the introduction of these packs. There is grave doubt about their likely efficacy and effectiveness and about whether they can realistically be implemented in the time scale that the Government envisage. I am absolutely sure that Members in the other place will want to consider those matters in great detail and to ask the testing questions of Ministers that we have asked here. I have to say that Liberal Democrat Members have put similar questions, but have also failed to get appropriate answers.

Mr. Kidney *rose—*

Mr. Hayes: I give way to the hon. Gentleman, who made a pithy intervention that was somewhat critical of the Minister a few moments ago.

Mr. Kidney: This question is for the hon. Gentleman. The will of this House on home information packs is clear. Is he saying that his Conservative friends in the other place would try to sink the Government's plan?

Mr. Hayes: Our Houses of Parliament always strike a proper balance between the considerations of this place and those of the other place. Of course there is a happy and productive tension between the two Houses because, as the hon. Gentleman knows, that is how legislation is properly scrutinised. Were it not for the good offices of Conservative and Liberal Democrat peers—that is the second tribute that I have paid to the Liberal Democrats in the course of one speech, which is beginning to test me to my very limits—on the Planning and Compulsory Purchase Bill, it would have been an altogether more imperfect piece of legislation, as we shall no doubt hear tomorrow. I shall not test your patience, Madam Deputy Speaker, by anticipating that debate.

The truth of the matter is that there are still significant holes in the Bill. It is all very well for the Minister to say on the radio, instead of here, that he is interested in empty homes. We have been telling him for months that he should be interested in empty homes. *[Interruption.]*

Throughout the passage of the Bill—on Second Reading, in Committee, and again today—Conservative and Liberal Democrat Members and some

[Mr. Hayes]

Labour Back Benchers have emphasised the fact that it was a golden opportunity to introduce legislation on empty homes, but the Government resisted that. We now hear rumours and suggestions that they might relent, but thus far they have not done so. It is not unreasonable to make that point again in this short Third Reading debate.

Other hon. Members want to speak, so I shall draw my remarks to a conclusion. This Bill does some good things and this Minister does some good things too—what Bill and what Minister do not?—but I have yet to be convinced that we can reasonably support it, not least because of the inclusion of sellers packs, which remain the most significant part of the Bill in the sense that they will affect everyone who sells or buys a house. Many parts of the Bill are significant in other ways, but not in terms of their potential impact on people's lives, on the costs of buying and selling a home, and on the nature of the market and the professions that are part of it.

The Government have failed to make a compelling case on that, as they have on a range of other issues that I have highlighted. For that reason, I will vote against the Bill, and I hope that my hon. Friends will join me. I urge the Liberal Democrats to vote with us because, although I do not want to put them off at this eleventh hour, I can see a meeting of minds between us on some of the matters that I have mentioned. Finally, I know that many Labour Members who are dissatisfied with the way in which the Bill deals with warm homes, empty homes and a range of other matters will be pleased that we have opposed it, because that provides the opportunity for those elsewhere to try to knock it into shape and to make something decent out of an unsatisfactory set of proposals.

Madam Deputy Speaker (Sylvia Heal): Order. There is little time left before the conclusion of the debate, so I hope that Members will take note of that and be concise in their contributions.

7.6 pm

Mr. Betts: In general terms, this is a good Bill that attempts to deal with some of the worst housing conditions experienced by some of the poorest members of our community. I thank Ministers for their willingness to involve so many Back Benchers by engaging with us in debate about some of the most important issues.

My main concern about the Bill is that in some respects it does not go as far as I would like. The hazard rating system is potentially very good, although it is complicated and its implementation will need careful handling. I welcome the fact that we are to have a national licensing system for houses in multiple occupation. Some hon. Members have fought for that for many years, because it will address some of the worst housing conditions for some of the poorest people in our communities. I am concerned, however, that the Minister still does not recognise the degree to which HMOs are not just a risk, but a problem of management in terms of the disruption and nuisance that they can cause to surrounding communities. If that is to be addressed through the additional licensing route, I hope that the Minister will consider the cost to local authorities engaged in the process and do something to assist them.

The licensing of private landlords in selective areas is good step forward that might be extended in future. Again, it will deal with some of the worst housing problems in some of the poorest communities.

The home information pack is another good step forward. The more I have heard the arguments, the more I have been persuaded of that. The packs will bring some order to a very disorderly process. The "offers around" system that operates in Sheffield, but hardly anywhere else in the country, is chaotic, and the new scheme will start to deal with that. It will of course be necessary to get right the training of inspectors and the insurance arrangements. I am sure that the Minister will return to the licensing of estate agents, because he believes that it sits happily with the proposals to regulate the whole approach to home buying and selling.

The Minister gave reassurances in Committee on the tenancy deposit scheme. The Government are now committed to that scheme in principle, and we look forward to its introduction in the near future, because it will help to protect people who are ripped off by their landlords by having deposits taken from them for no good reason.

For those reasons and many others, I support the Bill and congratulate my right hon. Friend on the way in which he handled it in Committee and today.

7.9 pm

Mr. Edward Davey: It is important that Members in the other place and people outside Parliament realise that Members of the elected Chamber—not only Opposition but Labour Members—have been angered by the Government's frustration of genuine democratic debate on key housing issues. That is an absolute disgrace. We look to the other place to help to put that right.

I regret having to say this, but we and our colleagues on the Labour Benches who have worked with us throughout the proceedings of the Bill on issues such as warm homes, tenancy deposit schemes and empty homes—issues that are crucial to our constituents and that we hear about in our surgeries week in and week out—have been prevented from debating them in the proper way in which they should be debated during the Report stage of a big housing Bill. That is an absolute disgrace, and it is one of the reasons why I hope that some Labour Members will have the courage to register in the Lobby their frustration at the Government's handling of the Bill.

It is a shame that I have to say that, because parts of the Bill are welcome. The selective licensing regime in part 3 is particularly welcome, for example, in regard to tackling antisocial behaviour. As the hon. Member for Sheffield, Attercliffe (Mr. Betts) said, part 1 represents a step forward in dealing with poor housing conditions, although there are real concerns about whether it can be implemented and whether the system that has been devised is too complex. Those concerns came out in the debate today, showing that there are worries even about the good parts of the Bill. Some of us have been campaigning for a long time for the measures in part 2

on houses in multiple occupation, but they do not go far enough, as the hon. Member for Sheffield, Attercliffe had the courage to say.

It is disappointing that, despite this opportunity to achieve some real goals and take some real steps forward, the Government have taken only two very nervous steps forward without advancing their cause more courageously or ambitiously. I would have liked the Bill to contain measures on giving landlords a more positive role. Landlords could play a key part in improving the private rented sector, and the Government need to find ways of engaging with them, as my hon. Friend the Member for Ludlow (Matthew Green) mentioned in the curtailed debate on HMOs, and ways of working with organisations such as the National Landlords Association, to see whether training and accreditation schemes could be used to raise the quality of landlords so that they could deliver on some of these measures.

The Liberal Democrats have particular concerns about part 5 of the Bill. We believe that the home information packs represent a totally unnecessary regulation. The owner-occupier market manages to carry out more than 1.2 million transactions a year. There seems to be a prima facie case, therefore, for saying that that market is not failing, but succeeding. People manage to move home very effectively, and when a purchase falls through, it tends to be because someone's financial position has changed or because they have to move somewhere else because of their job. Home information packs will not solve those problems, and the solution that the Government have come up with does not address the problems. Indeed, they are unsolvable because they are the problems of normal life.

This is a market that the Government should leave well alone. The danger is that their so-called solution will make the housing problem even worse, particularly in the owner-occupied sector, where house prices are rocketing and there are not enough affordable homes. The Minister did not reply to my question about whether this proposal had been put to Professor Kate Barker when she was producing her review on the supply of housing. In fact, because of the way that this debate has gone, he has answered hardly any of the questions that hon. Members have asked. That, too, brings the House into disrepute.

The Liberal Democrats sincerely believe that the introduction of home information packs will work against the Government. I say to the Minister in a genuinely constructive manner that this measure will come back to haunt the Labour Government. In a few years' time, people will be asking who is responsible for all the regulations, extra costs and delays, and we will be able to say, "We told you so," and tell them that it was the Minister for Housing and Planning, the right hon. Member for Streatham (Keith Hill). Voters will be seriously fed up when they have to live with these ridiculous regulations.

To give at least one more hon. Member the chance to speak, I shall bring my remarks to a conclusion. I hope that I have made it clear that, regrettably, the Liberal Democrats will have to vote against the Bill. It contains some good measures, but there are far too many omissions, and far too many chances to improve housing conditions have been missed. Moreover, some of the proposals in the Bill will do huge damage to the housing market and to the interests of many of our constituents.

7.14 pm

Mr. Kidney: In truth, this started out being a good Bill and it has got better. As we are now sending it to the other place, there is still the capacity for further improvement. I would like to give the ministerial team unconditional credit for listening to the Second Reading debate and to the pressure from hon. Members over park homes, and for making wholesale amendments at the right time in Committee. Those amendments will be very welcome to the residents of park homes around the country.

Mr. Clifton-Brown: I heard the hon. Gentleman's cogent performance on compulsory leasing on the "Today" programme. How can he give unconditional credit to the Minister when his proposals have not even been debated this evening because of the timetable?

Mr. Kidney: The hon. Gentleman obviously did not hear me saying that I was talking about park homes. I would like to say to all those residents of park homes who will welcome what happened in Committee that, here tonight, things also got better when we accepted amendment No. 75.

The Government have improved the Bill further. My right hon. Friend the Minister mentioned the concession that they have made, again after listening to the debate in Committee, on including sexual offences as a relevant matter when licensing the owners of houses in multiple occupation. The Minister also acknowledged the pressure that was brought to bear on the Government on overcrowding, which has led to measures being included in the legislation today. All those things are to the Government's credit.

Some provisions are still missing from the Bill as it goes to the House of Lords. A good tenant deposit scheme and a provision on warm homes would be welcome. However, as time is short, I shall pick out as the most innovative measure in the Bill the new local authority power to make management orders in certain circumstances. Will my right hon. Friend the Minister tell us—I realise that I shall not get an answer now—whether it is anticipated that those orders will be the solution to the problem of bringing empty homes back into use? Let us remember that last year, 719,000 homes were standing empty in England alone, 80 per cent. of which were in private ownership and 300,000 of which were empty for more than six months.

Mr. Hayes: The hon. Gentleman has made many good points, and he is right to say that the Minister listened to the debates on Second Reading and in Committee. Does he share the regret of the Conservative Opposition and the Liberal Democrats that there has not been more time to explore the issues today?

Mr. Kidney: Perhaps I should give notice that I shall take no more interventions like that, because time is so short.

I regard the new power for local authorities to make management orders as a power of last resort, so in the case of empty homes, I would expect the authorities to advise

[Mr. Kidney]

or cajole, and to give help to owners. Some councils already give the owners of empty homes grants to get the properties back into use. However, I would imagine that, under a management order, a local authority would take possession of an empty property, repair it and let it at an affordable rent. That would help to meet the still dreadful housing needs that exist in this country, and to halt the degradation of the surrounding area, in terms of both the environment and crime. Owners would benefit from such a scheme, because they would get the rent from the property and retain ownership of it.

Lynne Jones: Will my hon. Friend give way?

Mr. Kidney: No, I want to finish now, if I may.

Such a measure would help people with housing needs, and neighbours in areas with empty houses would be delighted to see those properties brought back into productive use. Society would therefore be very satisfied if we could make that response to the problem. I hope that the Government will be delighted that everyone supports that idea and wants to do something about it before the Bill reaches the statute book.

7.19 pm

Bob Spink: The right hon. Member for Streatham (Keith Hill) is an excellent Minister, and it is therefore all the more surprising that he is driving the measure through. The Bill is poorly conceived and considered. It has received especially scant consideration today. The main problem is the element of compulsion, which spoils some potentially decent provisions. The worst clause is the provision on home information packs. The Bill offers no reliable improvements to the dysfunctional house buying and selling process.

More than 1 million residential property transactions take place each year and it is important not to interfere with or disrupt the operation of the housing market. The Bill will do that and it is especially significant at this time, when supply in so many areas is insufficient to meet demand. That drives up property prices, with all the attendant problems that we know so well.

Philosophically, the country wants less interference from the Government: less bureaucracy, less regulation and fewer inspectorates. In short, people want less regulation and Government interference. However, the Bill and the statutory imposition of the home information packs mean more, not less, Government interference; more Big Brother centralised government; more costs for the seller and therefore the buyer; more cost to the public purse to pay for the new regulations and the new inspectorate, and therefore more house price inflation.

Mr. Clifton-Brown: I am grateful to my hon. Friend for giving way, because I shall not have time to make a contribution. Every year, 1.8 million houses are sold. Does my hon. Friend realise that the Government's estimate of £600 per information pack will add more than £1 billion to the cost of buying and selling houses? If the realistic cost of £1,000 is taken into account, it will mean an extra £1.8 billion. Does my hon. Friend believe that we will achieve anything worth while for that money?

Bob Spink: My hon. Friend is right to draw attention to the specific figures. The process will cost more, but we shall achieve less. The Bill is a typical socialist measure—*[Laughter.]* The compulsion to produce the home conditions report will increase the cost of selling houses. Hon. Members laugh now, but they may not do so in two or three years, when their constituents knock on their surgery doors. It will deter some sellers from entering the property market. The statutory requirement means that home information packs must be in place before any marketing can occur. That will unduly reduce the number of houses—

It being six and a half hours after the commencement of proceedings on the programme motion, MADAM DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair, pursuant to Order [this day].*

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 292, Noes 159.

Division No. 168] **[7:21 pm**

AYES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Battle, John
Beard, Nigel
Bell, Sir Stuart
Benn, rh Hilary
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Fisher, Mark
Flint, Caroline
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian

Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Patrick *(Bedford)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hermon, Lady
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
MacDougall, John
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Michael, rh Alun
Milburn, rh Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Mountford, Kali
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Owen, Albert
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, rh Dr. Gavin
Straw, rh Jack
Stringer, Graham
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Gillian Merron and Mr. Nick Ainger

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Bellingham, Henry
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burns, Simon
Burt, Alistair
Butterfill, Sir John
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Cotter, Brian
Cran, James *(Beverley)*
Curry, rh David
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Doughty, Sue
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui

Lamb, Norman
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Sanders, Adrian
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Walter, Robert
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Mr. David Ruffley and
Mr. Geoffrey Clifton-Brown

Question accordingly agreed to.

Bill read the Third time, and passed.

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That at this day's sitting the Motion in the name of Mr Peter Hain relating to Visitor Facilities may be proceeded with, though opposed, until any hour.—*[Mr. Kemp.]*

Question agreed to.

Visitor Facilities

Order read for resuming adjourned debate on Question [22 April],

That this House approves the First Joint Report of the Accommodation and Works Committee and the Administration Committee on Visitor Facilities: Access to Parliament (House of Commons Paper No. 324) and endorses the Committees' proposals for a new reception and security building at the north end of Cromwell Green.—*[Mr. Woolas.]*

Question again proposed.

Madam Deputy Speaker (Sylvia Heal): I advise the House that Mr. Speaker has not selected any of the amendments.

7.36 pm

Andrew Mackinlay (Thurrock) (Lab): I remind colleagues that we were interrupted on 22 April during consideration of the joint report of the Administration Committee and the Accommodation and Works Committee. I had just said how lovely Westminster Hall looked that afternoon. I visited it again today and spent some quiet time there, soaking up the wonderful atmosphere, which I want to refer to again in a few moments.

I am pleased to have the opportunity to acknowledge the enormously difficult task that Mr. Speaker, the Metropolitan police and the Serjeant at Arms have in the field of the security of the House. It is not easy for them to balance all the pressures and constraints, the need for access and openness and the fact that there are 659 different views in this place as to what is the correct level of security, access and so on. We should place that on record. I do so in the knowledge that, very unfairly, the Serjeant at Arms was traduced by a newspaper a few weeks ago. I thought it not only flippant but very unfair to have a go at him, because he and his staff are preoccupied every day with all the difficult and sensitive decisions relating to individual Members of Parliament and the need for oversight, with Black Rod, of the security of the Palace. We should acknowledge that this evening.

I have read and read again the report before us, and I think there is an error here. We are in danger of conflating two separate things: the immediate problem of security and the wider aspirations to which my hon. Friend the Member for West Ham (Mr. Banks) referred at length on 22 April. *[Interruption.]* His speech was qualitatively very useful. I share with him the aspiration of making this place much more inviting and open and providing greater opportunities for people to understand its history and perhaps to enjoy an interpretive centre. That is referred to in the paragraph of the report dealing with longer-term objectives. We are confusing two separate issues, and I think that that is a mistake.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Does the hon. Gentleman share my puzzlement that we are being asked to go ahead with what is allegedly a security measure at the very time when the Leader of the House has been at great pains to tell us that a comprehensive review of all security is being carried

out? Does he think it premature, to say the least, to spend £5 million of public money on this project when the security review has not yet been completed?

Andrew Mackinlay: The right hon. Gentleman anticipates the thrust of much that I want to say. Since 22 April, I have thought about the issue on many occasions, and have reconsidered some of the proposed developments and initiatives to explore what alternatives there are. I want to amplify why I think that the proposals are premature. I also beat my breast three times because I confess to the House that, in retrospect, I think that there was a case either for us to have a secret sitting or some other system of deliberation so that some of our ideas and reservations could have been shared in confidence. I say that because there are some issues, even now, on which we would all have views, on which it is probably not wise to canvass in the open.

I know that there was an endeavour to involve and advise as many people as possible about some of the security constraints, both in relation to the previous debate on the screen and to this one. We were told that some 60 Members were approached, largely Privy Councillors; hon. Members will understand how this obsession with Privy Councillors grates with me. In any event, may I suggest that, in addition—but not instead—we use the executive of the 1922 committee, Labour's parliamentary committee and the representative organisations of the other parties to at least expand the consultation? After all, the 1922 committee executive and the Labour party's—

Madam Deputy Speaker: Order. I wonder whether the hon. Gentleman could confine his remarks to the debate under consideration.

Andrew Mackinlay: I will, Madam Deputy Speaker, but my point was that the consultation, which is mentioned in the report, could have been greater. As this issue is not going to go away, I invite the House and the authorities to consider whether in addition to Privy Councillors, the shop stewards—the 1922 committee and the parliamentary committee—might be used.

Mr. Tony Banks (West Ham) (Lab): Neither the 1922 committee nor the parliamentary Labour party are leak-free zones, as my hon. Friend well knows. I am glad that he has had a rethink about considering matters in closed session. I was the only Labour Member who voted for a closed session, and I was phoned up by a newspaper and asked if it was a mistake. I have perhaps made many mistakes in my life, but that was not one of them.

Andrew Mackinlay: I am grateful to my hon. Friend. I was trying to explain that we need some way of being able to share our concerns and a closed session is one such way. I have tried to canvass other ideas, as these issues will not go away. I do not want to labour that point.

Mrs. Marion Roe (Broxbourne) (Con): To try to help the hon. Gentleman and others, I am sure that he will appreciate that I cannot discuss in the Chamber detailed security advice. I can, however, confirm that the proposals have been examined by security specialists, both inside and outside the House, and the best current advice is that they would significantly improve on the current arrangements, which I am sure that he will agree are not necessarily satisfactorily, and no problems whatever have been identified with the proposed location.

Andrew Mackinlay: I am coming to that. I do not doubt that there has been consultation with the security and intelligence services and other professional advice. Perhaps I would like occasionally to be included in the circle. If we look at column 508, on 22 April, we see that the Deputy Leader of the House postulated that someone who supported the screen would logically support these motions. I voted for the screen, but I am not persuaded by these recommendations. It does not necessarily follow.

Lembit Öpik (Montgomeryshire) (LD): Does the hon. Gentleman agree that a bits-and-pieces approach towards security is exactly the problem? Agreeing with one measure—incidentally, I did not agree with the screen, as it is another limitation on our interaction with the public—does not necessarily means that one agrees with another. Since this is a strategic issue, does he agree that we need a strategic solution, not something that bolts on one piece after another, perhaps without achieving the objective at all?

Andrew Mackinlay: I agree.

On the technical point, I asked the Deputy Leader of the House a question previously, and I hope that he will reply later. If somebody, heaven forbid, wished to explode a device in the proposed new building, how would that be an appreciable improvement on the existing arrangements, which, without question, endanger staff? I am not an expert, but I understand that explosions blow outwards. If we want a building that will deal with screening, we want one that will allow the thrust of such an explosion to go outwards. I stress that I have not had a reply on this point and the fact is that the building proposed is in a trench. If the hon. Member for North-East Hertfordshire (Mr. Heald), who is a member of the Commission, has an answer, I would be pleased to have it.

Mr. Oliver Heald (North-East Hertfordshire) (Con): As I said to the hon. Gentleman last time, I cannot go into the detailed security advice and I have not had a great deal of it in respect of this building. I thought that the general point about security screening buildings was that they had thick walls to stop the blast going outwards and make it go upwards.

Andrew Mackinlay: I am genuinely surprised that the hon. Gentleman takes that view, which is why we need some opportunity to explore these issues in confidence. One of the reasons that the marquees, which we all agree were unsightly, were put outside St. Stephen's entrance, on the advice of specialists, was the heightened security at that time. Those marquees are there precisely because if an atrocity involving an explosion had been attempted, they would have blown outwards. Marquees were used outside St. Stephen's, and are used outside the United Nations building in New York, precisely to

[Andrew Mackinlay]

minimise loss of life. I challenge someone to explain to me how the proposed new building will meet that requirement. I suggest that it does not.

Mr. Greg Knight (East Yorkshire) (Con): Will the hon. Gentleman give way?

Andrew Mackinlay: If the right hon. Gentlemen wants to intervene, Madam Deputy Speaker, I am torn.

Madam Deputy Speaker: Order. It is entirely up to the hon. Gentleman whether he wants to accept an intervention.

Andrew Mackinlay: I give way to the right hon. Gentleman.

Mr. Knight: Is not there an answer already to the problem of visitors getting wet when it is raining outside? We already have a marquee structure, which is used once a year on the occasion of the state opening and erected outside the House of Lords. It would be far cheaper to put up the small tented area that we have for state opening and leave it up so that visitors queueing to get in at the other end of the building do not get wet when it rains.

Andrew Mackinlay: That may be a valid consideration and it relates back to the point that we should not approve the motion tonight but have a period of reflection during which some of these points can be explored. As well as explaining the technology of what is proposed, will the Deputy Leader of the House, and even the Chairman of the Administration Committee, who intervened a few moments ago, undertake that the people who advised the House will not, after the building is erected, if it is, in the Cromwell garden, say that because of the heightened security situation, marquees will have to be erected? That is what I think will happen. We will get the building, it will be deemed administratively good and allow the throughput that has been mentioned, which is a valid point, but if and when—regrettably, I fear that it is almost inevitable—there is a renewed heightened security situation, advisers will say to Officers of the House that we must erect marquees. That was precisely what happened some months ago when marquees were put up outside St. Stephen's entrance.

Mr. Forth: Given the territory that the hon. Gentleman now wishes to explore and the sensitivities voiced a moment ago by the Chairman of the Administration Committee, my hon. Friend the Member for Broxbourne (Mrs. Roe), should we not at least consider allowing the House to sit privately so that we can speak more freely? We tried that when this matter was last discussed. I felt rather let down when the Leader of the House, who had said that he would be open and honest, voted against the motion for the House to meet in private and then barefacedly told us later that he could not tell us everything because it was all very secret and hush-hush. It might be worth considering the possibility of allowing ourselves to obtain further and better information in a private sitting this evening, so that we can make some progress.

Andrew Mackinlay: I have already beaten my breast and do not want to labour the point. I have said that I am sorry that we cannot have some form of secret session—even informally—and that it is probably my fault because I did not pursue the matter at the time.

Mr. Paul Tyler (North Cornwall) (LD): Will the hon. Gentleman give way?

Andrew Mackinlay: In fairness to the House I want to make some progress, but I will give way.

Mr. Tyler: I am grateful to the hon. Gentleman, but I think that he owes me one. He will recall that I made an uncharacteristically abbreviated speech, lasting just two minutes, so that he could speak.

I suggest that the statement with which the hon. Gentleman has just been led to agree conflicts with what both he and the right hon. Member for Bromley and Chislehurst (Mr. Forth) have said previously. At the moment we are not likely to receive such information, in private or in any other context, because we have not been given the wide-scale, comprehensive security assessment that we have all been promised. Even if we were to sit in private, we would be likely to receive the same sort of information from the Government that we have received previously. This is the point: we do not have the context for either this discussion or—

Madam Deputy Speaker: Order. At this point we should not be debating the pros and cons of sitting in private. The House has a way of dealing with such an issue, should it arise.

Andrew Mackinlay: The hon. Member for Old Bexley and Sidcup (Derek Conway)—

Mr. Greg Knight: On a point of order, Madam Deputy Speaker. It concerns the point that you just made. Will you confirm that, if any Member decides to put it to the test, you could accept a motion for us to sit in private, even though, as this is an adjourned debate and not a debate starting afresh, the question has already been put?

Madam Deputy Speaker: That is correct.

Andrew Mackinlay: As I was saying, the hon. Member for Old Bexley and Sidcup, who, I think, chairs the Accommodation and Works Committee, intervened to speak of how he came from Yorkshire to visit this place as a very excited 11-year-old. That struck a chord with me. I think that everyone remembers their first visit. I was 12 and recall queueing for two and a half hours in St. Stephen's Hall to see Harold Wilson, then shadow Chancellor of the Exchequer, make a wonderful speech. It had a profound effect on me. Rather sadly, I never wanted to be a train driver after that; I wanted to come here.

Over the next 30 years—this is relevant, Madam Deputy Speaker, because we are talking about visitor facilities—I did come here, and I queued. I look back

with nostalgia to the days when it was possible to go to the Strangers Gallery and obtain a pass from the staff of the Serjeant at Arms to go down to the Strangers Cafeteria for half an hour. If only those days existed now. There used to be double ranks of queues in St. Stephens Hall. I mention that because one of the problems emphasised in the report is that of people queueing outside in the rain. I think that it will always be thus, because even with the new arrangements there will be exceptional occasions on which people will queue in the rain; but, in comparison with the days of my youth and adolescence, and even with more recent times, we do not seem to have packed them into St. Stephens Hall as we used to, although there is still capacity for keeping people out of the rain.

Bob Spink (Castle Point) (Con): The hon. Gentleman suggested that the new provisions would increase throughput by speeding up people's entry. Has he thought about that carefully? Increasing the number of security screening machines from two to only three strikes me as a missed opportunity. If we are to go to all this expense and spend £5 million, why do we not put in four or five machines so that we can get people through even more quickly?

Andrew Mackinlay: What the hon. Gentleman says demonstrates that some of us have a feeling in our bones that this has not been examined adequately. I suggest that the small space in Cromwell Green would not allow an increase in numbers but the hon. Gentleman makes the valid point that what is proposed is only a marginal increase on the existing arrangements.

Lembit Öpik: Does it strike the hon. Gentleman as ironic that one of the problems is not how fast we can get people into the place, but how much space there is? In fact, we have managed to reduce the amount of available space in the Strangers Gallery. Far from making it easier to get people in here, we have increased the backlog by reducing throughput.

Andrew Mackinlay: I am not going to respond to what was dealt with in our last debate, but I will say that I supported the idea of the screen. I did so because I was privy to information that was not discussed in the Chamber, which persuaded me of the urgent need for it. There might well be information that could persuade me of the need for what is proposed now that cannot be shared with me in this open forum.

Let me now deal with the proposed development. I invite the House to consider this. In a sense, we are the planning committee: we are going to give ourselves planning permission for a development. We have a duty to approach this in the same way as any other developer. We do not usually do that; we sometimes deal with matters in a shameful way. We are not going to give ourselves outline planning permission tonight; we are going to give ourselves total planning permission. There will be no coming back.

Members who have served on local planning authorities will know that sometimes people who apply for permission for outline plans are given consent, subject to details—for instance, details of the facing materials. What will the end result look like? I have read the report several times and it is not clear what the facing materials will be or what the roof will look like. As far as I can tell from the black-and-white drawings, if I am standing with Cromwell Green behind me I will see some sort of glass building, but that is not clear. That is an important point. People may think I am being pernickety, but the House should be ashamed of itself in this regard. We have ignored normal planning procedures in the past. I have spoken here before of those dreadful marquees on the Terrace. Pugin and Barry did not design them, nor did the Almighty; they were put there by us.

A paragraph in the report tells us that there will be consultations. We are going to approve this proposal tonight when consultations with the appropriate bodies—including, I believe, the fine art commission—have not been exhausted. I think that our track record is shameful. First, we are going to give approval tonight without those consultations and the resulting observations; secondly, the fine art commission has said that the marquees on the Terrace should come down every year, but they do not now—we have forgotten about it. We have forgotten about it because it does not suit us. That would never happen if a private developer were involved.

We should not approve this proposal without consultations with the fine art commission and the various heritage authorities. We should consider their responses to the idea in principle and any conditions relating to the facing material, construction and appearance. We should give a solemn and binding undertaking to adhere to the conditions that they lay down, rather than following the dreadful, shameful practice that we have allowed to take place on the Terrace of the House of Commons.

Mr. Iain Luke (Dundee, East) (Lab): Will my hon. Friend accept from one who has served on both the Administration Committee and a planning committee on a local authority that those questions were posed during deliberations on the document? Assurances were given that consultation had taken place and that advice had been taken by the appropriate heritage bodies. Although there is no detailed building specification, I am sure that neither of the Committees involved would ever allow us to proceed in the knowledge that there would be abuse of heritage and conservation principles.

Andrew Mackinlay: I am grateful to my hon. Friend. Perhaps he can explain to me why paragraph 32 contains a statement on the costs which says:

> "This figure does not take into account the effects of inflation or the cost of any additional related security works required once consultations with security and heritage bodies have been completed."

Those have not taken place. I did not write that report, someone else did and I ask them a simple question. The report refers to consultation with the heritage bodies, but that has not yet happened. I am pleased that my hon. Friend raised that matter, because he is a diligent Member and no doubt was a diligent member of his local authority, but I can tell him that when this House asks, it gets conditions laid down and then ignores them. That is why we have those wretched marquees out there, as we speak. They should not be there, and would not be

[Andrew Mackinlay]

if we had followed the recommendations—the equivalent of the conditions laid down in a planning consent.

Mr. Tyler: I, too, have planning experience and architectural experience. Has the hon. Gentleman noted that paragraph 27 records "firm objections" from English Heritage to a very modest incursion into Westminster Hall, which is quite insignificant compared with what is proposed in the report? We should anticipate that several bodies will take a close interest in the detailed design of the facilities, and I entirely endorse the hon. Gentleman's view that we must be very careful.

Andrew Mackinlay: To use the vernacular down in Thurrock, too damn right. In response to my hon. Friend the Member for Dundee, East (Mr. Luke), I was referring to paragraph 32, which rather glibly says that the developments will cost approximately £5 million but that there could be extra costs, for example relating to security. That is not the proper way in which to do business. I would not mind if this debate were like a First Reading, or was the first canvass of the ideas. I would welcome that, and say, "Very good." The Minister and relevant Committees could then take cognisance of some of the things said here tonight. However, we are being asked to approve something now and almost to give a blank cheque to the suggestions.

Equally, some Members might say, "That's all very well, Mackinlay, but what are the alternatives?" I recognise that we must address security, which I have acknowledged throughout my speech and earlier. There might well be some palliatives that could be explored. My hon. Friend the Member for West Ham has explored some matters that are worthy of consideration as temporary measures. I have made much of the marquees on the Terrace, but my complaint is that they are permanent; that sort of structure erected temporarily in the park adjacent to the Palace might be one possibility. My hon. Friend also rightly said that at some stage we must address ourselves to the wider campus around this place, including Parliament square, and consider whether that could be used. Again, that goes back to the need to look at the issues comprehensively, rather than study this report in isolation. If we had more space at the House's disposal, we could act much more sensitively.

I was going to ask the Deputy Leader of the House this question but, cheekily, I shall ask the whole House: will Members put their hands up if they have ever been in the Jewel Tower? A couple of Members here have, but when I mentioned it to some distinguished hon. Members earlier today, they were aghast and did not know what I was talking about. The Jewel Tower is opposite Parliament. It is run by English Heritage and claims to house a parliamentary exhibition. I revisited it the other day, and was really quite embarrassed. English Heritage charges quite a lot for people to go in there and all there really is to see is Speaker Weatherill's gown—which is very generous of him, to his credit—and the gown worn by the Speaker at the state opening of Parliament. Our present Speaker must have donated that.

Those exhibits are interesting, but aspects of that place relate to this report. First, the exhibition was generally disappointing and embarrassing, and although it is run by English Heritage, I think that that reflects badly on us. Secondly, the report refers to the long-term objective of having a heritage centre. The Jewel Tower does not have a lift in it and never will have, because it was built 1,000 years ago, but it occurred to me that it has some relevance to tonight's debate. We have a shortage of space and some people here—Officers or Members—might be prepared to do an accommodation swap. The tower is not an ideal place for the interpretive centre that we have discussed and it is extremely bland. I hope that you and others trot over there to see it later in the week, Madam Deputy Speaker, because you will share my disappointment. However, there is an opportunity to find some more space there through a trade-off.

If we had control of Parliament square and its roads, that could be used at some stage for many of the facilities referred to in the report, including ticket offices.

Mr. David Lepper (Brighton, Pavilion) (Lab/Co-op): I noted my hon. Friend's earlier comments about English Heritage. Will he clarify the point that he has now made about the Jewel Tower? He and other Members might have had the experience before entering this place of serving on planning committees of local authorities and finding that one problem with English Heritage, wonderful institution though it is, is that it has little concept of buildings as living entities in which people have to work. Therefore, the notion of the Jewel Tower being available as, if I have understood my hon. Friend correctly, office space for staff of this building, seems to be a non-starter so far as English Heritage is concerned.

Andrew Mackinlay: That is for another debate. All that I am telling the House is that there is a building over there that we need to look at in the context of this report. It claims to be a parliamentary exhibition, but it fails in that. If we were looking at this matter in totality—in the round—we could explore such ideas.

Mr. Roger Gale (North Thanet) (Con): A few moment ago, the hon. Gentleman said to the House that he was being slightly mischievous, so let me be the same. Somewhere at home, my family has a picture of the Houses of Parliament without the spire over Central Lobby. We have that because my mother's kinsman was Charles Barry. This building was originally designed without what is, in fact, a chimney over Central Lobby. There are five floors of empty space up there that are totally unused.

When we came to discuss the televising of this House—in my view, a major mistake—we looked at those five floors, but the heritage bodies said that we could not touch that chimney. It strikes me, as it might also strike my friend, the hon. Gentleman, as extraordinary that we are going down the road tonight of giving in effect carte blanche planning consent, if the motion passes, to a plan that has not been through the heritage bodies, given that they chose not to allow us to use the chimney.

Andrew Mackinlay: I am grateful to the hon. Gentleman for telling us that story, which illustrates a

fact to which the Minister needs to be sensitive. The House behaves dreadfully on occasion. When it wants to pursue an end selfishly, it will ignore all the ground rules and consultations, but on other occasions it will embrace them. I am not going to sign up to that sort of behaviour. I did not know of that occurrence, but it underscores my point. I am certain that, when I go home tonight, when we have won the debate but lost the vote, I shall reflect on that as something that buttressed my point.

Mr. Simon Thomas (Ceredigion) (PC): The paradox that we face is that the obvious places around the parliamentary estate that we could use not only for visitor facilities but for interpretive facilities for democracy, are out of bounds. Some of us have canvassed Parliament square as a suitable place for politicians and people to meet and hold discussions outside Parliament. Those areas are out of bounds precisely because of the rules, regulations and attitudes of the conservation bodies, including English Heritage, which force us back into the Royal Palace, where we have a free hand to do what we want. However, we are failing in two ways tonight. We are failing to take account of the wider heritage issues and we are not considering this matter as part of a wider strategic review of security.

Andrew Mackinlay: I entirely agree. Members who have visited the United States Congress—that is probably the majority of us—will have seen how the entire area has been dealt with from the point of view both of security and of access. A comparable area here would include Parliament Square and the related roads.

There is another point that the Deputy Leader of the House and the Committee may have not considered. There is a BBC studio on the green by the Jewel Tower that is hardly ever used. Some trade-off could be arranged with the BBC—I assume that it is the landlord—in order to provide additional space in either the interim or the longer term. *[Interruption.]* To judge by the body language of the Deputy Leader of the House, he seems not to know where I am talking about, which is a pity, if I may say so. I hope that he will consider that idea.

Paragraph 36 of the report refers to the long term and to the need for an exhibition space, accommodation for school parties, a bookshop, a ticket office, and a display area for artefacts and so on. I certainly sign up to that idea; indeed, it is my long-term dream to have such facilities here. My hon. Friend the Member for West Ham was slightly unfair to the little bookstall in St. Stephen's Hall. Even if all the proposals are passed tonight and adopted, that bookstall should endure. It is not only sympathetic to St. Stephen's Hall; by providing a welcome it fulfils a function that will still be needed. The lady who runs it is very innovative in terms of the small, relatively cheap but quality products that she sells, such as the postcards. I hope that, whatever else happens, that bookstall is sustained.

Mr. Tyler: The hon. Gentleman is being very patient and I appreciate his courtesy. Has he noted that section 5 of the report, entitled "The Longer Term", is not technically before the House? As the Deputy Leader of the House confirmed to me, we are in no way committed by tonight's motion to a wider, longer term, more elaborate and expensive scheme. It would be very misguided to go any further than what is a very limited scheme. If we are really to invest in making a better connection with those who send us here—I have had this discussion with the hon. Gentleman before—we should invest in giving them much cheaper, more effective and wide-ranging electronic access, rather than spending a lot of money on a visitor centre. Section 5 is actually outwith this discussion.

Andrew Mackinlay: We are approving the report, so I think I am in order in discussing section 5, but the hon. Gentleman makes a valid point. I am in the rather privileged position of having constituents who are relatively close to the House of Commons, and I have a high visitor ratio. In the 12 years I have been here, I have had some 7,000 guests, all of whom I took to the little "broom cupboard" in the Chapel in St. Mary Undercroft, although not all at once. Constituents from North Cornwall, Glasgow, Rutherglen and many other places ought to have access to a virtual guided tour not instead of, but in addition to, the opportunity to come here, which I hope they do.

Over the weekend, I visited the website of the United States Congress—I had nothing else to do—and looked at its various chambers. The website was extremely good, and I regret the fact that, at this stage, we do not have a comparable facility. So I take the point made by the hon. Member for North Cornwall (Mr. Tyler). I do not want to rehearse my point about the bookstall in St. Stephen's Hall, but I implore the Chairman of the Committee to keep it, because it is extremely useful for a whole variety of reasons.

Mrs. Roe: I am afraid that the bookstall caused problems with English Heritage, which complained about its being there. We had to take that into account, so I hope that the hon. Gentleman does not think that it was removed on a whim. Unfortunately, pressure was put on us to have it removed.

Andrew Mackinlay: We seem to be talking at cross purposes. I am talking about the postcard stall in St. Stephen's Hall, which is mercifully still there today. I am simply saying, please do not remove it. The two ladies who have run it have been there virtually since the time of Barry.

Bob Spink: The hon. Gentleman allows me to pay tribute to Pat, who ran that little stall for 20 or 30 years until she retired only a couple of years ago. It is now run by someone who is equally sympathetic to the place.

Andrew Mackinlay: Pat and Freada stand there as custodians of the House, along with Grattan, Fox and the various people who have distinguished that Hall. I want them to stay.

I understand that there is a parliamentary bookshop at 1 Parliament street. I am not sure who has the title deeds, but I think it is the Houses of Parliament. It is extraordinarily bland, and I would like to be let loose on the task of putting some attractive books and other artefacts in it. They would not only earn money—I

[Andrew Mackinlay]

realise that that is not the primary objective—but promote Parliament. The bookshop is simply not being used at the moment.

Mr. Lepper: In view of the spotlight that my hon. Friend is casting on the bookstall that he loves and that we have all used, he might have averted the danger of our receiving a letter from English Heritage in the near future telling us that that bookshop is also out of order, as was the Westminster Hall bookshop to which the Chairman of the Select Committee referred—*[Interruption.]*

Andrew Mackinlay: I do not know whether Members heard what one of my colleagues uttered from a sedentary position; doubtless it will not be recorded in the *Official Report*. In answer to the point that my hon. Friend makes, I shall deal with that problem when it comes. Just as Speaker Lenthall saw off Charles I in St. Stephen's Hall, so we will see off any such attempts in future.

As you will remember, Madam Deputy Speaker, as you were present during the debate, my hon. Friend the Member for West Ham—he cannot be here tonight—painted a canvas describing the work that complements and helps interpret Parliament and its activities. He referred to the part of the report that calls for an interpretative centre, and I want to take this opportunity to compliment my hon. Friend on his initiative as Chairman of the Advisory Committee on Works of Art. He has done an extremely good job. I disagree with him on one or two details—

Madam Deputy Speaker: Order. I do hope that the hon. Gentleman is not going to discuss those disagreements now, and that he will contain his remarks to the report before us.

Andrew Mackinlay: Absolutely, Madam Deputy Speaker. I shall contain my remarks to precisely those matters that you allowed my hon. Friend the Member for West Ham to refer to when you were in the Chair—

Madam Deputy Speaker: Order. I have just given a ruling on what is happening before the House tonight.

Andrew Mackinlay: I did not mean to be discourteous, Madam Deputy Speaker. If I had my time again, I would frame my comment in a different way. I wanted to make only passing reference to matters that were discussed in that debate by my hon. Friend the Member for West Ham.

Mr. Forth: The hon. Gentleman will know that the summary of the report states that

"we recognise the demands for a large-scale interpretative visitor centre."

He will also know that on 22 April, during the opening part of this debate, the Deputy Leader of the House said that

"the Committees' report—for which I hope the House is grateful—is part of a wider strategy of improving information about, and access to, the Palace of Westminster."—[*Official Report*, 22 April 2004; Vol. 420, c. 509.]

So all of what we are discussing is surely inextricably bound up with the ghastly further ambition to spend £15 million more.

Andrew Mackinlay: That is entirely my point. I was reading the relevant part of the *Official Report* over the weekend. During that debate, my hon. Friend the Member for West Ham said:

"We do not often get the opportunity to discuss the Advisory Committee on Works of Art."—[*Official Report*, 22 April 2004; Vol. 420, c. 520.]

He is absolutely right, although now is not the night to have that discussion. But I do hope that the Leader of the House will take note of the fact that some of us are interested in this building. The great work that is done by the various Committees should be discussed on a suitable occasion.

Mr. Greg Knight: Does the hon. Gentleman share my disappointment that some members of the Committee appear not to be interested in the future of this building, given that only about half are in their places listening to our debate? If we accept the recommendations listed on page 13, does the hon. Gentleman agree that it will not be without cost to our own space? The recommendations may look fairly anodyne, but hidden away in the report, it appears that we are to lose the use of Room W5, which is to be turned into a public lavatory. I do not know whether the hon. Gentleman has ever had the difficulty that I have experienced in trying to book a room, but is it not a matter of deep regret that, if we accept the report, we will lose parliamentary space?

Andrew Mackinlay: The right hon. Gentleman raises the question of Westminster Hall as did my hon. Friend the Member for West Ham. I want to say that I am very catholic about that question. I have an open mind, but now is not the time to resolve how it should be. In fact, the W Rooms are not part of Westminster Hall. I believe that they date from 1888. Even after Pugin and Barry had created the wonderful building joining the mediaeval Westminster Hall, there stood, next to the place where Oliver Cromwell now stands, some quite attractive courtrooms, which were demolished with the opening of the courts elsewhere in London. Then within the buttresses of Westminster Hall were placed the W Rooms, the IPU Room and the Commonwealth Parliamentary Association Room. They are not part of the mediaeval building, but recent add-ons in the great sweep of things. They are nevertheless attractive and fulfil a utility.

We are faced with a problem tonight because we are the custodians of important heritage buildings of which we are immensely proud at the same time as being a functioning democratic Parliament and legislature. That poses a great dilemma. I am pleased that the right hon. Member for East Yorkshire (Mr. Knight) mentioned the problem of space and reminded us that we will lose out from the proposals. We are rushing into things inappropriately without having a total development plan that combines and reflects all the constraints of heritage against utility.

Mr. Gale: The hon. Gentleman has done his research very well: the W Rooms were indeed an add-on. We are

talking about visitor facilities. I want to mention three parliamentary bodies—the parliamentary armed forces scheme, the parliamentary police scheme and the industry and Parliament trust—that are all looking for accommodation within the parliamentary estate. If we are going down this road, surely priority should be given to those parliamentary bodies before we start sacrificing space in Westminster Hall.

Andrew Mackinlay: If it were within my gift—if the Almighty suddenly deigned that I was in charge of these affairs—that is the sort of thing that I would take into cognisance, but alas the Almighty is not going to do that. The hon. Gentleman provides another illustration of factors that need to be taken into account. They are not going to be so taken into account because on the pink forms tomorrow we are going to sign up to the motion; that is what will bounce us through. Many people will be there who have not trespassed into the Chamber this evening. That is why, as I have already said, we will win the debate tonight and lose the vote. It is wrong. Even now, I hope that the Deputy Leader of the House might give at least some undertaking about a further period of consultation for MPs before any final decision is taken. We must have the opportunity to have some further input.

My hon. Friend the Member for West Ham and other hon. Members have referred to the document's proposals for Westminster Hall. I take us on a virtual tour. At St. Stephen's Entrance there is going to be a new creation, which I believe is a mistake. It will be a pillbox—no doubt a nice pillbox done in Gothic style—which I do not believe should be situated there. I invite hon. Members to look at the black and white drawing in the document. Someone is at the pillbox to give information and advice, and some paragraphs refer to the additional costs, but I believe that the pillbox is unnecessary. Furthermore, it is not aesthetically appealing and would not gain planning permission if it came before Westminster city council. We should look at that proposal again.

If we go down the ramp, we go through security and into Westminster Hall. I ask the House to reflect on a particular point. One of the great attractions of Westminster Hall is the great door. Under the proposals, it will be permanently open—so not seen—and there will be a new glass construction put in its place. It is necessary, so we are told in the report, if large volumes of people are coming through. I view the effective removal of the door as an outrage. It is a profound mistake. The beauty of looking back down the Hall from the place where Charles I was tried lies in the wonderful door. It makes me cross: the door should stay there.

I disagree with my hon. Friend the Member for West Ham in his enthusiasm about how Westminster Hall should be used and what people should see if the proposal goes through tonight. I get an enormous thrill going through Westminster Hall—I know that other hon. Members do—because of its emptiness. It is the most wonderful, beautiful covered open space that exists in London. If we leave late at night when just the emergency lighting is on, it takes on a new beauty in its darkness. I want to preserve that, but the report talks about having new additional lighting. What a profound and foolish mistake that is—and what an outrage that it is in the report before us tonight.

Mr. Lepper: I have was impressed by the historical detail and research in the earlier part of my hon. Friend's speech this evening. However, does he agree—perhaps I am wrong—that the emptiness of Westminster Hall is, in view of the long history of that part of the parliamentary estate, a fairly recent phenomenon? For most of its existence, it has been thriving with a throng of people visiting this place. Among other things, it was once a market. I understand my hon. Friend's wish to preserve, but he may be trying to preserve a relatively recent part of the history of the Houses of Parliament.

Andrew Mackinlay: I do not sign up to that. The same point was uttered in the earlier part of our debate that took place on 22 April. Of course Samuel Pepys records the stalls and marketing activities that went on. That is a matter of fact. However, if we take the sweep of 1000 years of history, Westminster Hall has functioned mainly as a public hall. I cannot prove it, but I believe that for most of its life, it has been a place of utility for the state of the day. It has mainly fulfilled public functions. Occasionally, it has been used for other functions, but they have not been its main purpose. St. Mary Undercroft was used for stables during the Cromwellian period and as a rather nice Speaker's banqueting hall right up to 1834. However, its primary function was as a place of worship. To their credit, Pugin and Barry returned it to that purpose, and we are the beneficiaries. Westminster Hall has fulfilled various official, political and constitutional functions. That means it is often empty and uncluttered, as it is this afternoon. I do not want there to be more clutter in there.

My hon. Friend the Member for West Ham spoke about exhibitions in the Hall, a matter that is also covered in the report. It is a question of degree. If the motion is approved, I could live—albeit reluctantly—with occasional exhibitions using stands that are sensitive to the surroundings. However, I think that many hon. Members will have been concerned about two recent exhibitions.

About a year ago, the content of an exhibition about political cartoons was superb and compelling, but the structure used was inappropriate. The more recent exhibition of photographs was in place for a long time. I am all for photographic exhibitions, but that one was a dreadful blot on the landscape. It looked like a trade exhibition, and was wholly inappropriate for the guests who come here from all around the world. I urge the relevant Committees to be sensitive to this matter, in the immediate period and in the long term. Exhibitions in Westminster Hall should be held sparingly, and the stands used should be appropriate.

I have detained the House for some time, but I have been accepting interventions. I urge the Chairman of the Administration Committee, the hon. Member for Broxbourne (Mrs. Roe), and the Minister to reflect on what I have said. The mood of those hon. Members who have intervened indicates that there is a powerful case for some reflection on the proposals. I am sure that hon. Members could find a way to revisit some of these

[Andrew Mackinlay]

matters. We need greater consultation in respect of security aspects and the long-term ambitions for this wonderful building, in which we are privileged to live and work.

Mr. Gale: The hon. Gentleman has done the House a great service in illustrating the tensions between the title of the debate—"Visitor Facilities"—and the underlying security concerns that are of such great interest to us all. With that in mind, I beg to move, That the House sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (motion to sit in private):—

The House divided: Ayes 9, Noes 184.

Division No. 169] **[8:32 pm**

AYES

Campbell, Gregory *(E Lond'y)*
Dodds, Nigel
Howarth, Gerald *(Aldershot)*
Leigh, Edward
Mackinlay, Andrew
Rosindell, Andrew
Spink, Bob *(Castle Point)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*

Tellers for the Ayes:
Mr. Roger Gale and
Mr. Eric Forth

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Anderson, Janet *(Rossendale & Darwen)*
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baker, Norman
Banks, Tony
Barnes, Harry
Begg, Miss Anne
Betts, Clive
Blackman, Liz
Borrow, David
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnett, John
Burnham, Andy
Cairns, David
Casale, Roger
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Corston, Jean
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim (ventry S)
Cunningham, Tony (Workington)
Davidson, Ian
Dawson, Hilton
Dobson, rh Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Efford, Clive
Ellman, Mrs Louise
Field, Mark *(Cities of London & Westminster)*
Fisher, Mark
Fitzsimons, Mrs Lorna
Flook, Adrian
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, Andrew *(St. Ives)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Gray, James *(N Wilts)*
Green, Matthew *(Ludlow)*
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heppell, John
Hermon, Lady
Hill, Keith *(Streatham)*
Hinchliffe, David
Hogg, rh Douglas
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hutton, rh John
Iranca-Davies, Huw
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lansley, Andrew
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Liddell-Grainger, Ian
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McGuire, Mrs Anne
McIntosh, Miss Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, Tony
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marsden, Paul *(Shrewsbury & Atcham)*
Meale, Alan *(Mansfield)*
Michael, rh Alun
Miller, Andrew
Mole, Chris
Moran, Margaret
Morgan, Julie
Mountford, Kali
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Owen, Albert
Perham, Linda
Pickthall, Colin
Plaskitt, James
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Purnell, James
Rapson, Syd *(Portsmouth N)*
Redwood, rh John
Rendel, David
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Salmond, Alex
Salter, Martin
Sanders, Adrian
Selous, Andrew
Shaw, Jonathan
Skinner, Dennis
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Starkey, Dr. Phyllis
Steen, Anthony
Stringer, Graham
Stunell, Andrew
Taylor, rh Ann *(Dewsbury)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Turner, Dennis *(Wolverhton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Vis, Dr. Rudi
Ward, Claire
Watson, Tom *(W Bromwich E)*
Webb, Steve *(Northavon)*
Whitehead, Dr. Alan
Whittingdale, John
Williams, Betty *(Conwy)*
Willis, Phil
Woolas, Phil
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*

Tellers for the Noes:
Mr. Nick Ainger and
Gillian Merron

Question accordingly negatived.

8.43 pm

Mrs. Marion Roe (Broxbourne) (Con): I am pleased to have the opportunity to speak to the motion approving the joint report of the Administration Committee and the Accommodation and Works Committee. As hon. Members will be aware, I was unfortunately away on parliamentary business when the motion was first debated on 22 April, and I am very grateful to the Chairman of the Accommodation and Works Committee, my hon. Friend the Member for Old Bexley and Sidcup (Derek Conway), who made such a valuable contribution on behalf of both Committees on that occasion.

Mr. Heald: My hon. Friend will know that I spoke on that occasion, before the debate was adjourned, and paid tribute to her and her Committee for their hard work on the report.

Mrs. Roe: I am most grateful to my hon. Friend for his kind comments.

I am also grateful to my colleagues on both Committees for the assiduous way in which they have tackled the whole subject. There was a helpful spirit of co-operation, not only between members of my Committee, which I have come to expect since I became its Chairman, but also between members of both Committees. The proposals in our report will be a joint resource with the House of Lords. We are grateful to members of the House of Lords Information Committee and of the Administration and Works Committee for their constructive comments and support.

I have listened carefully to the remarks made by the hon. Member for Thurrock (Andrew Mackinlay). He certainly covered a great deal of ground during his speech, and I wish to pick up one or two points that he made, as some clarification may be helpful. He mentioned paragraph 32 of the report, which says:

"This figure does not take into account the effects of inflation or the cost of any additional related security works required once consultations with security and heritage bodies have been completed."

Consultations have started—it is not a question of their having yet to start—and they will certainly continue until we have confirmed all the details of the final design. I hope that I can put his mind at rest about the fact that the consultations are ongoing and thorough.

May I draw the hon. Gentleman's attention to paragraph 21, where we refer to exactly how the proposed new building will look, and say that it will be

"single storey, with a flat roof at the Cromwell Green level"

and so on? The last sentence of that paragraph states:

"We are aware of the sensitivity of the site and recognise that the eventual design will need to be appropriate for its surroundings."

I want to confirm to him that both my Committee and the Accommodation and Works Committee are very anxious to ensure that whatever is put into or attached to this building certainly does not intrude and certainly enhances not just the facilities, but the scene.

Andrew Mackinlay: I do not say this facetiously, but what the hon. Lady says—of course, I take it in good faith, as I do with the Committees' motives—is what everyone who makes a planning application tells any local planning authority, and they mean it, but sometimes we have to act quasi-judicially and look at things in the round. Her intentions are fine—I fully accept them—but we ought at least to look at the final proposal when the consultations have been completed, so that we can see the sympathetic cladding materials.

Mrs. Roe: I have heard what the hon. Gentleman has said. Such things will take time, there will be consultations, and I can assure him that no one, certainly on my Committee, would wish to stop colleagues, on whichever side of the House they sit, having an input into ensuring that the facilities are appropriate and fulfil their role.

Mr. Greg Knight: I associate myself with my hon. Friend's remarks about the hard work done by the members of the two Committees, but it is a pity that they could not all be bothered to turn up for tonight's debate. For the avoidance of all doubt, will she confirm to the House that although the recommendations on page 13 are strangely silent about this, the report, if accepted, would involve the loss of Room W5 to Members?

Mrs. Roe: Yes, I confirm that, but if my right hon. Friend will allow me to continue my remarks a little further, I shall explain why we feel that that is necessary, and I hope that he will understand the points that I make.

Our Committees' proposal would improve the access facilities for visitors and increase security. Our report is centred on one major recommendation: a new reception and security building should be built at the north end of Cromwell Green and the west side of the Jubilee café. The proposed new building would replace St. Stephen's entrance, as the main entry point for visitors to both Houses.

The Houses of Parliament receive at least 400,000 visitors a year. As our report makes clear, they visit for many different reasons. For example, some visit the Galleries of each House or attend Select Committee sittings. Some come to lobby their Members of Parliament or to take part in mass lobbies. Others come for official dinners or to meet staff of the two Houses. People wish to come to the House of Commons for a variety of reasons.

Currently, most non-pass holders enter through St. Stephen's entrance, where they and their belongings are searched. Many hon. Members will share my Committee's long-standing concern that that arrangement is unsatisfactory. We have all seen the long queues that sometimes build up on the pavement outside, a particularly unwelcome sight when it is cold and wet. The limited space at St. Stephen's entrance means that there is insufficient space to offer visitors much information about what is happening in the Chambers or the Committees. The present arrangements are also inadequate from a security perspective, as was highlighted at the end of last year, when security equipment had to be moved outside into a temporary marquee.

Mr. Forth: I am rather intrigued by that argument. Is there any evidence that people are put off visiting the Palace of Westminster because of the present arrangements? We hear pitiful stories about people waiting in queues and standing cold and shivering in the rain, but I have never had the impression that that has deterred people from coming here. In fact, it may make them appreciate it more when they get in.

Mrs. Roe: Even if it does not deter them, we should offer a slightly more welcoming atmosphere for people coming here. We are not offering them a warm welcome if they have to queue in the rain and cold. My Committee feels strongly about that, and has supported for some time the view that we should do more to welcome visitors. As we state in our report:

"Our visitors are the electors of the present and the future, or those who come from abroad to visit one of the most important and historic sites in the United Kingdom."

[Mrs. Roe]

We could and should do more to welcome visitors and provide them with information to help make their visit more memorable. If that aim can be achieved while, at the same time, enhancing security and easing the burden on our security staff, we should seize the opportunity to do so.

I shall explain briefly why my Committee believes that the proposed new building would help to achieve those two important objectives. I shall also try to address the concerns of hon. Members who have reservations about the effect of our proposals on the Palace and the work of Parliament, and who are afraid that they represent the thin end of the wedge. Conversely, other hon. Members believe that we have not gone far enough, so I shall explain why I think we have struck the right balance.

Under our proposal, visitors would enter the new building by means of a ramp leading down from St. Stephen's entrance along the inside of the wall separating Cromwell Green from the pavement. It would be wide enough to make arrangements to fast-track Members' guests or people attending meetings with Members. Visitors would then enter the new building, where they would pass through the security machines. There would be space for three search machines, as opposed to the existing two at St. Stephen's entrance, which would reduce the time that visitors have to wait before entering the building. From the new building they would walk alongside the Jubilee café and enter the Palace through the north door of Westminster Hall. A visitor's first view of the inside of the Palace would therefore be the magnificent sight of Westminster Hall, which would be enhanced as it would be free of the unsightly security equipment that currently stands at the south end of the Hall.

There are other advantages to the proposal, as we outline in part 4 of our report. The new arrangements would greatly reduce the need for visitors to queue outside and, importantly, there would be a great improvement in the access arrangements for disabled visitors. Currently, disabled visitors have to enter the Palace separately from other visitors because of the steps in St. Stephen's Hall. Under the proposed arrangements, however, they would be able to enter down the ramp with everybody else, then continue to their destination, as now, via one of the lifts off Westminster Hall. That would definitely be an improvement for certain guests coming to the Palace of Westminster.

I should point out that the proposed new arrangements are strongly supported by the police and senior security staff of both Houses and are based on the best current security advice. The new building would provide a dedicated building outside the main Palace for security checks. That would be a significant improvement from a security perspective. It is important that visitors can be searched outside the main building, and the location below street level has also been approved by security experts.

Andrew Mackinlay: Just a small point—at present anyone who is disabled or in a wheelchair must come in through New Palace Yard and the north door of Westminster Hall. There is no appreciable difference in the proposals being outlined.

Mrs. Roe: At present, disabled visitors must leave the party that they are with, whereas under the new arrangements they would all be able to come in through the same entrance. In Westminster Hall they would be guided to a lift. I believe that these arrangements would be more acceptable, and from the soundings that have been taken, disabled groups believe they would be an improvement for their supporters.

I shall try to reassure hon. Members about what the proposals do not include. They do not affect the Commonwealth Parliamentary Association and Inter-Parliamentary Union rooms, nor are there plans for them to be used in the future. The smallest W meeting room will be converted to extend the ladies lavatories, but the four main meeting rooms will not be affected and will continue to be available as valuable meeting rooms for Members. The proposals are modest and should not affect the work of Parliament.

In reply to my right hon. Friend the Member for East Yorkshire (Mr. Knight), I should say that there have been complaints from visitors to the House about the lack of facilities, and it was therefore thought appropriate that the opportunity should be taken to improve the facilities for ladies lavatories.

When we were first asked to look into the matter by the House of Commons Commission, the consultants who had been engaged by the House proposed a full-scale interpretative visitor centre in Westminster Hall. I am sure that we all recall the reaction to those proposals. They would have involved significant disruption and changes to the use of the rooms off Westminster Hall. The proposals, as I said, met significant opposition and we did not support them. In our report we clearly say that we did not support the proposals. We state in the summary that

"we recognise the demands for a large-scale interpretative visitors centre. We support this concept but believe that this is not feasible within the Palace of Westminster, and therefore recommend that suitable accommodation outside the building be sought."

I hope that allays any fears on that score. I believe that we are supporting the main view of Members.

Mr. Tyler: I very much respect the work that the hon. Lady and her Committee do. Can she take the opportunity to make it clear to the House this evening, as the Deputy Leader of the House did in response to me earlier, that if the House approves the motion, we are not approving the long-term section on page 12, which appears to commit the House to a very expensive and elaborate interpretation centre, when many of us feel it would be a much better use of the House's limited resources to make sure that more members of our electorate can access the House electronically? It is rather confusing that the motion before the House is in two parts. We are asked to approve the joint report, but we are asked to endorse only the immediate proposals for the new reception and security building. Will the hon. Lady please clarify for the House that as far as her Committee is concerned, we are endorsing only the latter proposal, not the wider long-term proposal?

Mrs. Roe: I fully support the hon. Gentleman's comments on the matter. As he will see, the title of the

report is "Access to Parliament". That is what we are approving today. I hope that everybody appreciates that we will have a different debate about what will follow and where any interpretative centre will be located in the future. There will be serious consultations among colleagues and elsewhere on any proposal that might come forward on that.

Mr. Greg Knight: May I make two points to my hon. Friend? First, in any further view that she and her Committee take on providing a full-blown visitor centre, will she rule out placing it in the parliamentary estate as the parliamentary estate currently exists, because room is simply not available? Secondly, if she is looking for a candidate building to use as a visitor centre, will she examine the Middlesex court building on the other side of Parliament square? A court has no need whatsoever to be situated on Parliament square, and we should take it over and use it as a visitor centre.

Mrs. Roe: I have listened carefully to my right hon. Friend's suggestion. We will, of course, examine all facilities, but my Committee discussed the issue and concluded that it is not feasible to locate a visitor centre within the Palace of Westminster because space is not available, and I am sure that all hon. Members in the Chamber agree with that decision.

Sufficient space is also not available to hold exhibitions on the work and role of Parliament, which many hon. Members in the Chamber feel is an important part of welcoming visitors. The first page of the report, which I read out, makes it clear that the Committee supports the concept of a full-scale interpretive visitor centre, which I feel should be sited outside the main building. Such a proposal clearly requires much more work, and the officials who supported the Committee on the current proposals and for whose work we are very grateful will now examine the options outside the Palace. When the Committee has considered those options and feels that it has done enough work for the House to take a view, it will, of course, report again.

The more difficult issues associated with a visitor centre should not delay progress on the new reception and security building, on which there is every reason for a consensus across the House. A new reception and security building would be an important step in improving access facilities for visitors and would represent a significant improvement in how we treat visitors and provide information to them.

The final section of the report sets out that my Committee is committed to examining options for other facilities. However, I stress again that the development of a full-scale visitor centre within the Palace of Westminster is not proposed. I put that point on the record and hope that everybody accepts my confirmation of it.

Mr. Stephen Pound (Ealing, North) (Lab): The hon. Lady is being typically generous in giving way. This point may seem minor, but it means a lot to many of us: if the new visitor centre is built, will we have seen the last of the baleful presence of the malefic Oliver in the form of that statue? The green could be renamed Prince Rupert of the Rhine green or—this is my personal preference—Charles Stuart green.

Mrs. Roe: I note the hon. Gentleman's point. My Committee has not considered the matter, and it would not be appropriate to make pledges to him about such a suggestion. However, my colleagues and I can read his comment in *Hansard* and reach a view in due course.

The proposal will improve access facilities for visitors. The plans in the report will hopefully form phase 1, and phase 2 will not be within the Palace of Westminster. I trust that the House will enable progress to be made on our modest proposals, which should meet the important twin objectives of making visitors feel more welcome and improving security. As other hon. Members said, this is not our House—and it belongs to the people who give us the right to sit in it. We should do all that we can to welcome visitors while minimising disruption to Parliament's work and taking into account security issues. Our joint report sets out our proposals that meet those aims, and I urge the House to support them.

9.4 pm

Mr. David Lepper (Brighton, Pavilion) (Lab/Co-op): I shall be brief. I thank my hon. Friend the Member for Thurrock (Andrew Mackinlay), who generously gave way several times earlier in the debate. I congratulate the hon. Members for Broxbourne (Mrs. Roe) and for Old Bexley and Sidcup (Mr. Conway) and members of their Committees on their work in producing the report. I have the honour of chairing the Select Committee on Broadcasting, which considered these proposals at the beginning of last year when they were in a much earlier form and based on the notion of a fully-fledged visitor centre. Committee members of all parties endorsed the principle of a visitor centre and the improved access to this House that would form part of it. The proposals that are before us today, although limited in terms of those earlier considerations, are about access and security. They are in line with the first part of the priority that the House of Commons Commission agreed in June 2002—to improve access to and understanding of Parliament—and they are worthy of support for all the reasons that the hon. Member for Broxbourne presented.

None of us has any way of knowing whether having to stand outside St. Stephen's entrance in whatever weather is a deterrent or an inducement to people who want to come in to see the work of Parliament or to visit these buildings. Clearly, people are prepared to stand outside whatever the weather, but they should not have to. There should be better facilities for those who want to come in to see us at work in this Chamber or in Committees Upstairs, or just to see the architecture of the building. It is plain common sense to improve access to this place as the report suggests, and a simple courtesy to our electors to ensure that they get a better welcome.

Although I accept and endorse the comments of the hon. Member for Broxbourne, I hope that the wider and fuller concept of a visitor centre will not be forgotten and that her Committee and other Committees will go on to explore how that can be provided, thereby fulfilling the other part of the Commission's priority—to improve understanding of Parliament.

[Mr. David Lepper]

The hon. Member for North Cornwall (Mr. Tyler) talked about improving understanding and access electronically. That is important. We now have, although it is limited at the moment, the webcasting of Parliament. Almost day by day—certainly, year by year—we have improvements in the technology that gives people access to what is going on here, even though they may be many miles away. I would say two things about that. First, it will never be a replacement for wanting to visit the House of Commons and the House of Lords to see them in reality. Virtual reality will never satisfy everyone, nor should it.

Secondly, I hope that when the hon. Members for Broxbourne and for Old Bexley and Sidcup and their Committees consider the wider issue of the visitor centre, they will bear in mind a point that has already been made to the hon. Lady's Committee by members of my Committee—that the broadcasting of Parliament, including the relaying of what is happening at the time and the archive material that is available, should play an essential role in the visitor centre. I ask the hon. Lady to give cognisance to my Committee's wish to have some involvement in the future planning of a visitor centre.

Mr. Tyler: I am grateful to the hon. Gentleman for giving way. I appreciate the very thoughtful contribution that he is making. I hope that his Committee will accept that, in terms of value for money, a comparatively small investment made now could result in major improvements, comparable with those made in legislative assemblies in other parts of the world. While his constituents can come here and see us at work relatively easily, the constituents of those of us who come from further afield have much greater difficulty in doing so. It is important for young people, particularly during their school years, to have the opportunity to see Parliament at work electronically when they cannot possibly visit these buildings.

Mr. Lepper: I would certainly agree with the hon. Gentleman about the important educational function of being able to watch the proceedings of this place on television, via the internet or by some other means that might become available in the near future. However, the fact remains that people come from far afield to visit these buildings and to see what goes on inside them. That will always be the case, and I want us to guard against the notion that technological advance might make it preferable to watch what is going on here over the internet or by some other similar means, rather than by coming here to see Parliament at work. I accept much of what the hon. Gentleman has said, however.

I support the proposals before us, but I hope that the hon. Member for Broxbourne will be able to give the House assurances about the involvement of members of my Committee in any future planning of proposals for a visitor centre.

9.11 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): This is the wrong proposal at the wrong time. It is what the Americans call a boondoggle, and it really is time that it was exposed. I follow very much the arguments of the hon. Member for Thurrock (Andrew Mackinlay), but I want first to pick up on why I think that the proposal is being made at the wrong time.

We find ourselves in an odd position because, on the one hand, the Leader of the House, no less, has said that there will be a

"wide-ranging security review that the Speaker has ordered, with my support and that of the House of Commons Commission".

Well, I suppose that makes it all right, then. The Leader of the House has announced a wide-ranging review of security, which I think that we all agree is timely and necessary. But before that review has reported, we are now being asked to give our approval to a proposal based on a security argument. So we are in the absurd position of being told that this proposal is about security, when we have not yet reached the completion of the wide-ranging security review announced by the Leader of the House. That strikes me as somewhat eccentric—I shall put it no more strongly than that. The timing of the proposal is therefore completely wrong. It is premature, and it will make a nonsense of the security review.

The other anomalous position is illustrated by the statement of the Deputy Leader of the House that the report

"is part of a wider strategy of improving information about, and access to, the Palace of Westminster."

He went on to say that

"the Government regard the reception building very much as the first stage. We hope that we will be able to build consensus on proposals for a proper visitor and education centre, with space for exhibitions interpreting our work, for the reception of school parties, and perhaps for a book and souvenir shop."—[*Official Report*, 22 April 2004; Vol. 420, c. 466, 509–512.]

What we are being asked to approve here is simply phase one of an overall project, and we are being asked to do it in a detached way. So in two respects, first in terms of security and second in terms of the overall vision of those who see this place as a theme park—I shall come back to that in a moment—we are again being asked to look at only part of the argument. We are therefore embarking on a debate based on a partial and premature approach.

Paragraph 2 includes the contention that

"across the UK there are many people who are keen to be more closely involved in Parliament's work but who are not currently engaged."

Members of Parliament are very taken with such contentions, which we like to hear because they make us all feel better about ourselves, but I do not know what evidence exists for that contention. I suspect that it is simply regarded as self-evident but I am not sure that it is true that many people are keen to be more closely involved in Parliament's work. The philosophical basis and thrust of the report is in doubt from the start, because simply stating a contention does not make it true although we are often fond of that approach. Doubt arises immediately about our motivation.

Paragraph 3 contains a phrase that I find somewhat more attractive and refers to

"recognising that the Palace of Westminster is primarily a place of work and public access should not impinge on that work."

That is a welcome statement. For some time I have worried about the danger that, as we do less and less useful work in the House of Commons because the

Government have throttled it and give Members fewer and fewer opportunities to do their job, we will turn the place into a theme park. We are telling people, "Come and sit behind a glass Screen." Even more absurdly, we are saying, "Come and parade silently along while we do our business here in the Chamber" because visiting the building and seeing what happens here is subtly and gradually becoming more important than what we do in it. Again, that is an underlying but unstated part of what we are asked to approve this evening.

The report is all about making the place more welcoming to visitors rather than thinking more seriously about what we do in the Palace of Westminster. That bothers me because it shows a mindset that is becoming all too common among Members of Parliament and our esteemed establishment figures. They believe that much more emphasis should be placed on lavatories and ramps without displaying much concern about the fact that increasingly fewer Members attend or are able to carry out their duties.

Earlier today, we had a drastically truncated debate in which we were sadly unable to complete our scrutiny of an important Bill. That passed almost without comment. We usher more and more visitors through the building to watch us doing less and less effective work. That is an odd view of the parliamentary process but it appears to motivate an increasing amount of what we do. I find that sad and wish that we would resist it.

Mr. Gale: Would my right hon. Friend like to reflect on the number of people who pack the Public Gallery on some occasions and the relatively few people who pack—if that is the right word—any Galleries in Select Committee hearings and especially Standing Committee sittings? In the context of a debate on public access, will he further reflect on the fact that our Standing Committees are not even televised?

Mr. Forth: My hon. Friend typically makes an incisive point. Again, I am not aware of any reflection upon it. Hon. Members often cite important Committee work Upstairs as an alibi for not being in the Chamber. Those of us who are part of the secret society know that that is sometimes true but that it is often not exactly true. The proof of that pudding would be to ask why we are not spending much more time and attention on greater and better access for the public to what some would regard as our real work in both Standing and Select Committees instead of ushering them through ridiculous pieces of glass and funny corridors to see an ever emptier Chamber. Such questions are not asked because we are probably rather afraid of the answer to the question of why we are here on fewer and fewer occasions. So, the whole thrust—the whole philosophy—behind the report is flawed. The assumptions made and the underpinnings should be seriously questioned.

It gets worse, because when we consider the financial aspects we are entitled to become slightly ashamed of ourselves. Here we are, posturing and posing as the custodians of the taxpayers' purse, and scrutinising in the House of Commons the amount of money that the wicked Government are spending. Indeed the Government are wicked and indeed they spend far too much—let there be no doubt about that—but when do we gaze at our own financial navels? The answer is all too rarely.

The real truth is that there are effectively no constraints on expenditure by the House of Commons on itself. In that, we are disgracefully self-indulgent. We have before us a very good example of it, because here we are, quietly and unobtrusively voting ourselves what paragraph 32 of the report coyly refers to as

"in the region of £5 million."

That is not much money if we say it fairly quickly, and I am sure that the taxpayers will not mind it being lavished on what the Chairman of the Administration Committee, my hon. Friend the Member for Broxbourne (Mrs. Roe), referred to in her charming way as "their Parliament". Whether that is how people see it I leave to others to judge.

So, £5 million is involved. Well, no it is not, because the report then says, semi-honestly:

"This figure does not take into account the effects of inflation or the cost of any additional related security works required once consultations with security and heritage bodies have been completed."

That is the point that was made so effectively by the hon. Member for Thurrock (Andrew Mackinlay). This is a pig in a poke—another blank cheque that we are being asked to sign. The figure is not £5 million at all. It might not even be

"in the region of £5 million."

It says here in the report that the

"figure does not take into account . . . consultations"

yet to come. Then it says, with almost charming transparency:

"The final figure is therefore likely to be higher."

How much higher we do not know. Could it be just £1 million higher, or twice that? Could it be, following the pattern of the Scottish parliamentary building, 10 times the current estimate? We do not know, but we are being asked this evening to give our approval.

As you know, Mr. Deputy Speaker, we are in fact not being asked to give our approval this evening, because in the final disgrace to the Parliament—I am ashamed to admit it—we will not be asked to vote on the measure this evening. We will be asked to come back tomorrow. No doubt several hundred colleagues will vote, in that disgrace called the deferred Division, on something of which they have little knowledge due to the fact that they have not bothered to be here to take part in the debate.

Who knows, but maybe even the Prime Minister will vote tomorrow, because the deferred Division will be staged at a time convenient to him, when he happens to pay his once-a-week visit to this place to answer questions. Rather conveniently, he will be able to nip through the Lobby immediately afterwards to cast his vote on a ballot paper for the deferred Division, not having been here for the debate. I do not particularly blame him for that, because, sadly, nearly every other Member of the House shares in it, as it happens.

So, colleagues—those guardians of the taxpayer—will waltz through the Division Lobby and put their name on a bit of paper tomorrow to sign away at least £5 million of their constituents' money, probably with very little knowledge of where it is going. That is for them, not us here at present, to answer for.

[Mr. Forth]

We do not know how much this measure will cost. That is the conclusion we draw from the report.

Mr. Gale: My right hon. Friend is generous in giving way. There are some 17 Members in the Chamber, which at 9.23 on such a night is not bad, because normally nobody would be here at all as the House would not be sitting. Will he invite the Minister to place on record his view of the cost, so that before Members vote on paper tomorrow there will at least be for the record a clear Government statement of the expected cost? I suspect that, in years to come when the bill is finally delivered, the Minister might not wish to take responsibility for that reply.

Mr. Forth: All I can say to my hon. Friend is, "In your dreams." That will not happen, although I admire his gall in asking for it. By the by, I wonder, as he probably does, where are the 180 or so Members who just a short time ago went through the Division Lobby to deny us sitting in private? They have all disappeared somewhere, very strangely. They were all in the building not long ago, but they have not seen fit to remain here in the Chamber. That, however, is a matter for another day.

I will not prolong my contribution—I could expand considerably on the matter, Mr. Deputy Speaker, as you know me well enough to realise—as I want to leave time for my hon. Friend the Member for Castle Point (Bob Spink) in particular to make his contribution, and there is at least one Labour Member who also wants to speak. I am sure that time will properly be allowed for everyone to make their contributions, since the Order Paper usefully tells us, as will have caught your eye, Mr. Deputy Speaker, that this debate can continue until any hour. That is appropriate. This is a House of Commons matter. There is no urgency about it, and no need to curtail the debate. It is subject to a deferred Division, so, sadly, Members need not wait to vote.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. With great respect to the right hon. Gentleman, he should prejudge nothing and regard the Standing Orders in their totality.

Mr. Forth: That is what I feared, Mr. Deputy Speaker. I shall be watching to see Government Whips hovering near you and whispering in your shell-like any time from about now onwards. Sadly, I suspect—whispers have reached me—that the Government may try to close this debate down. Perhaps they are so ashamed of the amount of money being spent that even they would not approve of it. Let us see how events unwind. Certainly, I do not want to be a party on this occasion, although I am always happy to be on others, to going into the matter in great detail.

Unusually swiftly, I shall move on to paragraph 34 on the revenue implications. We have found out, have we not, that we have no idea what the capital cost will be, so let us see if we know any more about the revenue costs, as the taxpayer will pick up that bill too. The paragraph states that "the consultants"—oh dear, I always worry when I see that word—

"estimate that the staffing of the new information point near St. Stephen's Entrance and the extra searching capacity of the new building would require additional staff—three full-time posts for the kiosk, and six full-time posts of security officers for the search points. This gives a total increase in revenue costs of £200,000 per annum."

One would have thought that that was all right, and that now we will know something of what it will cost. It goes on to say, however:

"Some extra costs would also be incurred for lighting and heating, staffing an information desk in Westminster Hall, and for the production of information material."

I would have thought that it was not beyond the wits of men, and even beyond the wits of consultants, to give us some idea of what that might cost. I am rather disappointed that my colleagues in the Committee have not sought further information to offer to the House in asking us to approve this expenditure.

Mr. Tyler: There are two other aspects of revenue costs to which the right hon. Gentleman might like to turn his attention. I had hoped that there might be savings involved in the proposals, because we could get rid of the dreadful building that is put up temporarily on the green to accommodate those visiting the House to take the line of route during the recess—I do not know whether he has noticed it. I was told in the previous debate, however, that that was not likely to be the case. Secondly, I wonder whether he would like to look at paragraph 26, which states:

"Contingency arrangements would need to be made for those periods when Westminster Hall is closed, for example, in preparation for, and during, formal occasions involving both Houses of Parliament, such as the presentation of Addresses. This is likely to involve putting temporary security facilities back into St. Stephen's Entrance."

Of course, that will also incur cost.

Mr. Forth: In one sense, the hon. Gentleman has been here longer than I have, and he must know as well as I do that expecting anybody to find savings in this place is a dream. I am amazed that he has even thought that consideration would be given to savings. I would have thought that saving taxpayers' money in today's House of Commons was a most unlikely outcome, certainly from this debate. I share his aspiration but, sadly, that is not the mood of the moment. We are in spending mode right now, and we are spraying money around pretty generously.

Some extra costs would therefore also be incurred for all the matters that the poor old consultants were unable to pin down for us. I am grateful that the hon. Gentleman has drawn the attention of the House to paragraph 26, because it almost belies a lot of the arguments that have been put to us this evening about the virtues of what we are being asked to agree. In spite of the fact that we will have all these wonderful new facilities, it would appear, for those periods in which Westminster Hall is closed, as he has just quoted, that we will incur further cost to put back temporary security facilities at St. Stephen's entrance.

We can do a bit of reminiscing. We can be a bit nostalgic, remembering what it used to be like in the good old days. Having spent at least £5 million, with revenue costs of at least £200,000—an unspecified sum—we shall be asked to spend even more, because the old facilities will have to be put back.

This is a sad little episode. It reveals all too much about us, our attitude to these matters and our casual expenditure of taxpayers' money. I regret all that. I

think the whole thing is unnecessary, ill-conceived and premature. I think that in the light of the so-called security review, this is a partial answer to a comprehensive problem. I wish it were not happening, but I suspect that the troops will march through the Lobby tomorrow. Only partly aware of what they are voting for, they will fill in their little pink or yellow slips—or whatever they are these days—and the matter will be concluded. But we will fight the battle again, as we shall have to, when another amount—the last figure I saw was £15 million—is proposed for the ludicrous theme-park-style interpretative centre that has been mentioned a number of times. When that day comes, we will fight the battle all over again.

9.31 pm

Mr. Iain Luke (Dundee, East) (Lab): As a member of the Administration Committee, I think it right to stand up and put the arguments. There has been a good deal of criticism of people who allegedly do not speak up for the decisions they make in Committees. I think it only right for us to discuss these matters tonight, for this is an important decision which, in my view, will bring advantages.

I am happy to support the Chairman of the Administration Committee, the hon. Member for Broxbourne (Mrs. Roe). It has been suggested that we have not considered specific planning or finance issues, but in fact we have considered many of them in detail. I pay tribute to the hon. Lady, who has handled this in a detailed and comprehensive fashion.

Obviously, some of our conclusions will not be agreed to. Whatever they were, they would not be agreed to, especially when we have suggested progress. But we have proceeded in a very positive manner and we have tried to make the House more attractive to the public. Some of the report's terminology may be high-flown, as the right hon. Member for Bromley and Chislehurst (Mr. Forth) suggested, but the ideal is there. We want to make the House more accessible, and I think that our proposals will achieve that.

Mr. Gale: In his opening remarks, the hon. Gentleman suggested that the Committee had considered all matters. In a very informative speech, the hon. Member for Thurrock (Andrew Mackinlay) suggested first that this constituted, effectively, carte blanche planning consent for whatever course was chosen, and secondly that the heritage interests had not been fully consulted, or given their approval. Is the hon. Gentleman saying categorically that the heritage interests have approved the plans?

Mr. Luke: As I told my hon. Friend the Member for Thurrock (Andrew Mackinlay), I was given the impression—the outline section of the report refers to this—that there had been continuing discussions with the planning authorities involved, and that they had indicated their happiness with the way in which things were progressing. The heritage issue was raised in the Committee, at both joint and separate sessions, and I am led to believe that there has been ongoing consultation. It is not complete because the final article has not been arrived at, but it will continue.

I served on a planning committee for some time, and on a development control committee. One of the issues that emerged was that of planning gain. The new entrance from Cromwell Green to Westminster Hall through the big doors will free the entrance to St. Stephen's Hall. As I remember it, the comment made on that was that in planning terms, it would be a gain because it would remove the clutter of the security arrangements there.

Mr. Pound: Section 106?

Mr. Luke: I am not sure whether the section is the same in English as in Scottish planning law.

There are advantages, and it is my impression that there have been discussions on these issues.

Mr. Gale: I am most grateful to the hon. Gentleman, who is generous in giving way more than once, but he has just said that that is his impression, and he is a member of the Committee. What we are going to endorse—not tonight, but on pink paper tomorrow—is a detailed planning consent, but the hon. Gentleman says that discussions are ongoing. If the House votes for this project tomorrow, that will be it and discussions will not be relevant.

Mr. Luke: In technical terms, we are at the very early stages. There is an outline planning application, and once we have approved it, the final details will have to be approved by the appropriate authorities. If the heritage bodies say that they will not go with the plans, I believe that they can effectively pull the plug at that stage.

Andrew Mackinlay: If only what my hon. Friend hopes were true. The fact is that the fine art commission said that the tents on the Terrace could stay there provided that they were removed every year. They were removed every year until someone deliberately forgot. We flouted and totally disregarded the very body that my hon. Friend is referring to.

Mr. Luke: I appreciate the point that my hon. Friend makes, and I know that he is very knowledgeable on these issues. I have heard of the background to the erection of the marquees, and if the rules or stipulations made by the heritage bodies have been flouted, the House authorities should look at that seriously.

As I have said, we are talking about a positive change, and I hope that people will see it in a positive light. In supporting the proposals, there are issues that we must look at fully, and points will be made in opposition that also have relevance. At the end of the day, the decision must be balanced. I think that the plans are a logical extension of the process of modernisation of the House. Perhaps that upsets people, but this House has to modernise. We have to move on. I spoke in the debate on the modernisation proposals that came before the House. Many people see the House as a quaint museum or even a theme park, as has been mentioned, but it is in fact a body of unique relevance to the life of the United Kingdom, and we should bring it into a modern mode of working.

There is a whole issue over the way in which people connect and engage with this Parliament. Although fewer hon. Members were present when I looked around earlier, I think that I can still say that I represent the most northern constituency of any Member in his place

[Mr. Luke]

tonight. I have constituents who come a long way to visit here, and I want to ensure that they have the best possible experience. It is a long way from Dundee to Westminster, and often the railways do not work properly, the motorways are crowded or aeroplanes are grounded. When my constituents finally arrive, I want to see them dealt with in a smooth, modern fashion. That is what they expect once they have gained access to this building.

A point has been made about the detriment to the Westminster Hall entrance if people come in from that side of the building, but I think that people will have a panoramic view if they come in through those big doors and look up that majestic Hall, which has served a multitude of purposes. Indeed, the top of the stairs at the other end is where William Wallace was tried before the King's court, before we became the United Kingdom. That huge, panoramic view will enhance visitors' experience of the building.

Mr. Forth: In the light of the excellent earlier analysis of the hon. Member for Thurrock (Andrew Mackinlay), does the hon. Gentleman not agree that visitors will see this magnificent view through the ghastly glass structure that will apparently be constructed, which will desecrate Westminster Hall simply to allow the magnificent doors to be permanently open? Will that not rather spoil the splendour of the occasion?

Mr. Luke: That supposes that people will be standing outside looking in. In fact, they will gain access to Parliament through the glass doors. As well as going through the glass doors, they will be looking up the Hall as they arrive, so their view will not be cluttered as they enter the building. That will be of benefit, because at the moment the line of route starts off in Westminster Hall and works its way through the building. The proposed means of entry is the natural entrance to the building.

There has been much discussion of this issue, but change is necessary. We have talked about many aspects of bringing the Houses of Parliament into the 21st century, and reference has been made to the costs associated with the Scottish Parliament. The visitor experience provided by its interpretive centre, even in its temporary home on the Mound, puts this House to shame, even before it moves to its new home. The cost has been mentioned, but the centre will be excellent and people will be able to interact with it and understand more fully how the Scottish Parliament works.

There will be ongoing discussion of the planning issues as the new building takes shape, and mention has been made of returning St. Stephen's Gate to its former condition of a pristine and uncluttered entrance for those who wish to use it.

Some very worthwhile contributions have been made, and I congratulate my hon. Friend the Member for Thurrock on providing a truly historical perspective. I appreciate his concerns, which are real, but any change will give rise to concerns. I hope that the advantages that we derive from the changes will outweigh his concerns and that, in five years' time, he will be happy to say that although he opposed the changes, they were of benefit.

Mr. Forth: On a point of order, Mr. Deputy Speaker. Can you confirm that when a Government Whip approaches you surreptitiously—no doubt to ask if you will allow a closure motion—you will allow lobbying by other hon. Members as well, so that they can put to you a different point of view? Or are your ears open only to Government Whips who seek to curtail the debate?

Mr. Deputy Speaker: Any question on procedure is a matter for the Chair, and is to be judged according to the circumstances at the time. The Chair cannot deny access from time to time to hon. Members, who ask many things. As the right hon. Gentleman well knows, any decision on procedure is taken by the Chair.

Mr. Gale: Further to that point of order, Mr. Deputy Speaker. In that case, I am sure that the Chair will take cognisance of the fact that this is an open-ended debate, and that some Members who have been here since the start of the debate still wish to speak.

Mr. Deputy Speaker: The Chair will take cognisance of many things.

Mr. Luke: Much has been made of the report, but conclusion 7 best sums up the feelings of the Administration Committee and the Accommodation and Works Committee. It states:

"Our visitors"—

our constituents—

"are the electors of the present and the future, or those who come from abroad to visit one of the most important and historic sites in the United Kingdom. They deserve a positive approach to their access and welcome."

The proposals that form part of the report demonstrate that we are adopting such a policy. I hope—as the Committee and its Chairman doubtless do—that the House will accept these proposals tonight.

9.44 pm

Bob Spink (Castle Point) (Con): We need to make the Palace more accessible and welcoming to visitors and our constituents. Although I respect the hon. Member for Dundee, East (Mr. Luke)—I will go further: I actually like him—I tend to disagree with his theme, which is that change is necessarily progress. It certainly is not, and this report raises more questions than it answers. The proposal is very underdeveloped, and the House should not vote in favour of it in its current state.

Some of the key questions are about the detailed design and materials, and the provision of utilities. As my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) said, another question is whether a new de-mountable glazed Lobby is right for Westminster Hall, which was built by William Rufus in 1097. I doubt that very much. Why not have four or five security screening machines, rather than the three proposed, so that our constituents and the queues could be dealt with much more efficiently? Will not the fast tracking of Members' guests so that they can overtake all those who have queued up in the rain for hours on end cause irritation? Will it endear constituents to their Members of Parliament when, as guests, they are raced past all those other people, who are effectively made second-class citizens by that policy? I am not convinced that that is a good policy.

Why not have a private sitting, so that we can all hear what the hon. Member for Thurrock (Andrew Mackinlay) now knows about the screen? We should all be able to share knowledge about security risks and have a proper debate about what is really going on and about the report's underlying security implications. We should be able to understand the full context of the most important security issues.

My right hon. Friend the Member for Bromley and Chislehurst dealt with the £5 million estimate more effectively than anyone else in the House. He rightly explained that it was not a confident or rigorously costed prediction. Indeed, it is just an estimate, and the report implies that it is likely to amount to more. I know of no other body, organisation or company that would go ahead with a multi-million pound proposal without a rigorous costing—

Mr. Forth: The Government.

Bob Spink: I do not see why the House should accept this nonsense. We need to link the changes to security recommended in the report with a comprehensive and cohesive security review. We should not tackle the problems in a piecemeal fashion, as we appear to be doing tonight.

We need better visitor facilities, especially toilets. I personally welcome the giving up of Room W5 to provide more ladies' toilets. Guests arriving here after travelling a long way on coaches—perhaps from Thurrock, from Castle Point or even from Dundee, East—really need toilet facilities, particularly the ladies. I see no reason why we should not seek to provide them.

Mr. Forth: Is my hon. Friend saying that it is a case of moving from W5 to WC?

Bob Spink: I could not have put it better myself. We should not allow utility considerations to compromise the heritage of this place.

The report mentions increasing the lighting levels in Westminster Hall. Mr. Deputy Speaker, during the time of your predecessor, Thomas Hungerford, who is generally recognised as the first Speaker to be so called around 1390, William Rufus' original roof caved in. It was replaced by the beautiful and unique hammerbeam roof, which we still admire today. As I walk through Westminster Hall after this debate, I shall look up at that roof and enjoy the experience very much. It was built of great oaks taken from the then King's hunting ground in Thundersley wood in my constituency. Indeed, it created a clearing in those very woods in which my house was built.

Seriously, however, the current gentle and sympathetic lighting is subtle and evocative: some even find it ghostly. It is certainly mood enhancing, especially late at night. I do not want that atmosphere to be destroyed by modernisation philistines. The bottom line is that we must do nothing to compromise the heritage of this beautiful, wonderful and historic building.

Mr. James Gray (North Wiltshire) (Con): Thomas Hungerford lived just outside my constituency. How long has electric light been available in Westminster Hall?

Mr. Forth: Too long.

Bob Spink: I imagine that the lighting many hundreds of years ago was even more subtle, emotional and atmospheric than it is today. I do not want the present effect to be destroyed by increased levels of lighting of which we have no knowledge at present. The bottom line is that we must do nothing to compromise the wonderful heritage and history of this building.

The Benfleet historical society is due to visit this place next week, and the following week I shall be welcoming a group from Hadleigh. They want to see the true, beautiful Palace of Westminster in all its historic glory. They do not want to visit Disneyland.

9.50 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): We have had a very comprehensive debate. I remind the House that it has been the second half of the discussion: we had nearly an hour on 22 April and we have spent nearly three and a half hours on the matter this evening. All the points that have been made have been pertinent to the report.

On behalf of the House, I thank the Committees that produced this report and their Chairmen, the hon. Members for Broxbourne (Mrs. Roe) and for Old Bexley and Sidcup (Derek Conway). I also thank the Chairman of the Broadcasting Committee, my hon. Friend the Member for Brighton, Pavilion (Mr. Lepper), who contributed to the debate. We all owe them thanks.

The Government strongly support the report, which has been compiled by the Domestic Committees of the House. In essence, there are three arguments against the proposals. The first has to do with security. I repeat what I said on 22 April, which was underlined again tonight: the primary purpose of the proposal is to improve access for visitors. I believe that the change would be put in hand irrespective of security considerations. However, if those security considerations can be made more convenient for visitors, I urge the House to accept the move.

Secondly, it has been said that we are being asked to buy a pig in a poke and that the House will be committed to further expenditure and development. On 22 April, I said that the Government believe, as do I, that those further developments are to be welcomed. However, as the Chairmen of the Committees said, this proposal is not a commitment to stage 2. When the House asks the Domestic Committees to undertake detailed work, it should give them a bit of trust. It is for the Committees to go into detail, probe and ask questions and I believe that they have done that.

Finally, I think that the main thrust of the arguments against the proposal is based on a fear of change. The right hon. Member for Bromley and Chislehurst (Mr. Forth) has said that he fears that the House is turning into a theme park. I put it to him that his proposals would turn it into a museum. In the modern age, it is right and proper for us improve the facilities and the welcome that we extend to the 400,000 people who wish to visit. I suspect that more people would want to come

[Mr. Phil Woolas]

here as a result. The welcome that we give people at the moment is frankly risible. People are asked to stand outside in the rain and cold, treated like strangers.

Mr. Gale: Will the Minister give way?

Mr. Woolas: I shall give way very briefly, as I want to finish my remarks.

Mr. Gale: The debate is open-ended, so there is no haste. However, I am grateful to the Minister for giving way. Given his concern about visitors to the House, will he contemplate the fact that most of the visitors for whom the proposed facilities will be designed are likely to be from overseas? The visitors whom hon. Members would like to invite are our constituents, but they are denied access on Tuesday, Wednesday and Thursday mornings. That is because the House now sits at times that render it impossible for them to be present.

Mr. Woolas: I understand the point that the hon. Gentleman makes, but we are not debating sitting hours. The debate on 22 April made reference to the improvements that are proposed by other hon. Members on how best to allow constituents to visit the Palace of Westminster.

Bob Spink: Will the Minister give way?

Mr. Woolas: No, I wish to finish on this point. The hon. Member for North Thanet (Mr. Gale) made a point about overseas visitors. I would have thought that Members of Parliament would see this building not only as a prime heritage site for the United Kingdom but as a prime world heritage site. The overseas visitors to this place, which is a symbol of democracy around the world, should be welcomed warmly and we should provide access for them. On that basis alone, I recommend the reports to the House.

Mr. Bob Ainsworth (Coventry, North-East) (Lab) *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House divided: Ayes 161, Noes 35.

Division No. 170] **[9:55 pm**

AYES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Anderson, Janet *(Rossendale & Darwen)*
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Banks, Tony
Barnes, Harry
Begg, Miss Anne
Betts, Clive
Blackman, Liz
Borrow, David
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Cairns, David
Casale, Roger
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Cranston, Ross
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Davey, Valerie *(Bristol W)*
Dawson, Hilton
Dobson, rh Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Efford, Clive
Fitzsimons, Mrs Lorna
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Linda
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heppell, John
Hermon, Lady
Hill, Keith *(Streatham)*
Hinchliffe, David
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hutton, rh John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jenkins, Brian
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, Tony
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mann, John *(Bassetlaw)*
Meale, Alan *(Mansfield)*
Michael, rh Alun
Miller, Andrew
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Mountford, Kali
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Owen, Albert
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Purchase, Ken
Purnell, James
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ryan, Joan *(Enfield N)*
Salter, Martin
Shaw, Jonathan
Skinner, Dennis
Starkey, Dr. Phyllis
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stringer, Graham
Sutcliffe, Gerry
Taylor, Dr. Richard *(Wyre F)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vis, Dr. Rudi
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Williams, Betty *(Conwy)*
Woolas, Phil
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*

Tellers for the Ayes: Gillian Merron and Mr. Nick Ainger

NOES

Boswell, Tim
Burnett, John
Campbell, Gregory *(E Lond'y)*
Clifton-Brown, Geoffrey
Dodds, Nigel
Field, Mark *(Cities of London & Westminster)*
Flook, Adrian
George, Andrew *(St. Ives)*
Gray, James *(N Wilts)*
Green, Matthew *(Ludlow)*

Howarth, Gerald *(Aldershot)*
Key, Robert *(Salisbury)*
Knight, rh Greg *(E Yorkshire)*
Leigh, Edward
Liddell-Grainger, Ian
Luff, Peter *(M-Worcs)*
McLoughlin, Patrick
Marsden, Paul *(Shrewsbury & Atcham)*
Rendel, David
Rosindell, Andrew
Salmond, Alex
Sanders, Adrian
Selous, Andrew
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Spink, Bob *(Castle Point)*
Stunell, Andrew
Swayne, Desmond
Taylor, John *(Solihull)*
Teather, Sarah
Tyler, Paul *(N Cornwall)*
Watkinson, Angela
Whittingdale, John
Williams, Roger *(Brecon)*
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*

Tellers for the Noes:
Mr. Eric Forth and Mr. Roger Gale

Question accordingly agreed to.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Deputy Speaker. The Question just decided was, That the Question be now put. But, ironically, as I understand it, that will not happen. Is it possible, with the Government's agreement, for us to proceed now to vote on the main Question? To do otherwise makes nonsense of the House—are all here and all ready to vote, yet we cannot because of some silly rules.

Mr. Desmond Swayne (New Forest, West) (Con): Further to that point of order, Mr. Deputy Speaker. Is it not profoundly shocking that those of us who either took the trouble to vote for free speech or, presumably, voted to settle the main Question now, discover that we are to be denied that opportunity and that we may as well have not troubled ourselves to be here at all?

Mr. Greg Knight (East Yorkshire) (Con): Further to that point of order, Mr. Deputy Speaker. Will you confirm that a Minister has moved a closure motion on open-ended business that is subject to the deferred Division procedure? The Government's only possible reason for doing that is so that the Minister could have an early night in bed. Is that not an insult to the House?

Mr. Deputy Speaker: I have the gist of the point of order raised by the hon. Members. As they must all know, I am bound by the Standing Orders of the House; they are as they are, so I must now put the Question on motion 4.

Main Question put—

Mr. Deputy Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 12 May, pursuant to Order [28 June 2001 and 6 November 2003].

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

NUTRITION AND HEALTH CLAIMS MADE ON FOODS

That this House takes note of European Union Document No. 11646/03, a draft Regulation on nutrition and health claims made on foods; and supports the Government's view that the measure will promote informed consumer choice and facilitate intra-Community trade.—*[Mr. Heppell.]*

Question agreed to.

PETITION

Postern Gate Surgery

10.9 pm

Mr. Michael Jabez Foster (Hastings and Rye) (Lab): The Bexhill and Rother primary care trust has decided to relocate the Postern Gate doctors' surgery in Rye to a centre 1 mile out of town and up a steep hill. I have the honour to present the petition of Geoff Lyus and about 1,000 other residents of the Rye area.

The petition declares:

That the decision of the Bexhill and Rother Primary Care Trust to relocate the Postern Gate Surgery in Rye to the Rye Memorial Care Centre which is 1 mile out of town and up a steep hill will cause hardship and inconvenience to thousands of local residents, many of whom are old and disabled and without their own transport.

The petitioners therefore request that the House of Commons urge Her Majesty's Government to take such steps as are necessary to prevent the proposed relocation and do all that is possible to ensure that the Surgery is relocated on the Thomas Peacock Lower School site within the town which is owned by East Sussex County Council.

And the petitioners remain, etc.

To lie upon the Table.

Myalgic Encephalomyelitis

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

10.10 pm

Mr. Anthony D. Wright (Great Yarmouth) (Lab): I am pleased to have secured this debate tonight, especially as this is the eve of ME awareness day, and many right hon. and hon. Members will be lobbied on the issue tomorrow. Two of my constituents, Tanya and Christine Harrison, will be here to lobby me—it was just six years ago that they persuaded me to start the all-party group on ME. I should like to praise all the groups who have supported the all-party group and me in the interim, including BRAME—Blue Ribbon Awareness for ME—Action for ME, the Association of Young People with ME, the ME Association, the 25 per cent. ME Group and many smaller but equally significant groups.

ME continues to be a controversial chronic illness, as I have discovered first-hand in the various correspondence that I have received. It is estimated that 25,000 children and 100,000 to 300,000 adults suffer from ME in Britain. The condition has cost the taxpayer about £4 billion to date, with only small inroads being made into treatment and understanding. The report to the chief medical officer by the working group on chronic fatigue syndrome and ME was a landmark in changing Government perceptions of ME. However, at an operational level, the report's findings must have a greater impact on current practices, as access to benefits continues to present problems for sufferers. Lack of knowledge and understanding of the condition among professionals, widespread disbelief and institutional prejudice, lack of effective evaluation and plain stigmatisation mean that there is little or no consideration of the desperate problems experienced by sufferers. The disability living allowance and the new permitted work rules need to be revisited if we are fundamentally to change institutional prejudice towards this very real illness. I find it appalling that I still have to make this case.

Carli Barry was an ME sufferer who tragically took her own life on 8 February 2001, aged 27. Her mother recently spoke about the system that took away her daughter's independence and dignity:

"Applying for benefits for an invisible illness with no diagnostic test is hell. The result largely depends on the beliefs of the doctor sent to examine you—a game of Russian roulette."

Carli's first application for DLA was turned down. Her second application resulted in payment of mobility allowance at high rate and carer allowance at lower rate. Her third application was completely rejected. It took 18 months for her case to reach the tribunal, when she was awarded a care element of DLA for three years. During that time her condition deteriorated as a result of stress.

Another sufferer from ME, Gary Frankum, was a professional speedway rider before he had the condition. Talking about DLA assessment, he told me:

"The first Examining Medical Practitioner that came out to me was no sooner through the door than he confessed to me that he knew very little about ME; at least he acknowledged the condition. The second EMP that came out refused to even do this, saying that there was no such thing as ME, only CFS. When I demanded a copy of the assessments, after my DLA was turned down, I was amazed by the lies written about me."

The Centre for Longitudinal Studies found that people with ME received a significantly smaller proportion of DLA awards for their main disabling condition compared with other groups. By contrast, a significantly higher proportion of ME claimants win their case on appeal. Action for ME conducted a survey entitled "Severely Neglected: ME in the UK", in which 44 per cent. of the respondents who had applied for DLA said they had had to go to appeal. Of those who applied, only 25 per cent. were rejected. That illustrates how DLA is being denied to thousands of ME sufferers.

The first hurdle most apparent to ME sufferers is the fluctuating and difficult initial diagnosis of the illness. Having a good GP who is supportive of a patient's ME experience can make all the difference to a successful DLA claim. There are many such GPs. However, it is far too often the case that a disbelieving or untrained local GP destroys an ME patient's chance of receiving correct treatment and advice on undertaking to receive DLA. To resolve the problem, it is essential that local GPs are equipped to deal with ME.

The chief medical officer's working group report on CFS/ME highlighted the need for more doctors, nurses and health care professionals who know and understand CFS/ME. On 12 May 2003 the Health Minister announced a central revenue budget of £8.5 million to develop services specially designed for people with ME. The investment is intended to pump-prime the development of clinical services where none currently exists, but that should be seen only as a beginning, not as an end.

The second hurdle that exists for ME sufferers claiming DLA is an inflexible, poorly explained and burdensome DLA form. The form consists predominantly of questions requiring a yes or no answer, which do not effectively represent the problems associated with ME as a fluctuating chronic illness. Consequently, ME sufferers often inadvertently misrepresent their condition. Furthermore, the DLA application forms are burdensome and often leave ME sufferers exhausted—owing, ironically, to the very forms that are designed to ensure their future support. That acts as a negative incentive to complete the forms, with the risk that ME sufferers will not claim when they should do so.

The third hurdle is the poor training and education of DLA decision makers, causing bias against ME sufferers. The Association of Young People with ME states:

"If decision makers and DWP assessing doctors were given more balanced training and less biased information about ME, patients would be treated more sympathetically by the benefits system."

However, the Department for Work and Pensions initial training for new entrant decision makers states of ME sufferers that they are able to move

"from bed rest one day to being able to venture far afield the next."

That shows an outrageous misunderstanding of ME that must be addressed.

The fourth hurdle is DLA physical assessment examinations. The current physical assessment examination is inappropriate for evaluating the abilities of an ME sufferer. First, it does not give an adequate picture of the illness, whose symptoms worsen with a delayed impact following activity. Secondly, there is often conflict between the claim form and an examining medical practitioner's report, as the claimant may have made an effort to be at his or her best on the day of assessment. Thirdly, the EMP's report may include misleading information, such as the appearance and state of the home, without questions such as, "Who did the cleaning?" and, "How long did it take?" having been asked.

Fourthly, claimants may be pressurised into signing the assessment form while feeling unwell or too intimidated to challenge a doctor on that day. Fifthly, visits are often made at only 24 hours' notice and are hard for ME sufferers to turn down, owing to the variability of their condition. In short, how is it possible for an EMP, in an assessment that lasts less than an hour in most cases, accurately to record the state of a patient with such variable symptoms as ME, and without having strong prior knowledge of that patient?

The problem is compounded by the fifth hurdle, which is the bad practice of some EMPs during physical assessment. Like many GPs, there are still many EMPs who do not believe that ME exists or lack understanding of it, and who openly suggest to patients that they have psychological problems. That often undermines initial claims, as the report will take precedence over other medical reports, despite some being in conflict with the claimant's local GP's report. One example of misunderstanding shown by EMPs in assessments relates to muscle wastage. Also, there is no provision for measuring the delayed impact that activity has on a person with ME.

Finally, the sixth hurdle that can be identified is a cumbersome and overburdening review and renewals process. If a claimant is successful in negotiating all the other hurdles and eventually receives DLA and obtains care or mobility assistance, their condition may finally stabilise. However, stabilisation will inevitably mean that ME claimants will fall short of the necessary criteria and DLA will be taken away, causing a relapse and costing the state more money when a new DLA application is made. Sufferers also run the risk of losing all benefits should they wish to contest an award, which is unfair given the nature of ME and the poor ability of the DWP to assess it.

I should like the Minister to consider these recommendations in addressing those hurdles. EMPs and GPs should be given information and training on ME so that they ask revealing and pertinent questions, taking account of the delayed impact of activity and symptom fluctuation. DLA forms, which currently give little scope for explaining the effect of ME symptoms over a period of time, must change to address the problems already outlined for ME sufferers.

Accurate and clear guidance should be provided to DLA advice and assessment staff in the DWP. It should include guidance on how to manage conflicting medical opinions between EMP and GP reports. The process of medical assessment should be geared to the needs of sufferers, and the refusal of a medical assessment should not mean that a claim for DLA is automatically turned down. EMPs should be given better guidance and monitoring for physical assessment exams to ensure correct evaluation—one approach might involve keeping medicals to a set time frame, with breaks.

The review process must be better clarified for claimants, preventing unnecessary appeals and saving costs. In my experience, few sufferers realise that a review can be triggered by just a telephone call. The tribunal process must be made more flexible, as many claimants with ME do not pursue an appeal because they feel too unwell at the time. DLA claimants should be made aware that information that they give about a future claim might affect their current claim. As an alternative, the benefit could be held in perpetuity to give people the opportunity to ask for a review without losing benefits. Importantly, a middle rate mobility component should be introduced to aid gradual recovery. Currently, lower rate mobility is available only if the claimant has a mental illness. Those falling short of the higher rate can be left without anything, pushing them into severe relapse, which further costs the taxpayer.

Finally, I would like to turn more briefly to changes from the old to the new permitted work rules, which make it harder than ever for ME sufferers to remain included in work, with a dignified way of life. The chief medical officer's working group report on CFS/ME states:

> "Return to work, even after prolonged absence, can be hard to negotiate at levels realistic for these patients, and the potential for a 'benefits trap' is only partially ameliorated by current rules on therapeutic work and therapeutic earnings."

However, rather than providing a stepping stone into work as intended, the rules have pushed ME suffers into working fewer hours or giving work up all together in order to retain their benefits, creating the trap that the Minister has tried to avoid.

The £20 limit for weekly earnings at the lower permitted work rules level is unrealistic for ME sufferers. Non-manual work is usually paid at more than £6 per hour, and professionals can earn up to £10 to £25 per hour, which means that ME sufferers get pushed into the higher level six-month rule, even though they may work for only three hours a week. The old therapeutic work scheme allowed those who worked for up to 16 hours or more a week a salary of up to £67.50. Under the new higher level permitted work rules, that income can only continue for a 26-week fixed period before assessment, and the jobs broker can then only extend it for a maximum further period of 26 weeks before it is replaced by the £20 a week maximum sum or incapacity benefit is stopped.

I am not sure of the rationale behind that change, given that many other disabled people, who are unable to return fully to the workplace but require supervision within it, are still paid up to £67.50 for an indefinite period. What is the difference between someone who needs supervision and someone who does not when both are equally unable to return to work fully? If people decide to stop benefits and continue working, but work for less than 16 hours per week, they could be in a grey area with regard to tax credits, as single people must

[Mr. Anthony D. Wright]

work for 30 hours a week and people with children or disabled people must work for 16 hours a week. Recovery from ME is gradual, and it often takes years. For those who, owing to their condition, are unable fully to return to work, the new permitted work scheme seems unfair and inflexible, which is something that I hope the Minister will address.

I ask the Minister to respond to two recommendations on this matter. First, the £20 per week limit on the lower threshold of permitted work should be set at a more realistic level or special provision should be given to groups such as those suffering from ME, who are unable to follow a course back to full employment.

Secondly, extension of work should be made more accessible beyond the initial six months. For example, the 16-hour requirement should be brought down to a lower level, say 10 or 12 hours. Also, more than six months should be allowed for the gradual build-up of work hours in the case of chronic conditions such as ME.

The recommendations that I have made are feasible. Many of them are more to do with cultural shifts than with the expense of vast resources. It is certain, however, that something must be done to end this discrimination that this group have faced regarding benefits. This Government have done more for ME sufferers overall than any before, and they are making sure progress in tackling the condition, but the Minister must ensure that the DWP continues that work by instituting some of the changes that I have proposed, which are supported by many in the ME community.

10.25 pm

The Minister for Work (Jane Kennedy): I congratulate my hon. Friend the Member for Great Yarmouth (Mr. Wright) on securing this important debate. I am grateful to him for presenting me with the opportunity to explain the basis of entitlement to disability living allowance, or DLA, and the role of the new permitted work rules that are replacing the therapeutic earnings rules. I pay tribute to him for the vigour with which he has pursued his case. As he said, he was a founder of the all-party group on myalgic encephalomyelitis and currently chairs it. The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), has told me about the vigour with which he fights for the cause of ME sufferers, not only in his role as all-party group chair, but from the experience that he has drawn from constituents whom he has got to know during the time that he has represented them. They will be grateful to him for his efforts, as will all sufferers from ME.

When I discussed this debate with my hon. Friend the Member for Liverpool, Garston, I was impressed by the depth of her understanding of the illness and of the detail of her brief. In her unavoidable absence, I am afraid that I will be but a poor substitute.

The Government acknowledge some of the concerns expressed by my hon. Friend the Member for Great Yarmouth, and I hope that I will be able to deal with them in the short time that we inevitably have in an Adjournment debate. If I miss any points, I undertake to write to him. We do not share some of his other concerns, but when my hon. Friend the Member for Liverpool, Garston visits his group shortly, she will take that opportunity to explore them further.

Myalgic encephalomyelitis, or ME, which is otherwise known as chronic fatigue syndrome, describes a spectrum of conditions where the prominent symptoms are fatigue, both physical and psychological, which may affect both physical and psychological functioning. My hon. Friend said that the illness still carries with it a degree of dispute as to its nature. Several names, including post-viral fatigue syndrome, have been used to describe the condition. More recently, the term chronic fatigue syndrome has been more universally adopted. That gives rise to some relief among those of us who are not medical experts.

How does ME relate to entitlement to disability living allowance? I should like to dispel straight away the idea that ME is not recognised by the Department for Work and Pensions as a potentially serious condition that may bring entitlement to DLA. Approximately 14,200 people get DLA because their primary disabling condition is ME, and about 2,200 successful applications are made every year.

Disability living allowance is a tax-free, non-contributory and non-means-tested benefit that is paid as a contribution towards the extra costs that are faced by severely disabled people as a result of their disabilities. However, entitlement to the allowance is not linked to specific disabling conditions or to particular diagnoses. That means that people who have ME qualify for benefit on exactly the same basis as other disabled people—that is, they must meet the entitlement conditions. The Government believe that criteria based on the effect that disability has on personal care needs and the ability to walk are the right approach for determining entitlement to DLA. I am afraid that we have no plans to passport people to entitlement to the benefit on the basis of specific disabling conditions.

Mr. Russell Brown (Dumfries) (Lab): Will my right hon. Friend give way?

Jane Kennedy: I hesitate to give way as this is the debate of my hon. Friend the Member for Great Yarmouth, but I shall make an exception for my hon. Friend.

Mr. Brown: I thank the Minister for giving way. I also congratulate my hon. Friend the Member for Great Yarmouth (Mr. Wright) on securing this debate. The Minister is talking specifically about the assessment of an individual's condition, and my hon. Friend has mentioned visits for medicals, which sometimes take an hour. From my experience of listening to my constituents, I have learned that those medicals can sometimes take only 15 or 20 minutes. That is not an adequate amount of time in which to go through a proper medical and arrive at a true determination.

Jane Kennedy: My hon. Friend makes a serious point, and I shall come in a moment to the training and advice that is given to those who make the medical assessments. I hope that if I get the opportunity to explain the details, I shall be able to allay some of his fears.

It is important when assessing a person's ability to ascertain the effect of the condition on each individual's need for attention, the extent of those needs, for how

long they have been present, and for how long they are likely to remain. It is therefore important that time is taken to make that assessment properly and for it to be made for each individual applicant in exactly the same fair and thorough way. With regard to the mobility components, it is important to assess the person's ability to walk and whether they need someone with them on unfamiliar routes.

ME is, by its very nature, a variable condition, and it is not possible to guarantee that someone will qualify for DLA, because the effects of ME affect people in different ways, to different degrees and with considerable variations over time. This approach is no different in regard to other variable conditions, such as mental illness, asthma, rheumatoid arthritis, multiple sclerosis and others—that is not an exhaustive list. I know that my hon. Friends would make a similar case for other illnesses in which similar conditions were experienced.

Andy King (Rugby and Kenilworth) (Lab): My right hon. Friend draws our attention to other conditions, but those other conditions are universally accepted. The problem that we are discussing tonight is highlighted by the fact that many of the GPs—a minority, I hope—who are responsible for carrying out these assessments do not accept that the condition exists. That is a major stumbling block for many of our constituents.

Jane Kennedy: My hon. Friend's point is well made.

It will probably help if I turn now to the training and advice that is given to those whom we charge with the job of making the medical assessment of those applying for disability living allowance. All examining medical practitioners—EMPs—already get specific training about ME or chronic fatigue syndrome. It was first issued in 2001, and updated in 2003. My hon. Friend the Member for Great Yarmouth asked us to look again at the detail of that training.

The training stresses the need to consider the variability of symptoms and not to take a snapshot view, which was the concern expressed by my hon. Friend the Member for Dumfries (Mr. Brown). The training that EMPs receive instructs them not to include irrelevant information in their reports. Information should be included only if it has a material bearing on the assessment. Similarly, visits at short notice are not in keeping with the expected professional standards unless they have been agreed to by the customer. The doctors employed by medical services to carry out examinations for DLA purposes also have to meet specific recruitment criteria and are required to attend a prescribed training course prior to commencing work. We should not experience any scepticism on the part of those whom we are charging with the task of carrying out these assessments—the examining medical practitioners.

In addition to that training, the EMPs are issued with relevant guidance, and the Department's chief medical adviser must approve all doctors who carry out the examinations. The standard of their work is monitored and approval can be withdrawn if a doctor fails to meet the necessary standards. They are also required to undertake an annual programme of training to refine their skills and update their knowledge of disability medicine and other relevant topics.

People should complain if the expected standards are not met, and Department for Work and Pensions medical services will always respond to complaints about individual doctors. Department for Work and Pensions medical services do not get a greater incidence of complaints about chronic fatigue syndrome or ME than other conditions, and they should be viewed in the context of the overall number of complaints, which is 0.4 per cent. of all medical assessments made. I believe that that is a good record. However, that is not to say that we do not take complaints seriously.

Claim forms were mentioned. We are listening to the feedback from customers who use the forms. The claim forms for disability living allowance and attendance allowance are designed to enable disabled people to give a full account of the effects of their disability; rather than to cover any specific illness or disability. We do not have specific forms for different illnesses. However, we acknowledge the length of the claim forms and the fact that some of the questions may not always be relevant to each individual's needs or straightforward to answer. We accept that they have been a cause of concern for some disabled people. Consequently, we developed a new style of attendance allowance claim form in 2002, which, after successful evaluation, has been in use nationally since November 2003.

The new version reduced by half the size of the claim pack, and has a simpler style and fewer questions, making it much easier to complete. The form has been designed to enable people to tick the relevant statements from a prompt list provided on it and to tell us briefly, in their own words, the sort of help that they need during the day or night. Following the success of the new AA claim form, we are developing a new, shorter DLA claim form, which we hope to test shortly in the area served by the Glasgow disability benefit centre—unfortunately, not the area of my hon. Friend the Member for Great Yarmouth.

In the few minutes that I have left, I want to consider the permitted work rules that my hon. Friend mentioned at the end of his contribution. We are replacing "therapeutic work" with new permitted work rules. Benefits such as incapacity benefit, severe disablement allowance and income support, which are awarded on the basis of incapacity, are intended for people who are incapacitated by the effects of their condition. Benefit cannot therefore normally be paid to people who work because the basic entitlement condition is not satisfied. However, we recognise that allowing a limited amount of work can help to improve a person's condition, increase their chances of returning to the labour market and help them to achieve lasting paid employment.

Previous rules allowed benefit to continue if work was undertaken on the advice of the claimant's GP and it was confirmed that the work would help to improve, prevent or delay deterioration in the condition that entitled the person to benefit. That was often described as "therapeutic work." As my hon. Friend said, earnings could not exceed a prescribed limit and the work had to be done for less than 16 hours a week on average. However, the therapeutic work rules were of limited use when a person could not demonstrate that a specific job would be beneficial to their medical condition, for example, blindness, paraplegia—or, indeed, ME. They allowed a person to do some paid work on a limited basis only if it satisfied the therapeutic requirement and they applied to a relatively limited number of people on incapacity benefits.

[Jane Kennedy]

Therefore, as part of our commitment to remove the barriers to work for those with a health condition or a disability, we introduced new, more flexible work rules from April 2002. They replaced the therapeutic rules, which my hon. Friend is almost wishing back because he is not satisfied with the replacement. These are what we call the permitted work rules.

The permitted work rules are still at a relatively early stage and are undergoing evaluation by independent researchers. I am sure that my hon. Friend the Under-Secretary will be happy to go into this in greater detail when she meets with my hon. Friend's all-party group very shortly.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes to Eleven o'clock.

House of Commons

Wednesday 12 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Ethiopia

1. **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): What measures the Government are taking to help the people of Ethiopia to overcome famine and other development problems. [172235]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): The UK is committed to supporting Ethiopia's efforts to reduce poverty and address its continuing problems of food insecurity. Our programme is set to expand significantly in the next few years, rising from some £44 million in the last financial year to some £85 million in 2005–06.

Dr. Naysmith: I thank my hon. Friend for that interesting and informative reply. It is clear that the Department for International Development is making a significant contribution in that regard. He mentioned land security, or the perception of land security. That is a matter that arises in other African countries too. Are there any lessons of wider significance to be learned from what is happening in Ethiopia?

Mr. Thomas: As my hon. Friend suggests, there have been problems in Ethiopia, not least because of people's perception and memory of previous efforts to redistribute land in that area. Research that we commissioned with the Ethiopian Economic Association has helped to change the attitude of the Government of Ethiopia, who are now supporting a comprehensive system of land certification, which will enable farmers to develop their land, to rent it out, to pass it on to their children and, as a result, to invest in the soil and hence increase the agricultural productivity of the country.

Mr. Laurence Robertson (Tewkesbury) (Con): The Minister will be aware that in Ethiopia the problem of poverty is far more acute where families are headed by women than where families are headed by men, bad though it is in that case. The situation is worsened by the fact that young girls have to spend almost all their time travelling to villages many miles away simply to bring back water. Does the Minister agree, therefore, that education, particularly of young girls, is of paramount importance in Ethiopia?

Mr. Thomas: The hon. Gentleman is right to allude not only to the particular difficulties that women face in Ethiopia, but to the challenges of making water more available to more of the people there. He will be pleased to know that the Government of Ethiopia have started to prioritise small-scale irrigation projects in areas that are most vulnerable to drought. The £30 million worth of budget support that we are putting in to help the Government of Ethiopia should, we hope, help the Government of Ethiopia to increase their capacity to roll out such investment.

Middle East

2. **Richard Burden** (Birmingham, Northfield) (Lab): What progress he is making with the country assistance plan for Palestine. [172236]

The Secretary of State for International Development (Hilary Benn): Following extensive consultations with a wide range of partners in the UK, Palestine and Israel, I have now approved the final version of the plan. It will be formally published in early June, and I will make a copy available in the Library as soon as it is printed. A copy will also be available on our website.

Richard Burden: The draft country assistance plan rightly placed a great deal of emphasis on promoting the peace process in order to achieve development assistance effectively. I welcome the assistance given by the Department and by the international community to the support unit of the Palestinian Negotiation Affairs Department, which plays a vital role in assisting the Palestinians to develop and present their case and to develop a generation of leaders committed to peace. Does my right hon. Friend share my concern that there appears to be a fairly concerted lobbying effort by those close to the Israeli embassy—we may even see it today—to get that funding cut, presumably to deny to the stateless Palestinians the capacity to make the kind of articulate and moderate presentation of their case that a powerful state like Israel can fund for itself?

Hilary Benn: The decision that we took, together with four other donors, to fund the negotiation support unit was taken precisely because it is right and proper that the Palestinian Authority should have access to good advice. It was always explicit in the establishment of the unit that that role would include communicating to the wider world the views of the Palestinian Authority. I join my hon. Friend in paying tribute to the work of the negotiation support unit, because it has received praise from many quarters, including from the Governments of Israel and of the United States. I agree with my hon. Friend, however, about the importance of moderation in presentation because it is right and proper that that work should be done in the spirit in which the negotiation support unit was established, but it is undoubtedly playing a valuable role in trying to help create the conditions in which the peace process can develop.

Mr. Alex Salmond (Banff and Buchan) (SNP): Does the Minister detect that the refusal of the United

Kingdom to condemn in the United Nations the ex-judicial assassination of Palestinian leaders and the Prime Minister's support for the Bush-Sharon initiative has interfered with this country's reputation as an honest broker that can help the Palestinian people? Does the Minister think that the continuation of that approach to the middle east problem and the departure from the traditional attitude will interfere with the country assistance plan and other initiatives?

Hilary Benn: I do not accept the hon. Gentleman's characterisation of the Government's position on the two issues that he has outlined. We have always made it clear, and we continue to make it clear, that all those issues must form part of the final status negotiations between the Palestinians and the Government of Israel. From my position of responsibility, I do not detect that anything has got in the way of the appreciation for UK support by the Palestinian Authority and others in the occupied territories—on the contrary, the UK help is much appreciated. The practical assistance that we are providing is set out in the country assistance plan, copies of which will be available shortly.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): How can my right hon. Friend ensure that funds intended for the development of Palestinian society are not used to support terror, the use of which is intended to stop peace ever being achieved? Does the film, "The Farewell Letter", which is shown repeatedly on Palestinian television, concern him? It extols the virtues of suicide bombing, and ends with a young boy, who, having successfully completed a suicide-bombing mission, falls on the ground and says, "Martyrdom is sweet."

Hilary Benn: I have not seen that particular film, but suicide bombing has nothing to offer the peace process, and all hon. Members on both sides of the House utterly condemn it. On the first part of my hon. Friend's question, a reform process is occurring within the Palestinian Authority. Indeed—this relates to the previous question—the support that the UK gives is partly directed at that reform process. Real strides have been made, which is why praise has been universal for the efforts of Salam Fayyad, the Minister of Finance in the Palestinian Authority, who has made great strides in bringing order, openness, scrutiny and accountability to the Palestinian Authority's expenditure. We strongly support the continuation of that process, which helps to deal with my hon. Friend's concerns. Every accusation that money has been directed towards terrorism has been investigated, but none of them has been proven.

Sudan

3. **Rob Marris** (Wolverhampton, South-West) (Lab): What contribution his Department is making to achieving peace and resolving the humanitarian crisis in Sudan. [172237]

The Secretary of State for International Development (Hilary Benn): The peace talks in Naivasha seem to be reaching their final stages and I hope that the parties will reach a framework agreement soon. I am gravely concerned about the situation in Darfur, western Sudan, where there have been killings, rape and the destruction of villages. More than 1 million people have been displaced, and 130,000 people have fled to Chad to escape the fighting. We must act now to avert a humanitarian catastrophe. The UK has committed more than £16.5 million to humanitarian agencies and is the second largest donor to Darfur, after the United States of America. Yesterday, I met the Sudanese Foreign Minister and impressed on him the urgent need to ensure security for the population and humanitarian access.

Rob Marris: I thank my right hon. Friend for that answer. The UK Government have made sterling efforts in Sudan, and particularly in Darfur. At the end of this month, the seasonal rains will come to Darfur, which is an area in the west of Sudan that is a similar size to Britain. Can my right hon. Friend hold out any hope of increased aid, because those seasonal rains will create delivery difficulties?

Hilary Benn: My hon. Friend is right that the situation is urgent because of the imminent onset of the rains. Last week, I announced an additional £10 million for humanitarian aid, and I pay tribute to my officials, who have been working extremely hard over the past 24 hours to agree further funding. We are providing extra funding to the World Food Programme for emergency food assistance and logistical support. In addition, £1.5 million is going to the World Health Organisation for emergency primary health care and for measles vaccination, and £1.5 million is going to UNICEF for feeding, health care and child protection, particularly for those children who are displaced. It is vital that that assistance gets in, and that non-governmental organisations and other UN agencies access the area to make sure that the aid—the UK contribution is important—gets to the people who need it.

Mr. John Bercow (Buckingham) (Con): What undertakings on the maintenance of the ceasefire, respect for human rights and access for humanitarian aid were sought and received from the Government of Sudan before the British Government accepted the re-election of Sudan as a member of the United Nations Commission on Human Rights?

Hilary Benn: I raised the points that the hon. Gentleman mentions in my meeting yesterday with Foreign Minister Ismail. It appears that the ceasefire is holding in part, but not completely. For the Government of Sudan, the first priority is to ensure that they rein in the Janjaweed, who have caused a lot of the suffering that has been taking place. Secondly, they should ensure that African Union monitors are able to get into the area to ensure that the ceasefire is maintained. A reconnaissance team from the African Union is in Darfur as we speak. Thirdly—I raised this point specifically with the Foreign Minister—they should significantly speed up the time that it takes to issue travel visas and travel permits to enable the humanitarian agencies to gain access to Darfur so that they can do their job.

Mr. Bercow: I am extremely grateful to the Secretary of State for that comprehensive and helpful reply. Given

that mass murder, rape, pillage and the destruction of crops have already taken place in Darfur; that food, water, medicine and shelter are desperately needed there; and that the UN co-ordinator on humanitarian affairs for Sudan has described the situation as the worst humanitarian and human rights catastrophe in the world, when does the right hon. Gentleman expect to see in place the international monitoring of the ceasefire that is an indispensable prerequisite of the effective distribution of humanitarian aid?

Hilary Benn: The answer to the last part of the hon. Gentleman's question is: as quickly as possible. The day before yesterday, I spoke to Said Djinnit, the peace and security commissioner of the African Union, who is very exercised about the current situation. It was he who told me that the team is already in place. As soon as they can get the support and logistical arrangements that they need, the African Union is ready to deploy the monitors who, as the hon. Gentleman rightly says, are needed in order to satisfy the African Union and the international community, including Members of this House, that the ceasefire is being upheld. That is the essential first step towards securing access to all areas of Darfur so that humanitarian aid can get in.

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): I thank my right hon. Friend for his immense involvement in a very difficult problem. Does he agree that one of the difficulties in respect of Rwanda more than a decade ago was that the necessary amount of intelligence was unavailable to the international community? In the context of what the hon. Member for Buckingham (Mr. Bercow) rightly said about the necessity of international involvement and scrutiny, is my right hon. Friend satisfied that we have enough intelligence about what is going on, and will he continue to influence the United Nations and its agencies to make their contribution?

Hilary Benn: In direct answer to my right hon. Friend, no, I am not satisfied that we know the full picture. That is partly because not all parts of Darfur are accessible, hence the importance of the ceasefire being maintained, the monitors getting in, humanitarian aid arriving, and NGOs and other UN bodies being able to access all areas. As we await the report from the UN human rights team that is investigating the situation, we fear that it may be even worse than current indications suggest. That is why not a moment can be lost in ensuring that the world community responds by giving the practical assistance that is required to ensure that these people, who have already suffered a great deal, do not suffer any more.

Tom Brake (Carshalton and Wallington) (LD): The Secretary of State will be aware that at the end of April a UN team was nearly blocked from going to Darfur; that the Sudanese Government contrived to ensure that a discussion about their human rights abuses did not take place at the UN Human Rights Committee; and that the ceasefire ends in 13 days. Given that the UK Government have decided that a resolution under chapter VII of the United Nations charter, which could ultimately lead to military action, is inappropriate does the Secretary of State agree with the idea proposed by the UN that a UN human rights commission should go to Sudan to investigate whether human rights abuses, war crimes and crimes against humanity have been committed? If so, what does he think the UK Government can do to assist that process and to ensure that that commission gains access to Darfur? *[Interruption.]*

Mr. Speaker: Order. Before the Secretary of State answers, I emphasise that those on the Front Bench have a privilege that they should not abuse. I have the right not to call Front-Bench Members; calling them is a favour that I do them.

Hilary Benn: In the spirit of your strictures, Mr. Speaker, I refer the hon. Member for Carshalton and Wallington (Tom Brake) to my earlier answer about the human rights team from the United Nations that is currently investigating. We look forward to its report, which will help to answer his question. The most important contribution that can be made is maintaining the ceasefire. At least there is a ceasefire agreement; we now need to ensure that it is enforced. The greatest contribution to that is getting the monitors in, because the world can then be told whether it is holding.

Commission for Africa

4. **Mr. Huw Edwards** (Monmouth) (Lab): When he next plans to meet Sir Bob Geldof to discuss poverty relief in Africa. [172238]

The Secretary of State for International Development (Hilary Benn): The next scheduled meeting I have with Sir Bob Geldof will be the second meeting of the Commission for Africa planned for the autumn this year.

I would like to express my thanks to Sir Bob Geldof for his tireless dedication to Africa over the past 20 years, and for his persistence in focusing our attention on Africa.

Mr. Edwards: I am sure that my right hon. Friend will join me in acknowledging the dogged determination that Sir Bob Geldof has shown and his impatience with the world's rich countries. While he cites the figures of 6,000 people a day dying of AIDS in Africa and only one in 400 having access to anti-retroviral drugs, what assurance can my right hon. Friend give that, when the G8 countries meet next year, the needs of Africa will be at the centre of the discussions?

Hilary Benn: The G8 countries will have the report of the Commission for Africa before them when they meet next year. It is partly intended to ensure that the world continues to pay attention to the condition of that continent. If we, as a world community, do not tackle the HIV/AIDS epidemic, which affects sub-Saharan Africa more than anywhere else, the prospects for development are bleak. Last year, just under 2.5 million Africans died of AIDS. Increased resources and the falling price of anti-retrovirals mean that we have the opportunity to do more to treat people in Africa. As well as providing the resources, the international community must ensure that our money, effort and enthusiasm are deployed to support the developing country

Governments rather than add to their burdens. The more we can pool our money, the greater effect it can have.

Mr. Robert Key (Salisbury) (Con): In seeking to relieve debt in Africa, especially in communities where there is an interface between Islam and Christianity, is there any evidence to show that the damaged reputation of the United States of America and the United Kingdom in Iraq is making it harder to act to relieve debt?

Hilary Benn: No, there is no such evidence because the obstacle to further relief of debt in Africa for those countries that have not yet been able to access the heavily indebted poor countries scheme is the fact that they have been emerging from conflict or that they do not qualify for the debt relief programme. So far, 23 countries have reached decision point. I am anxious that the other countries should be able to access the scheme. When they have done that, the second task is to ensure that they leave the scheme with a sustainable amount of debt. In that respect, I am sure that the recent decision to award topping up to Niger and Ethiopia will be widely welcomed.

HIV/AIDS

5. **Christine Russell** (Chester, City of) (Lab): What recent representations he has received on the need to tackle HIV/AIDS globally. [172239]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Following the Government's call for action on HIV/AIDS, we are developing a new UK strategy for our response to help tackle the epidemic. We are conducting a wide-ranging consultation with stakeholders, including civil society, the private sector and developing country Governments. We aim to publish the strategy later this year.

Christine Russell: I am sure that my hon. Friend is aware of a recent World Health Organisation report that calls on the rich nations of the world to do more to help the poorer countries, especially those in sub-Saharan Africa, where AIDS is such a problem. Does he share my anxiety that, if we do not do more, we will find it difficult to reach the millennium goals for the reduction of maternal and infant mortality? I thank my right hon. Friend the Secretary of State for his commitment to put AIDS high on the agenda when Britain takes over the presidency of the European Union and the G8 next year.

Mr. Thomas: My hon. Friend is right to say that HIV/AIDS is reversing many of the development gains of the past 20 years. It will continue to hamper progress towards those millennium development goals. She is right to say that we in the UK and the international community have to do much more to tackle the HIV/AIDS epidemic, not least because I believe that the worst is yet to come. Estimates suggest that there will be some 25 million orphans and vulnerable children in Africa alone by 2010. That is one reason for prioritising HIV/AIDS for the extra £320 million that we are committing to Africa by the end of 2005–06.

Mr. Julian Brazier (Canterbury) (Con): The Minister's answer is welcome, but, as always, it focuses heavily on money. The Government would do well to look at the example of Uganda, which has achieved a truly terrific reduction in the incidence of HIV, saving tens or even hundreds of thousands of lives. Its ABC programme involves abstinence, being faithful to one's partner, and the use of condoms. May I urge the Minister to look at best practice as the best way of saving lives?

Mr. Thomas: As I said a moment ago, we are consulting a whole range of organisations about the best practice that we should deploy as a response to HIV/AIDS. He is absolutely right to say that Uganda has set a great example. The single most important factor in tackling the epidemic in-country is to have strong political leadership on the issue, and President Museveni has set a great example to other countries in Africa in that regard. The example of stronger, more high profile political leadership is the key requirement if we are to tackle HIV/AIDS properly.

Democratic Republic of the Congo

7. **Mr. David Chaytor** (Bury, North) (Lab): If he will make a statement on the peace process in the Democratic Republic of the Congo. [172241]

The Secretary of State for International Development (Hilary Benn): Conflict resolution in Africa is a key priority for the UK Government. We continue to be actively engaged with our African, EU and UN partners in promoting the peace process in the great lakes region, and in supporting the transitional national Government in the Democratic Republic of the Congo, which was installed in June last year—*[Interruption.]*

Mr. Speaker: Order. There are important matters before the House. Hon. Members should be quiet.

Hilary Benn: This is a major step forward for peace and stability. We also continue to work for improved relations between DRC and its neighbours, which is critical to peace in the Democratic Republic of the Congo.

Mr. Chaytor: In the conflict in the Democratic Republic of the Congo, more than 3 million people were killed and almost 3.5 million people were displaced. This is a conflict in which cannibalism and rape were used as weapons of war. What assessment has my right hon. Friend made of the incidence of HIV/AIDS as a result of the conflict, and what steps is he taking to deal with this problem in the DRC?

Hilary Benn: My hon. Friend is right to characterise what has happened in the DRC in that way. It is for that reason that it has been described as Africa's hidden first world war. HIV/AIDS is a problem, and part of the programme that we are undertaking involves work on dealing with the HIV/AIDS epidemic. However, the

single biggest challenge that the DRC faces is for the transitional Government to establish in the minds of the people the idea of a state, and the idea that there might be something called government that could have something to offer to the people of a country that has never had a Government. Now is therefore the moment for the international community to come in and support the transitional Government, and that is why the UK's aid programme in the DRC is increasing substantially.

Mr. John Redwood (Wokingham) (Con): It so often appears that Africa is the forgotten continent when it comes to the international community's response. Will the Secretary of State use the good offices of the British Government to get the UN to take the problems of Africa in general, and the Congo in particular, far more seriously, and to put some energy into resolving conflicts and establishing the good governance for which that continent is crying out?

Hilary Benn: I do not think that there is a shortage of energy, effort or interest in that regard. Indeed, the most important development that has taken place in recent years has involved the energy, effort and interest shown by the countries of Africa themselves through the African Union and the New Partnership for Africa's Development. If the right hon. Gentleman looks at the work that Said Djinnit, the peace and security commissioner, is now undertaking on the peace and security protocol, at the force that is in Burundi, at the work that has been done to put troops into Liberia, and at the effort being made to deploy monitors in Darfur, he will see that they are all signs of the steps that need to be taken. They also demonstrate that Africa is now acting to help itself, which is something that the whole House will welcome.

Kaliningrad

8. **Mr. Gordon Marsden** (Blackpool, South) (Lab): What recent discussions he has had with EU partners on programmes to support the development of civil society in Kaliningrad. [172242]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I have not been involved in any recent discussions with EU partners on programmes specifically to support the development of civil society in Kaliningrad. However, the Department is funding work on HIV prevention in Kaliningrad through our work on HIV/AIDS harm reduction in many regions across Russia. The work is being carried out by the Open Health Institute, a Russian non-governmental organisation, which is channelling funding through civil society organisations in the region.

Mr. Marsden: I thank my hon. Friend for that answer. He will be aware that the accession this month of the Baltic states to the EU throws into sharp relief the particular problematic issues with regard to Kaliningrad. I am grateful for the work that is being done, but may I urge my hon. Friend to press for a stronger profile within the EU on issues in Kaliningrad, particularly social inclusion, fighting organised crime and HIV/AIDS, bearing in mind that these are issues in which the EU now has a self-interest as well as a humanitarian interest in relation to Kaliningrad and Russia?

Mr. Thomas: I am happy to assure my hon. Friend that the EU is taking these issues extremely seriously. Some €25 million of the national programme of technical assistance to the Commonwealth of Independent States funding for Russia has been earmarked to support the economic and social development of Kaliningrad.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [172220] **Mr. David Heath** (Somerton and Frome) (LD): If he will list his official engagements for Wednesday 12 May.

The Prime Minister (Mr. Tony Blair): Before I list my engagements, I am sure that the whole House will want to join me in expressing our condolences to the families and friends of those who have been killed and injured following the explosion yesterday at the Stockline Plastics factory in Glasgow. This tragedy took place in the constituency of my hon. Friend the Member for Glasgow, Maryhill (Ann McKechin), but I know that it will affect yours, too, Mr. Speaker. I also pay tribute to our emergency services, as they continue in their efforts to search for survivors. I understand that Scotland's First Minister, Jack McConnell, will be visiting the site today.

In respect of my engagements, this morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Mr. Heath: The whole House will join the Prime Minister in his earlier comments.

Over recent days, substantial harm has been done to Britain's reputation, and our troops in Iraq have been put at greater risk. Are we really to believe that such an able and experienced diplomat as Sir Jeremy Greenstock could have been aware of a report from the International Committee of the Red Cross detailing systematic humiliation and abuse of detainees by our coalition partners, yet not ask to see it, fail to recognise its significance, and not bring it to the attention of the Prime Minister or any other Minister? Did no one feel that it was appropriate to make any representations whatever to the United States Administration about what was being done by coalition forces in our name?

The Prime Minister: In respect of the circumstances in which the report came to Sir Jeremy Greenstock's office, my right hon. Friend the Foreign Secretary stated those circumstances clearly yesterday. In respect of the abuses, however, let me point out—I will do so in greater detail later—to the hon. Gentleman and others, that in respect of the Red Cross report, the incidents of abuse in respect of British troops were already being

investigated. When dealing with this issue, it is important to realise that in respect of British troops, I know of no evidence of systematic abuse of detainees.

Mrs. Helen Liddell (Airdrie and Shotts) (Lab): You will be aware, Mr. Speaker, that 10 years ago today my constituency lost a much-admired Member of Parliament, and this nation lost a great leader, John Smith was a decent man committed to social justice. Does the Prime Minister recall that a few months before John's death, he laid out his priorities for a Labour Government? Those were the restoration and improvement of the national health service, the fight against poverty here and in the developing world, and his commitment to completing the unfinished business of devolution. Does he agree with me that the achievements of his Government are part of John Smith's legacy, and that in his memory we must go on and achieve even more for social justice?

The Prime Minister: I am sure that my right hon. Friend's comments about John Smith will be agreed and accepted, certainly on the Labour Benches, and probably on both sides of the House. I like to think that the record on jobs and the reduction of unemployment particularly, and of course the introduction of a minimum wage, are two things of which he would have been immensely proud.

Mr. Michael Howard (Folkestone and Hythe) (Con): Following yesterday's dreadful explosion in Glasgow, I join the Prime Minister in expressing the Conservative party's deep sympathy with those who were injured and with the families of those who lost their lives. I also join him in paying tribute to the work that the emergency services have done and, indeed, are doing as we speak.

As for Iraq, everyone has been horrified by the appalling murder of Mr. Berg. It reinforces the need for coalition forces to succeed in their difficult task in that country.

The Red Cross report on the treatment of detainees in Iraq was given to the British Government in February. When did the Prime Minister first see it?

The Prime Minister: I first saw it on Monday. I did not know of the allegations in the report at the time. As I explained a moment ago, in so far as they concerned British troops those allegations were already being dealt with. The report was not passed to Ministers in February.

Mr. Howard: The Red Cross report was presented at a meeting attended by representatives of the Prime Minister's special envoy to Iraq on 26 February. London was informed of that meeting the next day. The report contained the most devastating allegations of mistreatment of detainees in Iraq. The report and the allegations in it have led to the greatest crisis in Iraq since the war ended, and have added immeasurably to the dangers and difficulties faced by coalition forces—including British troops—in carrying out their duties. Can the Prime Minister explain why he did not see the report for three months?

The Prime Minister: First, let me make it clear—as I have on many occasions over the past few days—that we condemn, completely and unequivocally, any abuse of Iraqi detainees or prisoners by anyone—any part of the coalition. In respect of British troops, let me now set out the position clearly.

According to the Red Cross report, there were three instances of abuse—or allegations of abuse—in respect of British troops and those in detention. One concerned the death in custody of Mr. Mousa, which was already being investigated. The second concerned the hooding of prisoners, a practice that had already been stopped by February. The last concerned the theft of a car, and the issue was not pursued.

As for civilians killed or injured, as my right hon. Friend the Secretary of State for Defence has made clear, 33 cases have been investigated. Twenty-one of those investigations are complete, and 12 are ongoing. In 15 of the 21 cases it was found that there was no case to answer. In respect of six there were recommendations, and the Military Police will announce shortly what will happen about those six. Amnesty International has passed eight cases to us, seven of which are already known to us. The one that is not known to us is being investigated.

Let me make something absolutely clear—and I will come to American troops in a moment: there is no evidence whatever either of systematic abuse or of Ministers or anyone else refusing to act on allegations of abuse in respect of detainees in British custody. On the contrary, the only evidence that has been presented consists of photographs that are almost certainly fake.

Before I come to American troops, let me say this. I believe that we should be proud of the part that British troops have played in Iraq, that they should be proud of themselves, and that this country can be proud of them.

In respect of the other allegations, it is not correct that Ministers or I were aware of those allegations in respect of American troops. The ICRC report was not passed to us, as has already been made clear. In any event, however, I think it fair to point out that in January—a month before the report—Major-General Taguba was tasked by the Americans to look into claims of abuse, particularly at Abu Ghraib prison, for a period of time. Investigations were already proceeding, and 17 United States soldiers had already been suspended. Indeed, the first American soldiers were charged with abuse back in May 2003.

I simply say to the House that any abuse by any coalition forces is completely unacceptable. What is not true is that allegations were made and nothing happened in respect of them.

Mr. Howard: Of course, we are all immensely proud of what British troops are doing in Iraq, but the Prime Minister has failed to give any explanation for why he did not see this crucial report, which was presented to his special envoy to Iraq, for nearly three months. I am afraid that the country will conclude that there is no sensible explanation for that fact.

Iraq is by far the most sensitive and difficult challenge facing the country. People want to know that their Government have a grip on what they are doing and on what is going on. A devastating Red Cross report is sent to the Government in February. The Armed Forces Minister says that he has never seen it. The Defence Secretary says that he would not have

expected to see it. The Foreign Secretary says that he should have seen it but he did not, and the Prime Minister, to whose special envoy the report was given, says that he knew nothing about it. How can the people of this country have confidence in this Prime Minister and his Government?

The Prime Minister: First of all, the reason I did not raise the issues in this report is that I did not see it. The explanation for not seeing it has already been given. It is that, in respect of the issues concerning Britain and detainees in British custody, these issues had already been dealt with and we were expecting—indeed, we have received—a further Red Cross report about people in British custody. When the right hon. and learned Gentleman attempts to extract the maximum political mischief—*[Interruption]*—absolutely: let no one be in any doubt of that at all—I would just point out this to him. The difference between a democracy and a dictatorship is this. It is not that, in a democracy, bad things do not happen. It is that, when they do happen, action is taken. Action has been taken in respect of each of these allegations in respect of British troops, and I think now is the time to support the work that our troops are doing.

Roger Casale (Wimbledon) (Lab): My right hon. Friend will be aware, with the publication of today's unemployment figures, that 409,000 more people are in work in London now than were in work there in 1997. May I remind him that many thousands work in the arts and culture sector? Will he continue to increase significantly this Government's investment in the arts both in London and across the country? Will he give particular attention to involving and engaging young people in the arts and to providing training opportunities for them in the arts, so that that cultural regeneration can be a spur to the economic renewal of Britain?

The Prime Minister: My hon. Friend is right, of course, that the arts make a huge contribution to London, and let us not forget either London's bid for the Olympic games in 2012. London, as a capital city, offers us a great advantage because of its emphasis on arts and creativity and, indeed, we are increasing investment in the arts.

My hon. Friend is right in saying that employment is at a record high. Today's figures show that 1.95 million more people are in work today than were in work seven years ago. That is an extra job created for every two minutes that we have been in government. That stands in sharp contrast to the record of the Conservative party, which took unemployment to over 3 million.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): I add my sympathy to the families of all those who have been either injured or killed in the terrible accident in Glasgow, and pay tribute to the fire and other emergency service personnel for their continuing work. We hope that they are yet able to rescue more people from that dreadful rubble.

I return to the report of the International Committee of the Red Cross. Can the Prime Minister confirm, as it itself has confirmed, that the report was the culmination of a series of reports detailing alleged abuse of prisoners that dated back to April 2003? So, over this entire period, what action was taken about those reports?

The Prime Minister: It is correct, as the Red Cross points out, that these reports are the culmination of a series of discussions that it had with the detaining authority. Of course, the report was passed to the provisional authority in respect of detention, and we got a copy of the report. Already we have been in discussion with the Red Cross. The reason why I have detailed all the instances where allegations have been made and investigations then made is to show that on each occasion on which allegations have been made or issues raised, we have acted. Indeed, on the allegation in the Red Cross report in respect of the practice of hooding prisoners, which is sometimes necessary for security reasons but should not be done for purposes of interrogation, that practice was stopped. It was stopped before we ever received the Red Cross report. I think that it is important to realise that on each occasion on which the Red Cross has raised issues, we have dealt with them.

May I also draw the House's attention to the fact that the Red Cross, which we would be pleased to have return at any point in time at which it wished to check our detention facilities—indeed, we would be pleased for it to have a permanent presence at our facilities should it wish that—has recently written to us, during the past few weeks, to say that it believes that the conditions of internment now in the facilities run by the British are "fairly good" and that it was generally satisfied to see that most of the recommendations submitted during its previous visit had been taken into consideration? We are in a process of dialogue with the Red Cross all the time. All that I would say is that on each occasion on which allegations have been made, they have been properly answered.

Mr. Kennedy: But the Prime Minister will of course recognise the huge and mounting public concern in this country about the increasingly grotesque reports that have been coming out of Iraq. That being the case, can the Prime Minister confirm that any further deployment of British forces there would take place only at the request of the British commanders on the ground, and that that would be only for the purposes of enabling them to fulfil more effectively the role that they are currently undertaking?

The Prime Minister: The question of whether troops are needed in Iraq is something, as I have explained before, that we keep under constant review, as we should. The question is what is in the interests of the progress in Iraq being sustained, maintained and seen through to its conclusion. I have to say to the right hon. Gentleman that yes, I agree that the events of the past few days have of course been immensely damaging. All that I am doing is pointing out that it is not true to say that nothing has been done when these allegations have been made. I also think that it is right to say, on behalf of all the troops there, that the vast majority of them are doing a superb job in helping people in Iraq.

Rosemary McKenna (Cumbernauld and Kilsyth) (Lab): My right hon. Friend will be aware of the very

unhappy lives led by the children of drug-addicted parents—many tens of thousands of them across the UK. Urgent action is needed to address the complex issues that surround the children of drug-addicted parents. Will he undertake an inquiry, involving all the relevant agencies including the devolved Administrations, into how we can deal with that problem, with the children as the priority?

The Prime Minister: My hon. Friend raises an important point. Part of the purpose of programmes such as Sure Start, and the work that is being done in local communities and children's centres, is precisely to help the children of parents who are drug abusers. I think that my hon. Friend will recognise that as a result, far more concerted action has been taken in respect of those children. We talk about those issues with the devolved Administrations, who have executive responsibility for them. The new proposals that we are taking forward now on drug abuse, and on drug abuse in the criminal justice system, will also help to reduce the number of drug abusers, and ensure that we are tackling what I accept is an important and serious question.

Q2. [172221] **Mr. Dominic Grieve** (Beaconsfield) (Con): The Government have backed down from their intention to oust the jurisdiction of the courts in asylum cases, and have instead adopted a statutory review procedure, as earlier advocated by the Conservatives and utterly rubbished by the Home Secretary. Is the Prime Minister pleased or regretful about that?

The Prime Minister: I will tell the hon. Gentleman exactly what I think. It would have been better had we been able to proceed with the original proposals, but it was obvious that we could not get a majority for them in the House of Lords because the Conservatives, among others, were opposing those measures. But I have to tell him that the measures that we are taking on asylum are reducing the numbers. I only wish that we got the same support in reality from the Conservatives as they try to pretend they are giving by their rhetoric.

Q3. [172222] **Mr. Mike Hall** (Weaver Vale) (Lab): The figures released today show that unemployment in my constituency has fallen by 50 per cent. since 1997, with only 1,321 people now registered as unemployed. It is quite clear that Weaver Vale is benefiting from a very well run economy, but if we are to have continuing economic growth and regeneration, the north-west needs major investment in its transport infrastructure. In particular, we need a new crossing across the River Mersey in the borough of Halton. Will my right hon. Friend please look into this proposal and so make sure that we enjoy economic growth and continuing low unemployment for many years to come?

The Prime Minister: I understand that proposals for a new Mersey crossing are currently being considered; my hon. Friend will understand that I would not want to pre-empt any decision that might be made. He is absolutely right, however, to say that unemployment is at what is a record low for many decades, both on Merseyside and elsewhere. Incidentally, one reason why we have been able to reduce unemployment is of course the new deal programme for the unemployed, which has helped literally hundreds of thousands of people into work. That is why I find it so regrettable that the Conservative party is committed to scrapping the new deal.

Mr. Michael Howard (Folkestone and Hythe) (Con): The Prime Minister is aware of the widespread support from all parts of the House for compensating the 60,000 people who have lost significant pension benefits as a result of the collapse of their schemes. It seems that it will take a prime ministerial decision to compensate them. He has given hints that he will act. Will he now do so?

The Prime Minister: I am afraid that I have nothing to add to what I said earlier, which is that we continue to examine what the full consequences would be of any compensation package. Obviously, we have to make allowances for what is actually affordable in this situation, but I do understand the plight of people who have joined occupational pension schemes, and who had no option but to join those schemes as a condition of their employment. That is why I hope that we will be in a position very shortly to announce some results.

Mr. Howard: The trouble is that time is running out. *[Interruption.]* No—

Mr. Speaker: Order. You might have to leave the Chamber, Mr. King, if you keep shouting like that. I have said this to you before. Such shouting is unfair to the Leader of the Opposition.

Mr. Howard: This is actually not a party political point. There is support from all quarters of the House for this measure. I know how difficult it is— *[Interruption.]* If the Prime Minister will listen. I know how difficult it is to agree to compensation retrospectively, and it is important not to set too many precedents. I understand all that, but on this issue, a majority of Members of this House have signed Commons motions calling for compensation.

Three weeks ago, the Prime Minister told the House that this issue was being actively considered, and that he hoped the Government would come forward with a solution. Two weeks ago, he said that he hoped to come back to the House as soon as possible. The Pensions Bill has just completed seven weeks in Committee, and despite ample opportunity, the Government have tabled no proposals to tackle the problem. The Bill is due back in the House next week. Will he now undertake to table practical proposals to deal with this problem before then?

The Prime Minister: I am afraid that I have nothing to add to what I said earlier, which is that I will announce shortly what we are able to do for people. I have to say to the right hon. and learned Gentleman that I somehow find it worse when he is being reasonable than when he is being his normal self. I am sure that he will want to acknowledge, in this spirit of reasonable exchange between us, that the pension protection fund legislation is the first time that a Government have introduced pension protections for people. I am aware that he is saying that he wishes that we could go even further and make this retrospective as well as prospective. That is precisely what we are looking at, and as I said, I shall

come back on this issue as soon as possible. But I know that he will want to acknowledge that this Government have introduced what is ground-breaking legislation.

Mr. Howard: The Prime Minister is right: this Government have introduced legislation—to deal with a problem that has arisen under this Government. *[Interruption.]* The 60,000 people who are losing their pension entitlement, about which I am asking this question, are not losing it under a Conservative Government. It was not a Conservative Chancellor who imposed £5 billion a year taxes on pensions. The problem has arisen under the present Government. Hon. Members of all parties on both sides of the House—a clear majority—want action taken to deal with this problem. Why will the Prime Minister not give an undertaking that it will be dealt with by the legislation of which he is so proud?

The Prime Minister: First, I definitely prefer the right hon. and learned Gentleman like that. It is far more true to his character. As I said, we shall shortly announce what we are able to do. Since we are talking about records on pensions, has the right hon. and learned Gentleman forgotten the 9 million people who lost pension rights under the last Conservative Government? Perhaps he has also forgotten the pension mis-selling scandal and the fact that his right hon. Friend the shadow Chancellor has said that there will be a real-terms cash freeze in all budgets, including the budget with responsibility for pensions.

Mr. Jon Owen Jones (Cardiff, Central) (Lab/Co-op): When we last invaded Mesopotamia in 1914, it took us 44 years to get out, during which time we made many mistakes—not least the configuration of the state that we left behind. At least we were responsible for our mistakes and for the timing and conditions by which we left. To what degree do we retain any independent responsibility to arrange for the timing by which we leave?

The Prime Minister: Let me say to my hon. Friend that now may be the moment to go back to first principles. It is surely better that Iraq is no longer governed by Saddam Hussein. Let us all agree on that for a start. If the action to remove Saddam had not been taken, he would still be in power. I have to accept responsibility for the position that the country and I are in today, because I am the Prime Minister who brought it about. I will defend that position. Those who have opposed the conflict must also accept that if we had listened to their opposition, Saddam Hussein would still be in power.

My hon. Friend should not listen to what I, the Americans or anyone else says, but to Iraqi voices. Those Iraqi voices will tell my hon. Friend and other hon. Members two things: one, that they are delighted that they have been liberated from Saddam Hussein; and, two, that they want the coalition forces to leave Iraq as soon as possible. That is precisely what we are discussing now. We have a security strategy, which is to develop the Iraqi-isation of the security forces in Iraq—the police, civil defence and army. We also have a political process, which is to be sanctioned and undertaken by the United Nations. That is our strategy and we will not leave until the job is properly done and until we have made sure that the wish of the Iraqis for a sovereign, stable and democratic Iraq is delivered.

Q4. [172223] **Rev. Martin Smyth** (Belfast, South) (UUP): On behalf of the people of Belfast, I sympathise with our Glaswegian friends who have suffered in yesterday's tragedy. I also agree with the Prime Minister that we should support the Army, because it is important not to give them a job to do and then stab them in the back. The Prime Minister referred to Saddam, and I believe that the dastardly murder of Mr. Berg shows the other side of terrorism that we have experienced in Northern Ireland. We have seen it elsewhere. Can we have a commitment from the Government that they will not leave the Iraqis to suffer from any such body in the future and that they will not yield again to terrorist demands in Northern Ireland?

The Prime Minister: I completely agree with what the hon. Gentleman says. It is worth pointing out—it was implicit in his question—that there are circumstances in which British troops are risking their lives day in, day out. If the House will allow me, I would like to quote what Iraqis themselves have said about British troops. For example, the Iraqi Foreign Minister said:

"We ... expressed our gratitude ... to the British forces for the job they are doing. We are very proud of them, and the British people also should be very proud of them."

The mayor of Basra, speaking yesterday, said:

"In fact we have not registered a single case of human-rights violations at prison or in terms of actions by the British forces".

I hope that people understand that that is not our view, but the view of ordinary Iraqis whom British forces are helping.

Huw Irranca-Davies (Ogmore) (Lab): In my constituency, the creation of more than 1,000 new manufacturing jobs has been announced in the past few weeks. That builds on the work of the action team for jobs, on the new deal and on the roll-out of Jobcentre Plus. What response would my right hon. Friend give to those—especially those on the Opposition Benches—who say that such initiatives to help people to get back into work are a waste of time and money?

The Prime Minister: We can see how Opposition Members respond—they are all walking out of the Chamber. It is absolutely extraordinary. The fact is that almost 2 million jobs have been created since this Government came to power. That is one job for every two minutes for which we have been in government. Unemployment is lower than it has been for 30 years, and hundreds of thousands of people—including young people in particular—who were consigned to the scrap heap under the Conservatives have been given the chance to have a decent life and proper living standards, and the ability to raise their families in some sort of dignity. That is the difference between a Labour Government and a Tory one.

Points of Order

12.31 pm

Mr. Roger Gale (North Thanet) (Con): On a point of order, Mr. Speaker. You will know that last evening the House debated Government business until about 7.20 pm. Thereafter, the House began an open-ended debate on a House of Commons issue, on a free vote. Before 10 pm, with hon. Members still wishing to speak, a Government Whip moved a closure motion. The occupant of the Chair, as he was entitled to, chose to accept that motion, and I have no quarrel with that. The motion then put to the House was, "That the Question be now put". That motion was carried by a considerable majority, but the main Question was not then put to the House. A decision on it was deferred until today, although it should properly have been voted on last night. As a result, only 3 per cent. of Members of the House of Commons were present to hear the debate, for which the main Question will be voted on, on paper, today. Mr. Speaker, can you rule that, in future, if a closure motion is moved, the vote on the main Question must be taken forthwith?

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Mr. Speaker. May I draw your attention to today's Order Paper? It shows that, again, we will probably be debating business of the House after 7 o'clock, and that a motion concerning deferred Divisions is down for debate. I seek your guidance on this matter: if we are discussing the business of the House, is the deferred Division procedure appropriate? All hon. Members should be able to have their say about the business of the House.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker—

Mr. Speaker: Perhaps the right hon. Gentleman will let me answer the first point raised by the hon. Member for North Thanet (Mr. Gale), as otherwise I might forget what it was. In a sense, the hon. Gentleman made a very valid point, but the Question that was put yesterday was whether the House should vote on the matter under consideration. That matter was subject to the deferred Division procedure. However, the rules are flexible, and that flexibility can be achieved by means of discussion through the usual channels. It is not for me to decide such matters, as I am guided by the House. In future, the usual channels can request that a Division on a motion should not be deferred, but taken there and then. As the hon. Gentleman said, it is more likely that those who have heard the case made in the debate on a House matter will be able to vote when a Division is held immediately.

That brings me to the point raised by the shadow Leader of the House. He is part of the usual channels. I am not, so I place on him some of the burden in respect of these matters in future.

Mr. Forth: Further to that point of order, Mr. Speaker. I am sure that we are all very grateful for that advice, and I hope that it has been heard and taken to heart. Can you also confirm that in the event that an amendment is selected to a motion that would otherwise be subject to a deferred Division, the motion must then be voted on in the proper way, immediately following the debate? Members may wish to be conscious of that further procedural possibility, as I am sure you are.

Mr. Speaker: One can always depend on a Glasgow man to know procedure. The right hon. Gentleman is right, but when I consider amendments—as I considered the amendments he tabled last night—I do not take into consideration whether they are attached to a motion subject to a deferred Division. Therefore, that thought would not cross my mind one way or the other.

Interest Rates (Limits on Charges)

12.35 pm

Adam Price (East Carmarthen and Dinefwr): I beg to move,

That leave be given to bring in a Bill to impose limits on the interest rate and associated charges which may be charged by those providing loans and other forms of credit.

My Bill seeks to tackle what has been described as the silent sickness of spiralling indebtedness which is afflicting more and more people in our society, particularly the poorest and the most vulnerable. There can be no doubt that mounting personal debt is causing severe problems for an increasing number of families. The Bank of England published figures for March that showed that once repayments were taken into account, outstanding debt on credit cards, loans and overdrafts rose by £1.68 billion in a single month. So it should come as no surprise that, increasingly, many people are getting into severe difficulties, sometimes with tragic consequences.

According to Citizens Advice, inquiries from people seeking debt counselling have risen by 44 per cent. over the past six years. Some 6.4 million people suffer from emotional and physical trauma caused by debt, according to latest data from Debt Free Direct. Almost 500,000 people have developed a drinking problem and some 250,000 have turned to gambling as a perceived solution to their ongoing financial difficulties. More than 1 million people with debt problems have seen relationships with their partners end in separation or divorce. Even the Financial Services Authority has admitted that almost 7 million people are already struggling to meet monthly repayments.

There are many different dimensions to the growing problem of debt. One is the easy availability of credit; unsolicited credit card offers and even cheque books are pushed through people's letterboxes daily. We remember the infamous case of Monty the shih tzu, from Stockport, who was recently offered a gold card with a credit limit of £10,000 by the Royal Bank of Scotland. There is also the lack of transparency in credit contracts and the difficulty in comparing annual percentage rates. The Treasury Committee covered the issue extensively in its recent report.

If we are to understand the problem of escalating debt that faces many people, we must consider a much more fundamental issue, which my Bill seeks to address: the cost of credit. Consumers, especially those on low incomes, pay a substantially higher price for credit than is warranted by the costs involved or the associated lending risks. In layman's terms, credit card companies and others are ripping people off, and destroying lives in the process.

The House does not have to take my word for that. We have it on the good authority of Mr. Matthew Barrett, the group chief executive of Barclays bank, who said in evidence to the Treasury Committee that he would not borrow on credit cards because it was too expensive. When it comes to gilt-edged admissions of corporate irresponsibility, that is up there with Gerald Ratner. The ironic aspect of Mr. Barrett's comments is that he probably can afford the repayments. It is the poorer households that are hit the hardest, because they owe the most relative to their income and pay the most for the privilege.

According to Debt on Your Doorstep, more than 3 million people on very low incomes have to borrow money at interest rates of between 150 and 200 per cent. per annum. A recent study by the Office of Fair Trading found that some store cards carried a charge of as much as 32 per cent., and similar rates are charged on unauthorised overdrafts. It was recently revealed in *The Guardian* that there have been trials in Scotland of a new Visa card, the Vanquis, which charges an APR of 64.9 per cent.—more than 16 times the Bank of England base rate. To be fair, the Department of Trade and Industry has published a White Paper, which contained some good ideas for cracking down on loan sharks and better protection against unfair credit deals, and the OFT has made a study of store cards.

The one thing that the Government have so far shied away from—the reason for my Bill—is the introduction of a maximum interest rate that lenders can charge. Since the introduction of the Consumer Credit Act 1974, the UK has had no statutory ceiling for interest rates. There was a 48 per cent. per annum limit but, unfortunately, the Act abolished it. Currently, the only protection under the Act for consumers who have got into difficulty is that lenders cannot charge "extortionate" interest rates. That is of little assistance to people who cannot afford to go to court and when there is no legal definition of "extortionate". A case in 1995 suggested that rates of 44 per cent. were bordering on extortionate but, in 30 years, consumers have won only 10 cases under the Act.

There are statutory caps in most northern European countries and in north America. In Austria, the cap is set at 20 per cent. per annum; it is 7 per cent. in Belgium and Finland, 9 per cent. in Greece and 15 per cent. in Switzerland. There are also caps in France, Italy, the Netherlands, Germany and many US states.

One argument advanced against a cap is that it might restrict the amount of credit for low-income households, driving them into the arms of unlicensed lenders. However, although the UK has by far the highest exclusion rate in northern Europe for financial services for people on low incomes, we have the weakest standards of consumer protection. Low-income households have better access to credit in countries where there is a cap.

Clearly, for a cap to be successful, it must allow a realistic rate for the lender but one that is low enough to benefit the consumer. It has been suggested that the cap could be expressed as the Bank of England base rate plus x per cent. where x is set at a level that covers the risk posed to firms. Provided that issuers make an adequate rate of return under the cap, they will continue to offer credit, because the cap would be set at a rate higher than the cost of offering the credit. In that scenario, customers will benefit. They will continue to obtain credit, and they will get it at a lower and fairer price.

It has been suggested that there could be attempts to evade the cap by raising fees and other charges. However, my Bill would not merely cap interest rates; it would also cover fees and charges in a single calculation of the cost of credit. Furthermore, it would introduce a cap on interest on arrears, which affects so many people who have got into difficulty, and on collection charges in the event of default.

[Adam Price]

Above all, my Bill would ease the burden of debt for those least able to bear it, and for that reason I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Adam Price, Tony Lloyd, Harry Cohen, Mr. Huw Edwards, Mr. Frank Field, Sue Doughty, Alan Simpson, David Taylor, Mr. Roger Williams, Annabelle Ewing, Mr. Elfyn Llwyd and Sir Teddy Taylor.

INTEREST RATES (LIMITS ON CHARGES)

Adam Price accordingly presented a Bill to impose limits on the interest rate and associated charges which may be charged by those providing loans and other forms of credit: And the same was read the First time; and ordered to be read a Second time on Friday 18 June, and to be printed [Bill 107].

Orders of the Day

Age-Related Payments Bill

Order for Second Reading read.

12.45 pm

The Minister for Pensions (Malcolm Wicks): I beg to move, That the Bill be now read a Second time.

This Bill will put in place the promise in the Budget to pay all eligible households with someone aged 70 or over an extra £100 this year. Of course, this measure has already been subject to some debate following the Chancellor's Budget speech. When combined with winter fuel payments, it will mean that households with someone over 70 will get up to £300 later this year and households with someone over 80 will receive £400.

The payment will be neither taxable nor income tested. It will not affect the other benefits that a pensioner may receive. For example, it will not reduce the amount of council tax benefit, housing benefit or pension credit. In particular, by making this one-off payment, we are recognising the impact of recent council tax increases on the fixed incomes of older pensioners. It will also help with their other living expenses.

Mr. Christopher Chope (Christchurch) (Con): Can the Minister explain how the Bill will help pensioner households where someone over 70 now lives if, come September, that person has died, leaving a widow under 70 in that household? Will that household still qualify for the £100 payment, which is clearly what the Chancellor implied in his statement; or is the letter of the Bill, which suggests that that household will not get £100, the truth?

Malcolm Wicks: The payment will go to those who meet the requirements during the qualifying week. Of course, there will be exceptions—the hon. Gentleman mentions one—but I hope that he will listen and understand that the payment will be a great benefit to a number of vulnerable, elderly households in this country.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will the Minister give way?

Malcolm Wicks: I will give way in a moment.

We are aware of the concern felt by many people, especially those on low incomes, about council tax increases. On 5 February, Parliament approved the local government finance settlement for the 2004–05 financial year. The settlement provides a general grant increase of 5.5 per cent. and an overall increase of 7.3 per cent. Since taking office, we have increased funding to councils by 30 per cent. in real terms. That contrasts with a 7 per cent. real-terms cut during the last four years of the previous Government—which perhaps will now be explained.

Mr. McLoughlin: I would love to explain that, but Mr. Speaker might rule me out of order if I did so. Will the Minister tell us why the Bill refers only to 2004? Are the Government thinking of getting rid of the council tax?

Malcolm Wicks: We are legislating for this year only. Of course, such things are of real concern, as I was arguing, to those who face high council tax increases. *[Interruption]*. As I am being provoked, perhaps I can say something about the average council tax increases per dwelling in 2004–05. In Labour councils, they are likely to be £870; in Liberal Democrat councils, £971; and in Conservative councils, £1,072.

Sir Paul Beresford (Mole Valley) (Con): Will the Minister give way?

Malcolm Wicks: I will give way, because perhaps a word of explanation, or even apology, is coming up.

Sir Paul Beresford: If there is to be an apology, it must come from the Government—the shifting of the grant explains the biased way in which the grant has been applied to many local authorities. The Minister may be interested to hear that the Select Committee on the Office of the Deputy Prime Minister yesterday met a number of people, including from the "Is It Fair?" campaign and pensioners groups. They blame the Government for the council tax rise.

Malcolm Wicks: I always take seriously the interventions of the hon. Gentleman, who used to be a fellow Croydon MP before the electorate decided otherwise. In the south-east, there have been more generous grant increases than in other parts of the country, which should have benefited many Conservative authorities.

By making this one-off payment, we are recognising the concerns that I have discussed, including the way in which local authorities controlled by different parties have increased council tax. We are encouraged that this year's average increase of 5.9 per cent. is less than half the increase last year and is the lowest in almost a decade. We made it clear that we would use our powers to cap excessive increases in council tax in 2004–05, and that strong message has already had an effect—councils have set lower council tax increases this year than would otherwise have been the case.

Mr. Michael Weir (Angus) (SNP): Given that the Minister is making a powerful case about the purpose of the payment to help with excessive council tax bills, should the Government not look at an alternative to council tax instead of trying to buy off pensioners for one year only?

Malcolm Wicks: Some increases remain excessive, so we are using our powers to cap. The Government are reluctant to cap, but we cannot stand back and allow excessive council tax increases to take place year after year. Help with council tax is, of course, already available to pensioners and other people in the form of council tax benefit. We expect nearly 2 million pensioner households to benefit from increases in their council tax benefit or to become newly entitled to it as a result of the introduction of pension credit.

Andrew Bennett (Denton and Reddish) (Lab): While the proposals in the Bill are welcome, is my hon. Friend not concerned that almost 50 per cent. of pensioner households are not claiming the council tax benefit to which they are entitled? What is his Department doing to ensure 100 per cent. take-up of that benefit?

Malcolm Wicks: I know that my hon. Friend was not prompted by anyone to ask that question, but it leads into what I was going to say. We are extremely keen to ensure that all pensioners entitled to help with their council tax bills claim the benefit, which is why the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Gravesham (Mr. Pond), launched a campaign on 1 March 2004 to help support local authorities to encourage everyone who may be entitled to help with their council tax to claim the benefit. We have issued a new poster and flyer, and have sent mailing packs to local authorities, our own local offices and advisers, as well as to local branches of Help the Aged, Age Concern, Citizens Advice and the National Pensioners Convention across Great Britain. We will follow that up with press advertising over a three-week period in regional and some national titles.

In response to my hon. Friend the Member for Denton and Reddish (Andrew Bennett), I concede that for too long council tax benefit has been one of the more obscure and less understood benefits. We are now taking significant steps to publicise it because, as with all income-tested benefits, we want to drive up take-up.

Mr. Weir: Would the Minister urge the Pension Service to advise pensioners about council tax benefit when they apply for tax credit, as that does not always happen at present? It would be helpful if pensioners could have a one-stop shop offering advice on all those benefits.

Malcolm Wicks: I agree that in general we need to move towards the notion of one-stop shops. The Pension Service is now sending out forms for council tax benefit along with news about the pension credit, so we are taking action. We need to take more steps, but I am particularly proud of the local services of the Pension Service, which have been welcomed by Members on both sides of the House. They are very much the human face of the Pension Service and are collaborating with various organisations on the Bill and other measures.

Mr. Nigel Waterson (Eastbourne) (Con): I am grateful to the Minister for giving way, as I appreciate that he wants to make progress. When did he first become aware that the payment required primary legislation?

Malcolm Wicks: That is a favourite question at the moment. I am happy to write to the hon. Gentleman with as much precision as I can. Our early thinking was that legislation would not be necessary, but lawyers—

Mr. Eric Forth (Bromley and Chislehurst) (Con): Not good enough.

Malcolm Wicks: I am being heckled by a well known heckler, but some of us want to have a grown-up debate. I am trying to answer the hon. Member for Eastbourne (Mr. Waterson), so perhaps the right hon. Member for Bromley and Chislehurst (Mr. Forth) would listen along

[Malcolm Wicks]

with his Front-Bench spokesman. After legal advice, we realised that in fact we needed primary legislation, which is why we introduced the Bill.

Mr. Henry Bellingham (North-West Norfolk) (Con): We have always had civilised dialogue with the Minister in the past, so could he tell the House the extra cost of having to legislate? Is a figure available for the cost of legal advice, the deployment of civil service resources, printing, time taken and so on?

Malcolm Wicks: I do not think that there is a figure to hand. We may receive an explanation from the hon. Member for Eastbourne, the Conservative spokesman, but I am not sure why the hon. Member for North-West Norfolk (Mr. Bellingham) is puzzled. We obviously operate on a legal footing. If the payments could have been made through regulations, we would have taken that route. The legal advice, however, was that we needed primary legislation. It is the purpose of Parliament to debate primary legislation, which is why we are here today.

Several hon. Members *rose—*

Malcolm Wicks: I need to make progress soon, but first I shall give way to the hon. Member for Northavon (Mr. Webb), the Liberal Democrat spokesman.

Mr. Steve Webb (Northavon) (LD): To return to the point about timing, one has a slight sense that the decision was made rather late in day. The Minister said he would write to the hon. Member for Eastbourne (Mr. Waterson), but can he tell us when the Department for Work and Pensions became aware of the Chancellor's intention to make the payment?

Malcolm Wicks: I said that I would do my best to let the hon. Member for Eastbourne know exactly when we realised that primary legislation was necessary, but I am not in a position to write up in one long letter any modest diaries that I may have kept as a Minister. I suspect that it would not be a bestseller, and would be a step too far.

We believe that it is particularly important to target pensioners over 70, as most people in that age group have long since stopped working and are on fixed incomes, so are disproportionately affected by council tax increases, which often take up a larger portion of their income compared with younger households. The evidence supports that conclusion, and our own experience as Members of Parliament is that the very elderly tend to be more financially disadvantaged than people in their 60s. We shall take steps to ensure that the administration of the payments runs smoothly, which is why they will be administered through the tried and tested winter fuel payments system.

The hon. Member for North-West Norfolk, who asked about costs, will be interested to know that the age-related payment will be included with the winter fuel payment, which is currently made to more than 11 million people. That will also keep administrative costs to a minimum—not more, we estimate, than £6.8 million. The entitlement and payment rules are set out in the Bill. To keep the process simple and transparent, there will be no need to make a claim in the vast majority of cases. People over 70 should get their payment automatically if they have received a winter fuel payment before and their circumstances have not changed, or if they claimed a winter fuel payment this year. We will do all that we can to ensure that the very small number of people who need to make a claim are made aware of the payment and are given the opportunity to receive it.

Although we intend to make the payment for one year only, the Bill provides a regulation-making power so that, if circumstances warrant it, future payments may be made to people over 60 in specified groups. It stipulates that any such regulations will be subject to the affirmative resolution procedure, and will therefore be subject to full parliamentary scrutiny as well as scrutiny and investigation by the Social Security Advisory Committee.

Mr. David Wilshire (Spelthorne) (Con): The Minister said that the payments were for this year only. In the almost certain event that the Government make a further mess of local government finance and force even greater increases in council tax, will he return to the House next year to increase the £100 as compensation?

Malcolm Wicks: I do not accept that Tory hypothesis at all, so it would be ludicrous to try to answer a question more in the realm of social science fiction than fact.

Let me remind the House of the Government's record on pensioner issues. It is this Government who have made sure that no pensioner need live on less than £105 a week for a single pensioner and £160 for a couple. When we came to office in 1997 the amounts were just £75.80 for a single pensioner and £115.15 for a couple. I am sure hon. Members will want to reflect on that contrasting record in their own speeches.

Mr. Bellingham: I accept what the Minister says, but is he aware that the majority of pensioners in constituencies such as mine are worried about the extent of means-testing that is going on? I appreciate that the payments under discussion will not be means-tested, which is a plus point. How many pensioners are now means-tested? What is the total figure, and what was the figure five years ago?

Malcolm Wicks: I had intended to deal with our record on pension credit, albeit briefly, to provide some context. As a result of pension credit and the other measures we have introduced since 1997, the poorest third of pensioners are, on average, £1,750 a year, which is more than £33 a week, better off than they were in 1997. The disproportionate increase for the poorest is because of targeting. Does the hon. Gentleman think it wrong that we are giving more money to the poorest third?

As I said recently at oral questions, I do not think that any of us, as MPs, would want to go up to elderly people in our constituency who have benefited from pension credit and tell them they are victims of some terrible means-testing. Indeed, an application for pension credit

is usually made over the telephone and the form is filled in by an expert, rather than by the elderly person. There is a whole new approach to the notion of income-testing.

David Winnick (Walsall, North) (Lab): As regards targeting, or means-testing, is it not a fact that before we came to office, and before there was any winter fuel allowance, the only help that pensioners got was the cold weather payments, and it had to be freezing for seven consecutive days, no less, before the allowance was paid, and they had to be on income support to receive even the miserly £7 or £8 a week? Compare that with what we have done in office.

Malcolm Wicks: There is a further comparison to be made between the former Administration and our Administration in respect of VAT on fuel. On a theme that is dear to my hon. Friend's heart and mine, as he knows, the energy efficiency programmes are also important.

Through pension credit the Government are for the first time rewarding those who have saved and who so often just missed out in the past under the old minimum income guarantee system. Despite the constant knocking by those on the Opposition Benches, pension credit is working well. It is already helping 2.4 million pensioner households—nearly 3 million individuals—across our country. And we must not forget that it is this Government who introduced the winter fuel payment and increased those payments from £20 in 1997 to £200 today, with an extra £100 for those over 80. Also, it is this Government who give free TV licences to the over-75s.

We will be spending about £10 billion extra on pensioners this year as a result of the measures introduced since 1997—£10 billion. This includes about £5 billion that is being spent on the poorest third of pensioners—targeting, again, the very people who need help the most. That is almost £6 billion more than if the basic state pension had been linked to earnings since 1998 and nothing else had happened.

Around 80 per cent. of recently retired women pensioners do not have a full state pension because of broken national insurance records—something often forgotten by those on various sides who are campaigning to restore the earnings link. We are supporting women particularly through pension credit. More than half—54 per cent.—of those eligible are single women, and two thirds of those who benefit overall from the new credit are women.

The measure before the House today will benefit a large number of elderly people. About 5 million households will receive the payment at a cost of around £500 million. We are again able to give extra help to our eldest pensioners. The Bill represents yet another step in our mission to tackle poverty in old age. Alongside many other measures, it recognises the contribution that our elders have made to our country.

1.5 pm

Mr. Nigel Waterson (Eastbourne) (Con): We had a relatively short speech from the Minister commending the virtues of the Bill and it is a relatively short Bill, but one that says much about where the Government find themselves at this point in the electoral cycle. Make no mistake: the Bill is a panic measure in the face of the Government's failure on local government finance and in the face of campaigning by people like 83-year-old Devon pensioner, Elizabeth Winkfield, who memorably said that she would rather go to prison than pay her increased council tax.

The Bill is a straightforward electoral bribe. Furthermore, it is based on a misapprehension about the way the payment could be paid. It dawned on the Government only late in the day that they needed primary legislation to put through the payment. I will hear in correspondence, apparently, when the Minister became aware that that would be necessary. I cannot help feeling that it was one of those days when civil servants brought unpalatable news to the Minister and that he might have remembered it. I suspect that there might have been the odd expletive, but we will find out in due course.

Malcolm Wicks: The hon. Gentleman meant that as a joke, but I do not use expletives and I talk to my officials as sensibly as I am sure he would.

Mr. Waterson: I am happy to accept that, bloodless and restrained as ever, the Minister does not use expletives. Perhaps he contented himself with saying, "Oh dear."

Mr. Bellingham: Does my hon. Friend agree that there probably were expletives among the Government party managers? They must have been furious that the Treasury had made a mistake. The Chancellor introduced his Budget and made a great announcement, then all of a sudden we are dealing with primary legislation. Surely that shows staggering incompetence on the part of the Government.

Mr. Waterson: My hon. Friend is right. There was certainly some incompetence, but it is obvious that the Bill is a panic measure. We do not yet know, because the Minister is being so reticent, when he heard for the first time about the £100 payment. *[Interruption.]* As my hon. Friend the Member for Tatton (Mr. Osborne) says from a sedentary position, I have a shrewd suspicion that the Minister learned about it at the same time as everybody else, during the Budget statement. Most of all, the Bill is a panic measure that seeks to tackle, in a clumsy way that I shall describe in more detail, a problem created by the Government.

Before I remind the House of the Government's record on local government finance in detail, may I say how disappointed I am that someone with the Minister's academic credentials should still be trotting out the old canard about how to compare like with like in respect of council tax? We have all heard the arguments before but, for the sake of repetition, I remind hon. Members that the House of Commons Library, no less, says:

"to compare year-on-year increases council taxes are expressed in terms of the average Band D council tax for a 2-adult dwelling."

In *The Sunday Times*, Mr. Peter Kellner memorably wrote:

"Homes in Labour areas tended to fall into lower council tax bands and this was why average council tax was lower. . . The proper way to judge the figures was to compare like with like—say, Band D figures, council by council".

[Mr. Waterson]

He went on to state that Labour's claim

"is as misleading as it ever was . . . On this issue, Labour is wrong and Tories are right".

Mr. Chope: Does my hon. Friend accept that Labour areas often get a lot more grant from a Labour Government than Conservative councils? For example, Sedgefield council gets eight times more grant than East Dorset district council.

Mr. Waterson: My hon. Friend is right. One of the great unfairnesses faced by those of us who represent constituencies in the south, and particularly in the south-east, is the decision, which was clearly political, to switch resources from our areas to the north and other parts of the country.

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): Did the hon. Gentleman examine the figures before asserting that Labour councils get larger grants than Conservative councils and that more funds go to councils in the north than those in the south? Is he aware that the 5.9 per cent. average grant increase for Labour councils was slightly lower than the 6.1 per cent. increase for Tory councils? Councils in the three northern regions received slightly lower grant increases than those in the south-east and London. Is he aware of the facts, or is he trotting out the mantra?

Mr. Waterson: The Under-Secretary speaks for the Government, but perhaps he should speak for Kent.

Sir Paul Beresford: My hon. Friend will know that, although the Under-Secretary's point was helpful, he was discussing this year's increase on last year's deficit. Having taken away £30 million year on year from Somerset and £39 million year on year from Surrey, the Government gave those areas a tiny little increase compared with that for the north in the previous year.

Mr. Waterson: My hon. Friend speaks with his usual authority on such matters, and some of my hon. Friends and I recently met a Minister from the Office of the Deputy Prime Minister to raise that unfairness. Without wishing to bore the House with details from East Sussex, the Government recognise that the first attempt to give grants from central Government resulted in inequities, so they came up with a second tranche of funding. The only problem is that the entire population of East Sussex received the princely sum of £5,000 as a result of that exercise, which piled incompetence on top of incompetence.

The figures are clear: since the Government came to power, council tax bills for the average band D home have increased by 70 per cent. A typical household now pays almost £500 extra a year under this Government. One third of the increase in the basic state pension for the typical pensioner has been taken up by higher council tax, which is a point that relates to this Bill.

In his introduction, the Minister rightly touched on council tax benefit, which, as we all know, is traditionally the means-tested benefit with the lowest take-up. Government figures produced in February show that the position is getting worse, because the take-up of council tax benefit is between 66 and 72 per cent. by case load. Older pensioners are less likely to claim the benefit, which makes the situation worse, and take-up is a particular problem with older pensioners who are owner-occupiers. Low take-up affects the poorest pensioners most severely.

We welcomed the attempts led by the Under-Secretary of State for Work and Pensions, the hon. Member for Gravesham (Mr. Pond) to boost take-up. Although they were welcome, they did not alter the fact that the figures are getting worse, not better. Perhaps the storm of protest, particularly among pensioners in the south of England, was not surprising. I have already referred to 83-year-old Elizabeth Winkfield from Devon, who refused to pay the full 17.9 per cent. increase in her council tax bill—she said that she would rather go to jail than pay more than an inflation-based increase.

It was no surprise, except possibly to the Minister, when the Chancellor set out his understanding of the difficulties faced by older pensioners on fixed incomes. He said:

"The evidence shows that their council tax bills take a higher share of their income than the rest of the population."—[*Official Report*, 17 March 2004; Vol. 419, c. 336.]

Welcome to the real world. The Government clearly took a political decision to make the £100 payment, which is a nice round figure, although it is difficult to see where it came from. It bears no relation to the different levels of council tax up and down the country or individual pensioners' means, because it was plucked out of the air. All the evidence points to a panic measure included in the Budget at the last minute, possibly without the knowledge of DWP Ministers and certainly without the knowledge of DWP officials.

When the Budget statement was drafted, the assumption that clearly underlay the decision to make the payment was that the money could simply and easily be added to the winter fuel payments by an amendment to the Social Fund Winter Fuel Payments Regulations 2000. As the Minister says, the problem was that the Government's legal advice stated that that was not possible and that the Government must introduce primary legislation. When the Chancellor made his statement, issued the accompanying press notices and released the Red Book, no one had properly addressed how those payments were to be coupled with the winter fuel payments and the precise mechanism had yet to be examined—a panic measure, if ever there was one.

In a written answer, the Minister stated:

"We are looking at the most cost-effective and efficient way to deliver payments. It is intended that a single one-off payment is made in 2004-05."—[*Official Report*, 31 March 2004; Vol. 419, c. 1490.]

That leaves a question mark, Mr. Speaker, and I am sure that it has occurred to you, as well as to me. The Minister used the phrase "one-off" again in his speech this afternoon, but the Bill seeks powers to make payments to the over-60s, as opposed to the over-70s, on various terms.

I must press the Minister further and I shall return to the question whether the payment is a one-off or whether the Government simply intend to make similar

payments year on year. It is a harsh fact of political life that once one gives a payment for cold weather or TV licences, for example, pensioners, not unreasonably, become attached to it, and it becomes politically difficult to take it away. *[Interruption.]*

Perhaps I can quell the hilarity on the Government Benches by examining the reaction of pensioners and pensioners' organisations to the Bill and to the £100 payment. The under-70s are not terribly impressed. Why should a 69-year-old not receive the payment? What is the logic behind that? As my hon. Friend the Member for Christchurch (Mr. Chope) says, if the husband in a retired couple sadly passes away before the qualifying date and the widow is slightly under 70, why should she not get the payment?

On the face of it, the measure involves an element of discrimination. We know that the Government are wedded to dealing with discrimination: they signed up to the European convention on human rights, article 14 of which makes it clear that discrimination should not occur on a range of different grounds. However, the Secretary of State for Work and Pensions feels able to make a standard statement on the Bill that, in his view, the provisions are compatible with convention rights.

For once, the explanatory notes to the Bill are interesting:

"The setting of age 70 for entitlement is justified on the grounds that members of this age group are less likely to be in work, have less money and have fixed incomes."

There is, of course, some truth to that statement, but one could say the same about the over-65s or even the over-60s—many more people now take early retirement. It is not clear why only the over-70s should be included.

Mr. Chope: Does my hon. Friend agree that another cause for concern among younger pensioner households is that the Government have deprived them of their married couples allowance, which is still payable to older married couples?

Mr. Waterson: My hon. Friend is right. That is yet another peculiarity about the odd division between the over-70s and the under-70s.

Another issue, which certainly puzzles pensioners in my constituency, is that the payment is wholly unrelated to council tax rises in different areas. A third puzzle is that it bears no relation at all to tax or benefits, as it is completely independent of the tax and benefits systems. The ultimate example of that—the Minister will correct me if I am wrong—is that a pensioner who is on full council tax benefit will still get the £100.

Perhaps the issue that has caused most controversy among pensioners and their organisations is the eight-month delay in receiving the money. Again, that may be a function of the panic in which the promise was put in the Budget, but the reality is that pensioners will have received their council tax demands eight months earlier than the payment that was made at Christmas, at the same time as the winter fuel payment. Will the Minister explain why, if it is not possible without primary legislation to link the payment to the winter fuel payment, it still has to be done at the same time and with the same qualifying week? There may be a good, practical reason for that, but if the Government hope to garner some electoral benefit from the payment, would it not have made more sense for it to drop on to people's doormats at about the time that they are wondering whom to vote for on 10 June?

Another interesting feature of the announcement was the chorus of disapproval from pensioners' organisations. Mr. Neil Duncan-Jordan, a spokesman for the National Pensioners Convention—the Minister and I are to have the pleasure of addressing its parliament next week, so I hope that he remembers to put the telephone directory down his trousers beforehand—said:

"It is completely wrong to make an announcement like this and not have the details in place. It leads us to believe that the Chancellor's statement was made simply to gain publicity."

Heaven forfend. I am sure that such thoughts never cross the mind of this Government and these Ministers. He went on: "One-off payments"—to use the Minister's phrase—

"such as this are not the answer to pensioner hardship. They are often seen by the public as just cynical attempts to grab votes."

Is not that the likely reaction of the average pensioner?

Mr. Mervyn Kohler of Help the Aged said:

"there would be no need for gifts like this if the Government was to review its fixation with means-testing"—

a point that was made by my hon. Friend the Member for North-West Norfolk (Mr. Bellingham). Mr. Kohler continued:

"For many older people, this means months of going without in order to pay this year's bill."

Mr. Rodney Bickerstaffe, who is not yet a member of the Conservative party, but is president of the National Pensioners Convention, said:

"The best way to tackle the problem is through a bigger basic state pension . . . the Chancellor's announcement . . . fails to offer a long-term solution to the problems faced, by those under 70, of rising bills and falling incomes . . . with the Chancellor's decision not to restore the link with earnings in favour of expanding the Pension Credit, millions of existing and future pensioners will continue to rely on means-tested benefits."

Frankly, I could not have put it better.

Malcolm Wicks: Given that the Opposition declined to give a Second Reading to the Pensions Bill, which will establish the very important pension protection fund, is it not time for the hon. Gentleman to say whether he will support this Bill?

Mr. Waterson: That is the traditional purpose of making a speech on Second Reading. If the Minister can contain his enthusiasm, I shall of course come to that.

Gordon Lishman, director general of Age Concern, said:

"it's a disgrace that the state pension is so inadequate people have to rely on one-off payments to cover daily living costs."

Lest it be said that I am being unfair in focusing entirely on the Government and the Minister, whom I know to be well intentioned, let me turn for a moment to the Liberal Democrats, who have turned hypocrisy into an art form or an Olympic event. Up and down the country, including in my constituency, they are running a campaign to abolish the council tax. That is rather like the serial killer who leaves a note at the home of his last victim saying, "Please stop me before I do it again."

[Mr. Waterson]

My own council, Eastbourne, is a good example: it has increased council tax by 45 per cent. over the past two years. With the Liberal Democrats running the show at the town hall, no one could devise a system of local government finance that did not involve extremely high payments being made, often by the poorest in society. The highest rise anywhere this year—28 per cent.—was imposed by Shepway council. There are no prizes for guessing who runs Shepway—it is of course the Liberal Democrats.

Mr. Pond: Can the hon. Gentleman remind the House of the name of the MP for the constituency that covers Shepway?

Mr. John Bercow (Buckingham) (Con): I am sure that my hon. Friend has anticipated that point, which is somewhat irrelevant.

Mr. Waterson: I welcome my hon. Friend to our deliberations—he brings a new lustre to this parliamentary occasion.

The Under-Secretary presses me to say that the local MP is my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the Leader of the official Opposition. It might also interest the Under-Secretary to know that the other day there was a council by-election in Shepway in which a formerly Liberal Democrat ward was won by the Conservatives with a swing of 31 per cent. *[Interruption.]* From a sedentary position, appropriately, the hon. Member for Northavon (Mr. Webb) says that it was all about toilets. Indeed it was—the Liberal Democrat council wanted to shut every single public lavatory in the entire area.

Mr. Deputy Speaker (Sir Michael Lord): Order. Hon. Members may find this fascinating, but I would be grateful if the hon. Gentleman would return to the subject before the House.

Mr. Waterson: Certainly, Mr. Deputy Speaker.

My main point is that the Liberal Democrats often present their idea of a local income tax as a simpler and fairer alternative to council tax, but it is neither of those things.

Mr. Webb: We can anticipate what is coming, because we have heard it all before, but what is the hon. Gentleman's solution to the unfairness of the council tax?

Mr. Deputy Speaker: Order. I would appreciate it if hon. Members did not go too far down that road.

Mr. Waterson: One solution is not to elect Liberal Democrat councils.

The problem with the idea of a local income tax is that it does not address the real causes of the crisis in local government finance for which the Bill is designed to be a fig leaf: first, the fiddled funding from Whitehall and, secondly, spendthrift Liberal Democrat and Labour councils.

Malcolm Wicks: Bring back the poll tax.

Mr. Waterson: The Liberal Democrats' local income tax would involve a tax, on adjusted figures, of 3.8 per cent. on all income between £4,745 and £100,000 a year. That would produce a basic rate of income tax of almost 26 per cent. and a higher rate of almost 44 per cent. The reality is that, at that 3.8 per cent. level, an average couple in England would end up paying an extra £630 a year—an increase of 65 per cent. Furthermore, such a tax would lead to large discrepancies in income taxation between different parts of the country, be a major burden on employers and distort the jobs market. I am sure that the Liberal Democrats are carefully examining those issues, but the central flaw, as they have said themselves, is that, as with any system of local government finance, there remains the issue of equalisation—how to deal with the differences between poorer and richer areas—and the related problems of gearing.

Andrew Bennett: In some places, there are considerable seasonal employment fluctuations while others can suddenly suffer large numbers of redundancies. Equalisation has to happen not just annually, but as the year progresses.

Mr. Waterson: The hon. Gentleman makes a fair point. That is only one of many practical problems that should be tackled but does not appear to have been considered by those who support a local income tax.

Mr. John Gummer (Suffolk, Coastal) (Con): Does my hon. Friend agree that the Liberal Democrats support such a policy because, in the areas that will get money, they will tell people that money is coming and in areas where they might expect to do better out of local income tax, they will not mention equalisation? Liberal Democrats always say different things in different places. In my constituency, they recently blamed the Conservative winner of a local council election because he was too young and campaigned on the maturity of their candidate. In a nearby constituency, they said how wonderful it was to have a young candidate. Whatever the case, they will always present it.

Mr. Deputy Speaker: Order. I am sorry to have to repeat myself but the Bill does not deal with such matters. I should be grateful if the hon. Member for Eastbourne (Mr. Waterson) dealt specifically with the measure's contents.

Mr. Waterson: I shall certainly do that and try to avoid too much party political discussion. In a sense, the Bill is more about council tax and local government finance than pensioners.

Mr. Deputy Speaker: Order. It is true that the measure deals with how money is found for that purpose but not the detailed ramifications of the various aspects of the way in which council tax or other methods of payment are arrived at.

Mr. Waterson: I thank you for that guidance, Mr. Deputy Speaker. If I may answer my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) briefly

before moving on, he is right about the detail. The briefing note that sadly fell into the wrong hands when the Liberal Democrats launched local income tax stated:

"We might get asked about the rate of local income tax we expect we would levy. We don't want to be drawn extensively into this."

How wise.

Clearly, a system that was different from the council tax and based on local income tax would have winners and losers, especially pensioners, who would pay more under the Bill if they had savings, worked hard and had a decent income. Many pensioners would pay more. It is easy to propose glib alternatives. In the Brent, East by-election, we were promised a £100 refund on council tax but that pledge appears to have been abandoned. In *The Guardian*, the leader of the Liberal Democrats

"insisted that he had not broken his promise, although he admitted the pledge would not now be met."

I am not sure what that means.

Let me press the Minister on some specific questions. Are we considering a one-off payment or not? He appeared to make it clear in his opening speech that it was a one-off payment to pensioners who are over 70. Yet clause 7 grants the power to make regulations

"providing for the making of payments . . . to persons who have attained the age of 60 years."

It is not unreasonable to press Ministers about the circumstances in which they envisage using those powers. Will the payment depend on opinion polls? Will it be made only to people in marginal seats? Will it apply to swing voters? Perhaps it will be made only to women. There would be much sense in making the payments to older women because the latest findings show that that group in the electorate is going off the Government faster than any other. We need to be told why clause 7 is included in the measure when the payment is described as a one-off.

In correspondence with my hon. Friend the Member for Chichester (Mr. Tyrie), the Minister made it clear that the payment is only for 2004–05. My hon. Friend and I accept that at face value. However, that makes the presence of clause 7 even more puzzling. It seems clear that Ministers intend to use it in future and it is important to know the circumstances in which that might happen.

Mr. Bercow: Does my hon. Friend agree that, if the Government are clear in their mind about their use of clause 7 and, moreover, believe that there is no ground for ambiguity on the matter, it would help to have a draft copy of the regulations before the Bill proceeds any further?

Mr. Waterson: My hon. Friend makes a telling point, as one would expect. However, after spending seven weeks serving on the Committee that considered the Pensions Bill, in which many important aspects are left to regulation, and not catching even a glimpse of a draft regulation, I do not hold out much hope.

Andrew Bennett: In the unlikely event of a future Conservative Government, would they make such payments?

Mr. Waterson: With respect, it is not right to ask me to make such a commitment. I am trying to ask the current Government about their intentions, which appear very murky.

I want to ask about the qualifying date. According to my reading of the measure, a person in the household would have to be over 70 on the qualifying date in September to qualify. Why not make that a little more flexible? My hon. Friend the Member for Christchurch (Mr. Chope) mentioned the problem of a 70-year-old in the household who dies in the relevant period. Could not we provide that someone had to be 70 on the qualifying date in September, when the amount was to be paid in December or at sometime in the council tax year? That would be simpler and might be fairer.

Why in only this instance do the Government accept the logic of giving help to all pensioners in the same way? On more important matters, they pin their hopes on ever more means-testing. Are they perhaps beginning to appreciate the wisdom of the Conservative policy of restoring the link with average earnings?

I have now reached the part of my speech that the Minister was so keen to hear. Of course, the official Opposition will not stand in the way of older pensioners receiving their £100. Good for them. If there is a vote on the Bill, I shall invite my hon. Friends to support it. However, it is a blatant piece of electioneering. Worse, it has signally failed. It has been revealed to be a panic measure. Its implementation will be bungled because the money will arrive far too late for pensioners in genuine need. Pensioners and pensioners' organisations have seen through the whole exercise. In short, the Government will end up spending up to £500 million with not a single vote to show for it.

1.39 pm

Mr. Steve Webb (Northavon) (LD): One almost feels that the Bill need not detain the House at all. We all know what it is about. As the hon. Member for Eastbourne (Mr. Waterson) concluded, it provides for a one-off payment of £100 because the Government are panicking about the council tax; there is an election approaching, and there was nothing in the Budget for subsequent years. None of us would begrudge older pensioners £100 because we all acknowledge that many of them need the money, so why do not we accept that and go home? I rather feel, however, that having been given the Floor, I cannot quite leave it at that—tempted though I am.

The proposed payment clearly has nothing to do with council tax, because it will be paid to people who do not pay council tax, such as those living in households with members under pension age. It will also be paid to people who are already getting a full rebate. So it has nothing to do with council tax, just as the winter fuel payment has nothing to do with winter fuel—it has something to do with the winter, because that is when it is paid, but nothing to do with fuel.

The reason that the winter fuel payment has "fuel" in its title is that that allows the Government to pay it through the social fund, which meant that its introduction did not require primary legislation. If they could have called this payment a "council tax and fuel payment", they would not have needed primary legislation to introduce it, because as long as it has

[Mr. Steve Webb]

something to do with fuel, they can deliver it through the social fund. I am not sure whether millions of pensioners realise that they are getting social fund payments at the moment, but I shall draw a veil over that. My hon. Friend the Member for Cheltenham (Mr. Jones) has pointed out to me that some of the council tax money paid by pensioners is used to heat council buildings, so perhaps the Government could have used that loophole to bring this payment within the social fund.

This is a bizarre situation. Under the Bill, £500 million—give or take—has been tossed away in the last minutes of a Budget speech. One of the strange things about the Bill is this business about the ability to pay other payments of this kind at any point in the future, as set out in clause 7. I asked a question about the circumstances in which the Government might want to do that, and I received a reply on 30 April, in which the Minister for Pensions referred to the affirmative procedure. So we will get a vote on the proposal to spend £500 million, or whatever, which will be wonderful, but we shall be voting on something unamendable.

The Bill therefore paves the way for proposals for payments—if they were to go to all pensioners, they could easily add up to billions of pounds—to go through after two 90-minute debates. Moreover, the Government will have some influence, shall we say, on the membership of the said Committee through the usual channels. Huge sums of taxpayers' money could therefore be spent with no opportunity to amend the proposals in any respect. That seems an extraordinary power to give to the Government through the Bill. At least we shall have some semblance of a debate today, and we shall have at least a day in Committee, which will give us some chance to look at how that £500 million is to be spent. But the fact that the Bill gives the Government the power to sling a few hundred million more in the direction of pensioners whenever they feel like it seems very odd and rather unacceptable.

Andrew Bennett: How does this proposal differ from the uprating orders that we have each year?

Mr. Webb: The uprating orders have traditionally been debated on the Floor of the House, often taking a whole day of parliamentary time rather than 90 minutes in an upstairs Committee Room. Indeed, on the occasions when we have felt that an uprating order was unacceptable—for example, the one that related to the 75p pension rise that the Government do not mention very often—we have voted it down, in an attempt to make the Government bring in a better one. A far better way of scrutinising these matters would be to present them in an amendable form, and for the Government to be required to come to the House with something that could be scrutinised not only in principle but in detail. I do not know whether the hon. Gentleman thinks that a commitment to spend £500 million next time round, given without virtually any examination, is an acceptable example of the way in which the House scrutinises the Government, but I certainly do not.

Mr. Weir: Is not another difference between this proposal and the uprating orders the fact that the orders deal with existing benefits? We know what those benefits are, whereas clause 7 of the Bill could conceivably be used to introduce any sort of payment.

Mr. Webb: I was about to make that excellent point. The hon. Gentleman is quite right. Every year, we use the uprating orders to roll on an existing system that we understand well, but the Bill is about something completely new. It will introduce a new set of rules, which is why it requires even more proper scrutiny than the annual uprating process.

If we are concerned—as we are—about the burden of council tax on people on low or modest fixed incomes, we must ask ourselves whether this Bill presents the right strategy to deal with that issue. There are better ways to approach the problem, namely, to provide people with a decent pension. It seems undignified for pensioners to have to hang on every word of the Chancellor's speech, having remembered to switch it on five minutes before the end, which is when they get given the cash—the goodies that the Chancellor had to spare because an election was coming up. Is not that an undignified way to treat pensioners? Should they not know at the start of each financial year what money they will have coming in, and should not that money be adequate to meet bills of this sort so that they do not need such one-off special payments? I have similar feelings about other ad hoc payments that the Government have introduced.

Mr. McLoughlin: The hon. Gentleman has just accused the Government of offering an election bribe, which this proposal clearly is. If my memory is correct, in the last by-election that the Liberal Democrats fought, they put a "cheque" for £100 on the bottom of their leaflets, offering voters that amount off their council tax. They have now abolished that proposal. Was that not an election bribe that they subsequently decided was a bad idea?

Mr. Webb: We are proposing to abolish the council tax. Indeed, my right hon. Friend the leader of the party has over-performed, as he does so often, by proposing not only to cut £100 from people's council tax but to abolish the whole thing. If I am accused of breaking a promise to the electors to cut £100 of their council tax, when we are replacing that with a policy to scrap £1,000 of their council tax, I stand condemned.

Mr. Wilshire: Can we be absolutely clear about this? Is the hon. Gentleman pledging that his party, should we have the misfortune to see it form a Government, would scrap the council tax and replace it with a local income tax? If he will give us that pledge, my constituents would then understand why the average male in my constituency would end up with a bill of £700 a year more than he pays at the moment. They would be delighted to hear confirmation of that.

Mr. Webb: The hon. Gentleman should not believe his central office briefings. He should know that by now. In answer to the first part of his intervention: yes, our pledge is unequivocally and absolutely to replace the unfair council tax with a fair local income tax of the kind used in many European countries, which will not reassure the hon. Gentleman. Such taxes are also used in many American states, however, which perhaps will reassure him.

In answer to the second part of the hon. Gentleman's question, the local income tax will replace the council tax, but we envisage one tax rise, on those earning more than £100,000 a year. Part of the proceeds of that tax rise—£1.7 billion, to be precise—will be used to ease the burden of the transition from council tax to local income tax. The amount raised under our local income tax will actually be less than that raised under the council tax. Given that it will raise less money, the notion that the average family could be hundreds of pounds worse off does not make sense. The average outcome must be a gain, because we shall be raising less money overall. In fact, because the tax will be charged according to the ability to pay, the vast majority of pensioners, for example, will benefit from our proposal.

That is precisely the focus of the Bill. That is what it is trying to do, in a very inadequate way. We believe, however, that a system in which pensioners who do not pay national income tax would not pay council tax either would be fairer than giving everyone £100 across the board, as that will fail to discriminate between those who pay no council tax and those who are well able to afford to do so.

Mr. Wilshire: I am sure that I heard the hon. Gentleman say that his plans included some extra tax to ease the transition, so he is not actually denying that my constituents will face another £700 a year in tax. What he is saying is that he has a wheeze to put that off for a little while in the hope that people will forget about it, vote for his party, and subsequently pay the extra £700. Is that what the hon. Gentleman is saying?

Mr. Deputy Speaker: Order. I appreciate that the hon. Member for Northavón (Mr. Webb) is now being seduced off the straight and narrow, but I would be grateful if he would avoid being seduced.

Mr. Webb: I shall not find that too difficult in the present context, Mr. Deputy Speaker. As the hon. Gentleman's question has been placed on record, I shall simply say that a tax that raises less money—namely the replacement local income tax—could not possibly create an average loss, let alone one on the scale that he envisages. In fact, there will be average gains under our proposals.

Andrew Bennett: Will the hon. Gentleman give way?

Mr. Webb: Yes, although I recognise your strictures, Mr. Deputy Speaker.

Andrew Bennett: If the hon. Gentleman's proposals would bring in less money, does that mean that councils would have to cut services, particularly services to the elderly? Or would income tax have to go up to meet the shortfall?

Mr. Webb: For the benefit of the record, if the hon. Gentleman had been listening a few moments ago, he would have heard me point out that, of the £5 billion or so that our proposal for a 50p income tax rate will raise, £1.7 billion will go towards easing the transition between council tax and local income tax. That would mean that councils would get the same amount of money. I would have thought that the hon. Gentleman, as a socialist—if I dare use that term—would favour higher taxation for those earning more than £100,000 a year.

Mr. Nigel Jones (Cheltenham) (LD): To keep strictly in order, Mr. Deputy Speaker, may I say that I welcome the £100 proposal? Will my hon. Friend confirm, however, that under the local income tax, 74 per cent. of my constituents in Cheltenham would be better off?

Mr. Webb: I am sure that my hon. Friend has read a more reliable briefing on that subject than the hon. Member for Spelthorne (Mr. Wilshire), and I am sure that he is correct.

The focus of our debate is pensioners. The Bill is about doing something because the council tax hits pensioners, but the proposal to pay everyone a uniform amount, when some pay no council tax at all and others can afford to pay it, is very poorly targeted.

Far better than an unfair tax system and a rebates system designed to try to redress that—and because that does not work, another lump sum payment—would be a fair local tax system in the first place. That must be the key. The problem at the moment is, first, that we have an unfair and rapidly increasing local tax bill, and secondly, a hopelessly ineffective rebates system—if it worked, pensioners would not feel the pain of the council tax. Because 1 million or more pensioners are missing out on the rebates and are paying the full council tax, the Government's policy has had political consequences. A sticking plaster of £100 to remedy the fact that the rebates fail to address an unfair council tax system is a crazy solution. The House should be aware that the bureaucracy to run a rebates system, which is one way of trying to make council tax fairer, and to levy council tax, costs £600 million. That money should be going on pensions and pensioners. That is another reason why there are better strategies to adopt than that in the Bill.

The alternative strategy, as well as making the local tax system fairer, offers a better system of support for pensioners. Clearly, one of the reasons why many pensioners over 70, who are the subject of the Bill, are so poor is that they do not get the means-tested benefits to which they are entitled. The Government's view is that with one more heave, another publicity campaign and another leaflet, all will be well with the world. The Minister knows, however, that for years to come a structural feature of the Government's mass means-testing strategy is that vast numbers of older people will simply not get the money to which they are entitled. The Government will then recognise that as a political problem, and will have to find a system that people do take up. I accept that winter fuel payments are generally taken up, with men aged between 60 and 64 as the main exception. The Government must use a system that they know works to get money to people, because the other systems, such as mass means-testing, do not work. The Government have an unfair local tax system and a rebates system that does not work, so they have had to patch it up. On top of that, they provide an inadequate pension and conduct means-testing to deal with that inadequacy, and because that does not work, they need another sticking plaster.

Malcolm Wicks: I am following the hon. Gentleman's argument, but does he accept that one of the problems

[Malcolm Wicks]

with putting all the money into the national insurance pension is that many vulnerable people, particularly elderly women, do not have full national insurance contributions records, and would not therefore benefit? How does his critique of the £100 payment for the over-70s—I am not sure whether he is criticising winter fuel payments—relate to his party's policy of age-relating the basic pension in favour of the older elderly?

Mr. Webb: The Minister makes two good and perfectly fair points. That is why we believe that when we try to improve the pension, we should do it on a citizenship basis. It may not be feasible to do that for all pensioners in one go, but the starting point needs to be that a citizen, particularly an older citizen, qualifies for a pension, and recognition of the fact that because many older people have inadequate contribution records because of caring responsibilities and because, as women, they have spent a lot of time out of the labour market, they have suffered. For as long as the Government insist on using the contributory basis to go forward with pensions policy, the groups that he has highlighted will continue to suffer. That is why our citizenship proposal will benefit older pensioners and women in particular. He is right to highlight that group. I am grateful for that, and I am glad about his concern for that group. We will address that group's problems with our policies, and it is time that the Government did so too.

On the issue of how best to support our pensioners, clearly, the hon. Gentleman has mentioned restoring the earnings link, which we will discuss at greater length next week on the Pensions Bill. If we are concerned about the effect of council tax on pensioners, increasing a woefully inadequate pension by a few percentage points above inflation is not the way to do it. In part, that is precisely because of the reasons that he gave—many poorer pensioners do not get full pension, so they will get less from the restoration of the earnings link—but it is also because the pension is so inadequate.

To raise a few issues to which we might return in Committee, I agree with the hon. Gentleman about the eligible date for this payment. When dealing with winter fuel payments, some of the recipients are not yet state pensioners, so there might be an argument that more time is needed to include them in the system, although I have some doubts about even that. A more credible argument is that given that we are not paying pensions to some of those people, but they are 60, they qualify for winter fuel payments, and because those people must be identified, a time lag is needed between the day on which they qualify and the day on which we pay the money, although I think that that argument is overdone.

That argument does not apply to the over-70s, however, as they are all in the system already, and I presume that practically all of them will already be getting winter fuel payments. Therefore, why do we need a qualifying date in the third week in September to pay them the money by Christmas? To coin a phrase, we know where they live and who they are. Given our desire to support older pensioners, why do we have to say that someone who is 70 in October cannot have a payment to help them with their council tax in December— when they will be 70 and two months—because they were not 70 in September. Given that they are already in the system, and the Department knows their date of birth—even its crumbling computers will know that, as it will be paying their winter fuel payments—there seems no reason for that early entitlement date. Changing it would not cost the Government huge sums of money. A set of pensioners will feel aggrieved that they do not qualify for the payment, even though they are 70 in December, because they were not that qualifying age three months earlier in September, even though the Department knew all about them—*[Interruption.]* I am happy to give way if the Minister wants to challenge that.

Mr. Pond: I am rather puzzled, because wherever one sets the point of qualification, some people will be on the wrong side of the line. I am afraid that that is inevitable.

Mr. Webb: With respect, that is not the point. My point is that there is a three-month gap between the date on which someone becomes eligible and the date on which they get the money. Why must it be three months? Because those people are already in the system, November could be the eligible date, for example, which would allow more people who are 70 at the time of payment to get the money, which is surely what we want.

Mr. Waterson: I am following the hon. Gentleman's point, not least because it mirrors to an extent one that I made. Can he see—because I cannot—any practical objection to making the payment to anyone who becomes 70, or is 70, during that council tax year?

Mr. Webb: I see where the hon. Gentleman is coming from. I guess that his suggestion is that perhaps it should be a 70th birthday present of some sort, so that it might be paid at different points throughout the year. I can see the administrative attraction of making all the payments in one week, give or take a little, and of drawing attention to all the publicity at a particular point rather than steadily through the year. There are attractions in bunching the payments. That said, I cannot see why three months are required to work out who is 70.

Mr. Chope: Does the hon. Gentleman accept that his answer to my hon. Friend the Member for Eastbourne (Mr. Waterson) does not address the issue of someone who is 70 now, and who is part of a household in which no one else is over 70, and who dies in August but has already had to pay the council tax bill for this year?

Mr. Webb: That is a fair point. The honest truth is that we all know that this is nothing to do with the council tax. For as long as the Government want to maintain the fiction that it is, however, the hon. Gentleman has a perfectly fair point. One would sympathise hugely with a household that has already started to pay council tax at the high levels that people must pay, but has never got help because sadly it suffered a bereavement during the year.

Andrew Bennett: There is a slight flaw in that argument. It is very sad that someone dies, but at the point at which they die, the household will almost certainly get the single person rebate on the council tax.

Mr. Webb: For several months while that person is still alive, however, the household will pay the full

council tax at the higher rate that people must pay, yet it will not get anything towards the bill for that period—the discount will only apply for the remainder of the year.

I always want to save the Government money if I can. In relation to winter fuel payments, I recall that the Government were taken to court—and they lost, if I remember rightly—by British citizens living elsewhere in the EU. I do not know if the Minister has a view on this, and he may want to deal with it in his winding-up speech. As I recall, at first, winter fuel payments were meant to be paid only to UK citizens living in Great Britain. A court case was then held, and I think that I am right that winter fuel payments can now be paid to British citizens living elsewhere in the EU. What I am not clear about is whether this Bill, which tries to restrict payments to people who are resident in Great Britain during the qualifying week, will be subject to the same legal challenge, because winter fuel payments now have to be paid across the EU. I am not clear as to why these payments will only be paid to Great Britain residents. Clearly, the argument will be that people elsewhere in the EU do not pay the council tax, but the Bill does not mention the council tax, because it is nothing to do with it. I merely wish to save the Government the trouble of a legal challenge.

As I said at the outset, we know what the Bill is all about. We will not stand in its way, as none of us begrudge £100 for elderly pensioners who certainly need the money. The key point, however, is that once again the Government are producing a sticking plaster to deal with problems elsewhere in the system. We have an unfair local tax system that is not being dealt with satisfactorily through an ineffective rebate system, so we need a sticking plaster. We have an inadequate basic pension which is not being dealt with satisfactorily through an ineffective means-testing system, so we need another sticking plaster. One day, I hope—and I hope that day comes soon—we will have a Government who introduce fair local tax and decent pensions, and we will not need Bills like this.

2 pm

Sir Paul Beresford (Mole Valley) (Con): Before you took the Chair, Mr. Deputy Speaker, the Minister carefully explained—notwithstanding what the hon. Member for Northavon (Mr. Webb) said—that the Bill was intended to help pensioners with their council tax. He went through the usual performance of explaining that council tax rises had been dramatic over the past couple of years—which they have been—and blaming local authorities. I believe that if the Government examined the real causes of the increases they would see that had they adopted a different approach earlier, we would not need the Bill and we would not need the money for pensioners. Indeed, that might be the case if they adopted a different approach even at this late stage. Pensioners in my area will of course welcome the money. Pensioners aged 70 and above, and those under 70, will be worried by the council tax rise that they face—courtesy, again, of the Government.

About two years ago, ODPM Ministers explained that the council tax was reasonable. The huge outcry that prompted this panic reaction was generated at that time because people, especially in London and the south-east, were hurt by the tax. I believe that the Government are largely responsible for that. The Minister blamed local authorities, and I accept that some are to blame. Many Labour and Liberal councils' running costs are exorbitant compared with those of Conservative councils. The Liberals' idea of a different tax system should be taken with a pinch of salt: in Mole Valley the group led by the Conservatives and Independents raised the council tax by 5 per cent., but the Liberals wanted to raise it by 18 per cent. Nevertheless, I believe that central Government are the main cause of the increases.

The English council general fund has increased by 72.5 per cent. over the past 10 years. It consists of councils' running costs, and is directly reflected in council tax. One of the main reasons for the increase, in my view, is the Labour Government's paranoia, and their wish to centralise and control. They have introduced best value comprehensive performance assessments, various inspections, including Audit Commission and school inspections, and complex social services procedures. In addition, they have produced target after target. If there is a difficulty with local authority performance in any area, the Government will come up with yet another target—and all that costs money. The cost of inspections, and reactions to inspections, is reflected in council tax—dramatically, because of the gearing effect—and in the position of our pensioners.

The Government's last thought is for output and whether value for money has been obtained. By abolishing competitive tendering, they have hurt some councils that have tried to save council tax. Many hidden costs—best value and CPAs, for instance—can paralyse council staff for many weeks as they prepare for inspections, and in addition there is the process of the inspections themselves. All that is reflected in the additional cost to pensioners, whom the Bill is intended to help.

The Select Committee on the Office of the Deputy Prime Minister is conducting an inquiry into the costs, and there has been quite a reaction. Some councils' costs are fairly dramatic. A Havering councillor tells me that the Government have imposed extra planning requirements on the council, which cost another £150,000. Performance indicators add another £400,000 and external inspections a further £400,000. Best value reviews mean another £150,000; responding to Government consultations, another £100,000; Government returns, another £200,000; and bidding for grants, another £300,000. All that goes on to council tax, with gearing attached—at a time when the Government have reduced funding for London and the south-east dramatically year on year.

Yesterday, Somerset county council told the Committee that it had lost £30 million year on year as a result of the change in the funding formula. Surrey had lost £39 million. Those losses, which came at very short notice, prevented the councils from responding with savings to cut costs for all pensioners—indeed, for all local people.

Andrew Bennett: Somerset did not lose £30 million. The money that it received was not cut. It did not receive extra money that it had hoped to receive.

Sir Paul Beresford: That is a slightly slanted way of looking at it. Somerset says that if the existing funding formula had continued, it would have received the £30 million. In effect, it lost the money year on year. The hon. Gentleman—who chairs the Select Committee—nods. I am grateful for that.

Council tax benefits provided part of the solution, but, as the Committee is finding out, take-up is pitiful. When we asked yesterday why that was so, we were told that the forms were too long, complicated and intrusive. As my hon. Friend the Member for Eastbourne (Mr. Waterson) pointed out, this is a panic reaction from the Government – their second panic reaction. The first manifested itself in capping and sudden handouts to selected local authorities.

The Liberals, who never miss a bandwagon, have jumped on the bandwagon of local income tax. Treasury figures suggest that a married couple in my constituency on average earnings would pay an extra £886 a year if such a tax were imposed. They would not gain from any of the benefits proposed today.

ODPM Ministers tell us that we have been helped by threats of capping. Some local authorities have, in fact, been capped. Although that is welcome and has generated the right response, it does not deal with councils' main problem—the exorbitant cost of the Government's intrusion on and management of their affairs, and the additional cost of gearing, which lands on the doorsteps of our pensioners and everyone else. Rather than presenting us with this Bill, the Government should do what they should have done long ago. They should get off local authorities' backs, and reduce the costs that have been generated by their interference.

Malcolm Wicks: I am sorry to interrupt to hon. Gentleman's flow, but I want to apologise to him. When he intervened on me earlier, I reminded the House that we had both been Croydon Members, and implied that he had been thrown out by the electorate. In fact, he was the innocent victim of a boundary change. He must now feel very satisfied about the fact that he did not become a candidate for the new Croydon constituency, which fell to a Labour swing. I wanted to place that correction on the record and apology to a former colleague in Croydon.

Sir Paul Beresford: I thank the Minister for his apology. An interesting question, which will never be answered, is whether I would have been elected had I stayed in Croydon.

Here we sit, looking at a little Bill that will give a few people in my constituency and across England £100. That pales into insignificance in comparison with the damage that the Government have done to local authorities and to council tax bills, multiplied by gearing. For most local authorities, an extra £1 in costs means another £4 on council tax. For some, particularly in London, it means another £11.

It would have been practical for this paranoid Government to get off the back of local authorities and to go back to the approach of the Conservatives in 1992.

2.9 pm

Hywel Williams (Caernarfon) (PC): The Bill applies not only to England but to Wales and Scotland. Obviously, Plaid Cymru and the Scottish National party welcome this modest payment to older people, as far as it goes. Unfortunately, it does not go far.

We note with interest that it is a flat-rate payment on the basis of age, using age as a proxy for poverty, as the Government have noted themselves. People over 80 will get a higher payment. There are hon. Members on both sides of the House who wish that the Government would apply that principle to the retirement pension. That would address some of the poverty that is prevalent in my constituency and throughout Wales among older pensioners.

We note with approval the Minister's argument that the payment is transparent and that the administrative costs will be modest. Would that he and his colleagues applied the same argument to the growth in means-tested benefits, which are opaque, complicated and expensive to operate, as is council tax benefit. As has been said in the debate already, one of the reasons for the low take-up of council tax benefit is its complexity and opacity. This payment in some ways seems to be a sticking plaster—a recognition by the Government that council tax benefit is not working.

I am pleased to say that some local authorities in Wales have had significantly lower council tax increases than others. The increase in my own local authority, Gwynedd county council, is well below the average. Caerffili and Rhondda Cynon Taf have also had low council tax increases. Happily, council tax payers in those Plaid Cymru-controlled areas will have more disposable income, but this is hardly fair to those council tax payers in Wales still groaning under the weight of council tax increases in Labour and independent-controlled councils.

Mr. Weir: Does my hon. Friend recognise that the same is true in Scotland, where SNP-controlled councils such as my own in Angus have low council tax, despite the fact that the Liberal and Labour coalition in Edinburgh has distributed funds unfairly? The £100 will make little impact on the many people paying huge council taxes under Labour-controlled councils and indeed independent-controlled councils such as Moray, the council tax of which is increasing by almost 10 per cent. this year.

Hywel Williams: My hon. Friend makes a pertinent point—all the more so since there are no elections in Scotland and his comments are untainted by the considerations that have led the Government to bring in this electoral bribe. He is clearly a man principle.

As far as I can see, there is no direct link between this payment and council tax rises. As has been said, pensioners over 70 will receive the full payment. Pensioners receiving council tax benefits will still qualify. Significantly, the payments will be made with the winter fuel payment. Therefore, it is highly likely that older people will not make a particular link with council tax. They are far more likely to see the payment as linked to their fuel bills. They may see it as being consolidated with the £200 that they already receive. In that respect, questions regarding the fuel payment are especially pertinent.

I wish to highlight my concern that the new payment will be a single payment—one payment at one point. Many local authorities offer the facility of monthly payments of council tax, often by direct debit. I take advantage of those arrangements and find them extremely convenient. I do not see why older people should not be enabled to take advantage of that convenience and why the payment could not be staged in some way, although it may not be practical to have 10 payments. I presume that the Department for Work and Pensions' computer could facilitate that, although perhaps I am assuming too much in that respect.

I was approached recently by a constituent, Mrs. Beryl Williams of Nefyn, who asked me a couple of questions that I could not answer, but the Government might like to suggest answers to them. She asked why the payment is for one year only—why it is a one-off—when older people's needs are likely to be the same over a number of years. Clause 7 will allow the Government to make other payments, but that is no reassurance to my constituent, who is trying to think ahead and to plan her income and expenditure. She needs some reassurance.

Mrs. Williams also asked me why the Department for Work and Pensions will assess qualification for the payment on the basis of residence and age in one relevant week. She asked, and I could not answer her, why there could not be some move towards a rolling assessment, so that people could be paid closer to their birthday. Those sensible questions have occurred to her as a practical consequence of her experience as an older person trying to make ends meet. Those are questions that the Minister might address when he sums up. I am sure that he has a ready answer and I look forward to hearing it.

2.16 pm

Mr. David Wilshire (Spelthorne) (Con): May I start by seeking to help the Minister? His ministerial colleague has left, but he got very excited earlier when he was anxious to know whether Opposition Members were going to support the Bill. Let me clear that one up to save the Minister asking me in a moment or two. I make it clear that I welcome the principle behind the Bill, in that the principle, as I understand it, is that the Government are offering pensioners more help. I, and I am sure all other hon. Members, have no difficulty in supporting more help for pensioners, so the principle is fine. It is just that some of the detail is not quite so clever. We need to look at that.

Not only do I welcome the principle, but I have some pleasure in being here this afternoon. It is pleasing and worth while for a Conservative MP to come along this afternoon to offer support and help to clear up the Labour Government's mess. That is what we are doing: clearing up their mess. It gives me even greater pleasure because it is only Conservatives, with a bit of help from the Liberals and from Plaid Cymru, who are prepared to come to help the Minister out of the hole into which he and his colleagues have got themselves. Not a single Labour Back Bencher has come here to help the Minister to do more for pensioners and to sort out the Government's mess. That must speak volumes.

Mr. Weir: I would just like to point out that the Scottish National party is also here helping out as best it can. It is noticeable that not one Labour Member from Scotland has spoken in the debate.

Mr. Wilshire: I grovel to the SNP. I am a great friend of the SNP. I have had connections with it in previous Parliaments. I am desperately sorry—I did not mean to fail to mention it. That intervention helps to underline my point. I am grateful to the hon. Gentleman for saying that it is not only English Labour Members who appear not to care less about helping pensioners or rescuing the Government, but Scottish Labour Members, and they seem to try to run the Government from time to time. It is a pleasure to be here to see what little bit of help I can give to this discredited Government.

David Cairns (Greenock and Inverclyde) (Lab): The pleasure is all ours.

Mr. Wilshire: I am glad that the pleasure is all the Labour Government's. I hear the Parliamentary Private Secretary singing our praises—the cavalry is coming to his rescue. I promise him that the more mess the Government make, the more willing we will be to pick up the pieces come the next election.

The Bill is not, as has been said, about council tax; it is about a brown envelope being bunged to pensioners in the hope that the Government can buy a few votes. It is a Government measure that admits that they are not doing enough for pensioners. They have caned pensioners through extra costs, and they now suddenly realise in a moment of panic that they are not doing enough to help, so they come along with a rushed measure that says: let us give pensioners some money and hope it will be all right. That was done in a panic, and not even from generosity and thought. The Government were suddenly confronted with pensioners who were prepared to go to prison because of the Government's crass incompetence in putting up costs for pensioners. Faced with the thought of the bad publicity of pensioners going to prison because of them, the Government panicked and introduced the Bill.

Not only that; this is not only a panic measure but a blatant attempt to buy votes. Why, one might ask, are the Government having to do that? The opinion polls say it all. The Government are losing support, so they panic and try to buy votes. It will not work.

There is one other reason behind the Bill, rather than council tax. I have a suspicion that it owes something to the Chancellor of the Exchequer's having seen a wounded Prime Minister and thinking that if he can leap to the Dispatch Box in the middle of a Budget and produce, like a rabbit out of a hat, some money for pensioners, when the moment comes at which the Labour party decides to get rid of its leader, the Chancellor will be seen as the person who can get rabbits out of hats, and will be placed to take over. The reality of what is happening here this afternoon is as I describe it, which probably explains why the Labour Benches are so empty. Labour Members are too embarrassed to come here and be part of this.

[Mr. Wilshire]

The Government have tried—I suppose we should take them at face value—to pass the measure off as an attempt to help with council tax. In his Budget statement, the Chancellor said:

"The evidence shows that their council tax bills"—

referring to the older pensioners—

"take a higher share of their income than the rest of the population. So for this year, for those over 70, on top of the winter fuel payment, we will pay an additional £100 to each household."—[*Official Report*, 17 March 2004; Vol. 419, c. 336.]

There we have the clear attempt to pass the measure off as an effort to help with council tax. So let us take this Labour Government at their word when they say that it is an attempt to deal with the council tax problem, and look at what the problem really is, and at how bad a mess this Government have made of matters.

Let us take my constituency, as just one example of hundreds. In 1997, when this Government took over, my constituents in Spelthorne on council tax band D were paying £630.77. By 2003–04, the same people were paying £1,170.65. That is an extra £540, or an increase of 85.6 per cent. I have a large number of elderly people on fixed incomes, like many other hon. Members, and the Government are quite right to say that people on fixed incomes, having been asked to find another £540 over that period with very little extra coming in to help them to pay it, need help. My word, they need help! That is all down to what has happened under this Government.

That puts the £100 into some sort of context. Having caned those people for an extra £540, the Government want us to believe that it is generous for them to give £100 of it back. That does not strike me as generous at all; it strikes me as quite miserly. Again, it is an attempt to get publicity without actually solving the problem.

If that is the problem that the Labour Government have asked us here this afternoon to try to sort out for them, let us be clear about its cause, which is not what they want us to believe. I can do no better than refer to the Audit Commission, which is a neutral body. It seeks after facts, and reports accordingly. I quote from a summary of a report that it produced entitled "Council tax increases 2002/03 to 2003/04: Why were they so high?" What was it, according to the Audit Commission, that caused the problem? Point 8 of its summary says:

"We also looked at the impact of changes to grant on council tax increases. The 8 per cent. national increase in grant for local councils was more than in previous years."

That is the bit that the Government want us to listen to, but it is point 9 that we need to understand. It says:

"But grant redistribution, which moved grant from London and the south to the midlands and the north"—

in other words, from my constituents to Tony's cronies, which is my interjection, not a comment that the Audit Commission would make—

"led to some councils putting up council tax more than others. We found a clear association between the size of grant increase a council received and their increase in council tax."

The fiddled funding of Labour is the problem that we are addressing. It is a problem that the Government have caused, and that is why I am more than happy to be here to try to put it right.

The Government make much play of the fact that the additional help for council tax comes on top of the help that they have been giving through council tax benefit, so I thought that it might be useful to look at the figures for council tax benefit in Spelthorne, to discover the reality of that means of helping. I found that in 1997, there were 4,854 claims for council tax benefit, but by 2003–04 that figure had fallen to 4,189. So much for the great boost given by extra council tax benefit to more people. Fewer of my constituents are getting that help; no wonder they need a handout of £100 or more.

Insult is added to injury, because when I asked Spelthorne borough council about council tax benefit, I discovered that the benefit that it hands out is not automatically received in full from the Government. It has to find 2.1 per cent. of the benefit that it hands out, which makes a bill of £80,000 for my council tax payers. Spelthorne borough council also pointed out to me that the cost of administering that wonderful Government scheme last year came to £313,276, but that the administrative grant from the Government for doing their work for them was just £144,762. If we take into account the extra cost of the council tax benefit, we find that, far from benefiting from the council tax benefit scheme, the council tax payers in my constituency have to fund it for themselves. My council tax payers have had an extra burden of £169,000 dumped on them in the so-called name of helping people to pay their council tax. That is a wonderful achievement by the Government. They say that they will help people to pay their bill, but they then come up with a scheme that puts up the bill that has to be paid in the first place. That is madness. It does not help; it makes matters worse. That is another reason why the £100 will not get us very far. The Government push up the bill, give people a little of that back and think that they are being generous.

Although I support the Bill in principle, I have some key concerns, which I hope that the Government will be willing to address in Committee. The first has been mentioned, but it needs underlining. It is the concept of waiting until after Christmas for a payment. As I am sure the Minister knows, people start paying their annual council tax in April. Council tax is paid in monthly instalments, but for only 10 months, so people finish paying in January, but the Government in their wisdom will not give them any help to make the April-to-January payments until 31 December. Fat lot of good that is. Most of the money will have been paid by then. People first have to pay the extra that they cannot afford, and then in a so-called bit of generosity, they are told that they will be given a little of it back later. That is not helping people; it is simply making a mockery of them.

Mr. Chope: Does my hon. Friend agree that another anomaly that the Government could have addressed through this Bill is the ability to pay only over 10 months? The ability to pay over 12 months would spread the payment burden more evenly.

Mr. Wilshire: That is absolutely right. I would love to discuss that issue, but I suspect, Mr. Deputy Speaker, that you would consider it slightly beyond the Bill's terms of reference. I will settle for saying that I completely agree with my hon. Friend and that we will discuss the matter on another occasion.

I am also concerned that the Government are offering nothing to 65 to 69-year-olds. I readily accept that I and other Members of this House have a significant number of constituents over the age of 70 who are struggling, but the reality is that all of us have constituents over that age who are not struggling. So why are we helping over-70s who need help and over-70s who do not, but ignoring those aged 69 and a half who are in desperate straits—perhaps worse straits than anybody aged over 70? Through that cut-off point the Government are saying to people aged under 70, "Frankly, we don't care about you." My constituents do not want that sort of Government running the country. The Government have to revisit the issue of not helping people under the age of 70 who need help.

That train of thought leads to another of my key concerns. This entire procedure, which helps the rich and poor alike, is unrelated to the tax and benefit system. The Government do not like my party's future approach to pensions because, in their view, it does not distinguish between the rich and the poor. They are keen to attack our policies, yet they brazenly propose the kind of policy that they keep saying we should not implement: a universal benefit for everybody over the age of 70. These are serious issues that the Minister needs to address in his wind-up.

So much for my introduction—I now turn to the detail of the Bill. I have a number of queries that I hope the Minister will address. Clause 1, which deals with the "Qualifying individual", bothers me somewhat. According to the Government, a qualifying individual is someone who

"is ordinarily resident in Great Britain",

but nowhere in the Bill can I find what "ordinarily resident" means. It cannot mean someone who lives here permanently, because clause 1 also states that a person has to be ordinarily resident for "one day". That does not strike me as a definition of a permanent resident of the United Kingdom. I would like the Minister to reassure us about what "ordinarily resident" means. If it means that one has to be here for just one day in September, I suspect that in September the ferries will be full of coach-loads of people aged over 70, coming to stay for one day in order to get their £100, only to go back where they came from. The Minister needs to reassure the taxpayer that that is not the intention.

Clause 2 deals with an issue that crops up time and again in the Bill. It states:

"A qualifying individual shall be entitled to a payment of £100 if at any time in the relevant week—(a) he is single".

Later, it refers to couples, for which clause 8 provides a definition. The Government have great difficulties with this issue. Clause 8 states that "couple"

"means a man and a woman who share a household and who are, or who live as, husband and wife".

If I remember rightly, various Bills passing through this House go out of their way to ensure that, in keeping with the Government's view, we do not make a distinction through the concept of "couple" equalling man and woman. Yet the Bill states that a "couple" must be a man and a woman. What about same-sex couples? Do they not fall within this definition, and if not, why not?

Similarly, clause 8 refers to those

"who are, or who live as, husband and wife".

What does that mean? Are we to have an army of inspectors visiting 70-year-old couples to find out what they are doing? That seems remarkably ridiculous. Moreover, what happens when an elderly brother and sister live together, or an elderly mother lives with her elderly son? Mums live for very long times these days. It is perfectly possible for a mum and a son who are both over 70 to live in the same house, yet they will not be considered a couple, because although they are a man and a woman, they are not living together as husband and wife. The Government have got something terribly wrong here—assuming that they believe in their other legislation. I should be grateful if they sorted that one out for us.

Mr. Chope: Has my hon. Friend looked at clause 2(1)(b)(i), which refers to a single person's

"either . . . not living with another qualifying individual,"

or otherwise being in receipt of state pension credit? Does he think that the phrase "living with" is relevant to the definition of "couple", which seems to imply something slightly different?

Mr. Wilshire: If my memory serves me correctly, clause 8 provides no definition of "living with", so that is another thing that the Government ought to clear up.

There is another issue in respect of couples. Does the term "single" as used in the Bill include a widow or widower? When a spouse dies, one still considers oneself married to them and part of a couple, even though one half of the couple is no longer alive. Will the Bill discriminate against widows and widowers, or does "single" mean something that the dictionary definition does not cover? That issue needs to be sorted out.

Clause 3 also needs some attention. Subsection (1)(a) refers to situations in which

"two or more couples live together".

The Government say that a payment of £100 per household will be made. Where two or more couples live together, and if three or more of the people in question qualify, will that household get £150, £200 or £250, depending on how many qualifying people there are? We need to know the answer to that question. I suspect that there are some problems.

Clause 3(4) states:

"Subsection (5) applies to a qualifying individual if . . . throughout the period of 13 weeks ending with the relevant week his ordinary place of residence was a care home."

So it is suggested that those who live in a care home will not necessarily qualify. Why a period of only 13 weeks? Council tax is paid over a whole year—in 10 monthly instalments, or in one go—so why are those who are in a care home for only 13 weeks of that 12-month or 10-month period disqualified from getting the help given to those who live in their own home for a year? That is thoroughly inconsistent, and perhaps we could be told something about it.

I turn to clause 4, which deals with disqualifications. Subsection (1)(b) disqualifies a person who

"is in custody throughout the relevant week".

[Mr. Wilshire]

So if, for some reason or other, a 70-year-old is locked up for that week, they are disqualified for an entire year. That cannot be right. I accept that subsection (2) provides a definition of being in custody. It states:

"a person is in custody if he is detained in custody under a sentence imposed by a court".

So the Government have at least thought of people on remand, who will not be caught by the provision. What happens if the Court of Appeal quashes the conviction of someone who has been under a sentence for a week or so and has been disqualified? What happens if they were under sentence during the relevant week but are subsequently declared innocent? What provisions do the Government intend to make to deal with that anomaly?

Mr. Chope: Does my hon. Friend accept that the anomaly goes further than that? Someone could be sentenced to one week's imprisonment in the qualifying week in September, thereby losing the entitlement to £100, while someone sentenced to six months' imprisonment starting in October would receive the full £100.

Mr. Wilshire: That is absolutely right. The provisions have been ill thought through. Perhaps provoked by the concept of 70-year-olds going to prison, the Government wondered what to do to discourage such people from being sent there. Perhaps they thought that disqualification might induce people who are prepared to martyr themselves to think again. If that is what the Government thought, it goes to show that they do not understand 70-year-olds, most of whom will stick to matters of principle, despite the threat of being penalised by the Government or ending up in prison for a short while.

Before we vote, the Government must explain clause 5. Under subsection (3)(c)(i), when making a claim, people have to tell the Secretary of State their

"name, address, date of birth"—

I have no problem with that because the address could be a park bench and it does not necessarily apply for council tax purposes—

"and national insurance number (if he has one)".

I was under the impression—the Minister will put me right if I am wrong—that every British citizen had a national insurance number. If so, the Government have some explaining to do about what led them to include "(if he has one)" in the Bill. Why can we not say that people have to have a national insurance number in order to receive the benefit, which would clear up a few anomalies? That takes us back to coach trips in September: people could come over here to qualify as ordinarily resident for a day; they do not have a national insurance number; they take the money to pay for the coach trip and go back home. The Government must clear up that problem.

Clause 7 deals with the power to provide for payments. We have been told that this is a one-off measure. We have heard that no provision is being made to continue the benefit in future Budgets, yet the Government are assuming powers to "make regulations"—not to come before the House—to continue the benefit. They want not only to continue with the provisions before us, but to assume powers to do anything they like without reference to the House.

The Government can make regulations to deal with

"persons in a specified class".

If they wanted to, they could give more money to all the people who lived in the north or to all those who voted Labour. That is my understanding of a "specified class". They are also able to make provision for "specified circumstances". In other words, the Bill does not necessarily apply to people who are particularly poor; in future years, it could apply—again without any reference to the House—to whatever circumstances the Government like.

Under clause 7(3) the Government assume powers to make "exceptions" in future years. What comes to mind is that someone who votes Conservative could be deemed an exception and would not receive the benefit. These are draconian and dictatorial powers, short-circuiting Parliament to enable the Government to do whatever they like.

Malcolm Wicks *indicated dissent.*

Mr. Wilshire: The Minister is shaking is head. If he thinks that I am exaggerating, I refer him to clause 7(3)(d), according to which regulations allow the Government to

"make different provision for different cases or circumstances."

In other words, the Government want powers not to treat everyone equally, but to treat individuals exactly how they like. Why do they need clause 7? What are they planning; what are they up to? They really must explain.

Clause 8 deals with the interpretation. As I explained earlier, the Government have got themselves into an awful muddle about couples—men and women, same-sex couples, husbands and wives, people who may or may not be living together. Even though it was not possible to get their mindset round to single-sex couples, somebody somewhere—probably in the basement of the Ministry—considered that polygamy should be mentioned. Under clause 8(2):

"The provisions of this Act shall apply, with any necessary modifications, to the parties to a polygamous marriage as if they together formed one couple."

They thought about that, but not other relationships, which I find extraordinary.

I come to the last part of the Bill that is worthy of mention. Although for the purposes of my brief examination of the Bill's details I have been prepared to accept that there is a council tax link, there patently is not such a link. Payment is to be made to people aged over 70 and it is being passed off as an attempt to help pensioners pay their council tax. That being the case, why clause 10? The clause makes it clear that the Bill applies to England and Wales and Scotland. If the Bill is part of an argument about the council tax, I understand why Northern Ireland is not included, but since it is not about the council tax, why are the Government discriminating against 70-year-olds who live in Northern Ireland? Are they not UK citizens like the rest of us, who pay the same income tax as we do? Why are they picked on and discriminated against in

respect of a benefit that is paid to everyone else, irrespective of whether they pay the council tax? Again, the Government must explain themselves.

We should also give some thought to human rights issues, to which the Bill and the explanatory notes refer. Page 5 of those notes deals with the European convention on human rights, and paragraph 31 quite properly refers to the requirements of article 8 and the "right to family life". I have already pointed out problems with the Bill's treatment of same sex-couples, for example, and the Government will no doubt argue that the ECHR makes it clear that such couples are included in such references to family life. A statement is appended to the Bill to the effect that it conforms with human rights legislation, but I would argue that, if we accept the Government's definition of family life in other debates, the Bill in its current form patently does not comply with article 8. The Government should do something about that.

Paragraph 32 of the explanatory notes refers to the requirements of article 14 on discrimination. It is arguable that people over 70 are less likely to be in work and have less money than people under 70, but I completely reject the argument that over-70s are more likely to have fixed incomes. The Government have offered no evidence to prove it, and my experience of my constituents suggests that people are on fixed incomes from age 60 onwards. I would have thought therefore that there is a possibility that the Bill fails to comply with the requirement of article 14 not to discriminate. I would be grateful for any clarification.

To conclude, I am happy to support the Bill. I am pleased that Conservatives are willing to help elderly people. As I said at the outset, it was shameful that no Labour Members were willing to speak. I believe that the hon. Member for Denton and Reddish (Andrew Bennett) was not present at that time, which is why I made that point. He has since returned and made helpful interventions. I have a great respect for him, but I sometimes wonder whether his help is as welcome to the Government as help from other quarters is to them. I welcome him back to the debate. I am sure that he, like Conservative Members, is trying to do his level best to dig the Labour Government out of their hole.

I will take the Government at their word and accept that the Bill is an attempt to put right the catastrophe of the council tax, which was caused entirely by them. I also accept that the Bill is a one-off, temporary measure. I take that as an admission that, by this time next year, the Government will have lost the election. All I can say is good riddance.

2.49 pm

Mr. Christopher Chope (Christchurch) (Con): It is a pleasure to follow my hon. Friend the Member for Spelthorne (Mr. Wilshire), who brings to the debate a wealth of local government knowledge and experience, as well as an incisive criticism of some of the Bill's important details.

This is called the Age-Related Payments Bill, but it might better be described as the Election-Related Payments Bill. All those who have spoken so far agree that that is the motivation of a Government who are in severe panic. They realise that sustained increases in council tax and manipulation of the grant system have resulted in council tax poverty for pensioners. I have spoken about that many times in the House, and I have also presented a petition on the matter on behalf of thousands of my constituents who are worried about being forced into council tax poverty by the Government. Obviously, the Bill will mitigate that to a small extent for some of my constituents, but I doubt very much that it will help the Labour party's electoral fortunes in the Christchurch constituency, even though the area has one of the largest populations of households containing one or more people over 70.

In my constituency, the council tax bill for many households has increased by between £700 and £1,000 since the Government have been in office. When people heard what the Chancellor said in his Budget speech, they asked me why the Government were offering only £100, and only for this year. Although everything and anything is welcome from this tight-fisted and mean Government, my constituents are very worried that what the Chancellor said in the Budget has not been borne out in practice, and is not reflected in the contents of this Bill.

Referring to older pensioners, the Chancellor said:

"The evidence shows that their council tax bills take a higher share of their income than the rest of the population. So for this year, for those over 70, on top of the winter fuel payment, we will pay an additional £100 to each household."—[*Official Report*, 17 March 2004; Vol. 419, c. 336.]

That is not what the Bill delivers. We have discussed already the question of households that contained a person over 70 at the beginning of the financial year but which will not contain a person of that age in the critical week in September. The Government therefore have not delivered on the Chancellor's Budget pledge.

It is now a commonplace that we must not listen to the Chancellor's speech so much as look at the small print later, and the Bill is another example of that. I can put it in no other way than to say that the Government have misled pensioner households up and down the country. As the Red Book states, at paragraph 5.36:

"The Government understands the position of older people on fixed incomes facing pressures such as higher council tax bills and thus a reduction in their standard of living. Council tax consumes a greater proportion of the incomes of older pensioners—who have little or no opportunity to increase their incomes—than it does for other households. Alongside Council Tax Benefit the Government believes that it is right to help older pensioner households with their council tax. Pensioner households with someone aged over 70 will therefore receive a £100 payment to help with their council tax bills."

The Bill does not deliver on the assertion contained in that crucial paragraph.

Earlier, the Minister talked about people who are vulnerable. What household could be more vulnerable than one in which a person over 70 dies between now and September? Why should that household be put at a disadvantage compared with one in which a person over 70 remains alive during September, and dies instead in October or November? I urge the Government to reconsider that anomaly, which means that people aged 70 at the beginning of the financial year will not qualify unless they survive the course—and all the vagaries of the NHS—until September.

As my hon. Friend the Member for Spelthorne said, there are many anomalies in the detail of the Bill. I hope that the Under-Secretary of State for Work and

[Mr. Christopher Chope]

Pensions, the hon. Member for Gravesham (Mr. Pond), who will wind up the debate, will address some of those anomalies. If he cannot do that today, I trust that he will look at them in Standing Committee.

The phrase "living with" in clause 2 is ambiguous. It may mean that a household in which, for example, two siblings aged over 70 live together—and in my area it is not unusual for a mother and daughter over that age to be living together—may be entitled to two payments of £100. However, that depends on how "living with" is defined. I hope that the Under-Secretary of State will clarify that, for the benefit of the House.

In an intervention, I referred to the question of people in prison, and my hon. Friend the Member for Spelthorne also mentioned it. Why should a person who is in prison for a week forfeit entitlement to the whole of the payment for a whole year, when a person who is in prison during another part of the year will get the full benefit of the payment? That is an absurd anomaly. Do the Government really think that that is a consistent approach? I do not think that it stands up to detailed scrutiny, and it shows that the Bill is very much a rushed measure on the Government's part.

Why does the Bill offer a solution for one year only? The problem of unaffordable, unfair and unsustainable council tax bills will face us next year too. In his Budget statement, the Chancellor implied that, as a result of the balance of funding review, the Government would produce a legislative fix that would change matters in time for next year. If that is the case, I hope that the Under-Secretary will confirm as much when he responds to the debate. However, most hon. Members who have had anything to do with the fraught subject of local government finance will say that it is totally unrealistic to assume that the Government will be able to come up with a fix in response to the balance of funding review—a fix that would bring substantial relief to hard-pressed pensioners—that will take effect in time for the next financial year, which starts in April 2005.

My constituents very much resent the fact that their state retirement pension increased this year by 2.8 per cent., when their council tax bills rose by a much greater amount. The Minister earlier seemed proud of the fact that the average council tax bill rise was only 5.9 per cent., but that is double the increase in the state retirement pension. That emphasises that the Government believe that it is perfectly reasonable for pensioner households to dip into savings or cut back on other expenditure so that they can afford their council tax bills.

In effect, the council tax has become a stealth wealth tax. It bears disproportionately heavily on people who occupy properties that have a significant value and which may have increased in value enormously while they have lived in them. Those people must pay a lot more in council tax, even though they cannot afford it.

We know that there are problems with council tax benefit. A pensioner with even modest savings is not entitled to that benefit in any event, so the benefit does not meet the needs and concerns of many of my constituents.

In his earlier remarks, the Minister quoted some rather specious figures, but let us take them at face value anyway. He said that the average council tax bill in a Labour area is £870, in a Liberal Democrat area it is £971 and in a Conservative area it is £1,072. That is because, of course, Conservative-controlled councils tend to be—although it is dangerous to generalise too much—in parts of the country where property values are higher.

Let us consider council tax bills. Why is it that the Bill will give a much higher percentage benefit to somebody living in a Labour council area than to somebody living in a Conservative council area? Obviously, if the bill is £870 in a Labour area and £100 is taken off it, that is a much higher discount than it would be on a bill of more than £1,000. The Minister has played games with percentages and I challenge him to say why it is reasonable that those with smaller bills should receive a disproportionate benefit compared with those who face larger bills.

My hon. Friends have made the point that the Bill takes no account of the means of the individuals. Why will somebody aged 70 who pays a higher rate of tax be entitled to benefit under the Bill but somebody aged 69 who does not even earn enough money to pay tax at all will not get any benefit?

Mr. Roger Williams (Brecon and Radnorshire) (LD): I agree that the Government proposals are an inadequate mitigation of an unfair council tax, but the hon. Gentleman and his party support the council tax. What would their solution to the problem be?

Mr. Chope: I assure the hon. Gentleman that I do not support the council tax as it is at the moment. We are preparing for government, and part of that process involves bringing forward detailed policies. I assure the hon. Gentleman that he will not be disappointed when my hon. Friends on the Front Bench produce cogent and coherent policies for addressing the problems of the council tax before the general election. However, many of the problems of the council tax at the moment do not stem from the legislation but from the way in which the Government have manipulated the grant system to the detriment of councils in the south in order to favour their friends.

I gave the example earlier of the Prime Minister's constituency and Sedgefield district council, which receives eight times as much grant as east Dorset district council. Only a Labour Government could think that that was a fair way to distribute grant. If there is no general election before the next grant settlement, we can expect even more distortions in grant distribution.

The Minister tried to defend the Government by saying that this year the grant has gone up by a larger percentage amount in Conservative-controlled councils. That is a specious use of statistics, because if east Dorset gets only one-eighth of the grant of Sedgefield, even if east Dorset's grant were doubled it would still be only a quarter of that of Sedgefield. To try to equate percentage increases in very low levels of grant with percentage increases in grants that are already much higher is totally misleading.

I raised earlier some other ways in which the Government could reduce the plight of pensioners in council tax poverty. One way to do so would be to amend the regulations to allow council tax payments to be made in 12 monthly instalments. That would not take

much effort. Indeed, on one interpretation, the regulations would not even have to be changed and the Government could advise local authorities that they could bill over 12 months rather than 10.

The Bill has been thrown together at short notice. The Government did not realise that they would have to produce primary legislation on the subject and the Bill smacks of panic. It contains some interesting provisions, but much of the detail is anomalous. The most mischievous part of the Bill is the enormous power in clause 7, which the Minister did not attempt to explain and which refers to the age of 60 years. However, the Government claim that it is important to concentrate extra help only on those aged 70 and over. Why then do the powers in clause 7 refer to those aged 60 and over? If those aged 60 and over are in need—many of us have examples in our constituencies of pensioners of that age who find it difficult to meet their council tax obligations—why are the Government resolutely refusing to help them?

The extra payment is a gimmick and an attempt to paper over the cracks caused by the Government's manipulation of the grants system. The damage has already been done, and the extra payment will mitigate it only slightly. It certainly will not make people forget the sustained way in which they have been made to suffer by this Government's local finance arrangements. I shall support the Bill because many pensioner households in my constituency will benefit from it, and I would not wish to prevent them from doing so. However, I would prefer it if the substantive issue of the manipulation of the grants system that has caused council tax bills to rise so much in my constituency were addressed by the Government. If the Government have taxpayers' money to put into the funding of local government, they should put it into the local government settlement, instead of messing around with gimmicks.

3.7 pm

Mr. George Osborne (Tatton) (Con): I congratulate my hon. Friend the Member for Christchurch (Mr. Chope), who summed up many of the arguments in this debate, and my hon. Friend the Member for Spelthorne (Mr. Wilshire), who practically took the Committee stage on the Floor of the House. He gave the Bill the kind of scrutiny that it deserves. It is not a Bill of huge constitutional significance, so it would be unusual to have its Committee on the Floor, but perhaps my hon. Friend, who is an Opposition Whip, will put himself on the Committee where he can explore some of his points in greater detail.

Mr. Wilshire: As my hon. Friend may remember from his time in the Opposition Whips office, we can also ensure that certain people do not get on Committees.

Mr. Osborne: I remember that, although I remember spending a lot of time in Committee as a Whip. Indeed, I have spent much time in Committee this year as a Front-Bench spokesman.

We have had an interesting debate, thanks to my hon. Friends and those who have contributed from the minority parties. As my hon. Friend the Member for Spelthorne pointed out, it has also been interesting because of what Labour Members did not say. It is extraordinary that there are no Back-Bench Labour Members in the Chamber to take part in this debate. We have two Ministers, a couple of Parliamentary Private Secretaries and a Whip, but no Back Benchers. We have not heard a single speech by a Labour Back Bencher on the Second Reading.

Let us cast our minds back to the Budget. The extra payment was the great surprise announcement. The Chancellor produced it, as Chancellors do, with a great flourish at the end of the Budget. He said that he had one final announcement and we could hear the collective intake of breath by loyal Labour Members in anticipation of his great surprise. We also remember the waving of Order Papers, as happens every year, when the Chancellor announced his latest wheeze. Where are they now? Why have they not come and told us what a great benefit the Bill will provide for the pensioners aged over 70 whom they represent? They are not here. Perhaps they are embarrassed because they know that, as my hon. Friend the Member for Eastbourne (Mr. Waterson) said in his excellent opening speech, this is a panic measure. It is a sticking plaster on the gaping wound of the huge council tax hikes made under the Labour Government. As my hon. Friend the Member for Christchurch said, it is not an Age-Related Payments Bill but an election-related payments Bill.

Normally, it is difficult for the Opposition and those who watch the Government to know what goes on in the bowels of the Government; it is difficult to tell when something is a panic measure—one can only guess. But we know that the Bill was a panic measure from the way that it was introduced. In his opening speech, the Minister for Pensions was coy about when he knew that the Chancellor would be announcing the £100 payment. He said that he would not bore us with his diaries and that we would have to await their publication, but one can imagine the entry for 17 March: "Listening to the Chancellor in the Chamber today, stunned to hear his announcement on council tax payments. Why wasn't I told?"

David Cairns: Just imagine what it will say for today.

Mr. Osborne: It will say, "Had to clear up the Chancellor's mess today on the Floor of the House of Commons. Had to introduce a piece of primary legislation which I wasn't expecting."

One has to feel sorry for the Minister and his departmental colleagues. The decision was taken by the generals in the chateau—the Treasury—and Captain Wicks and Corporal Pond have to go up the line and implement it; they have to jump out of the trenches with primary legislation that they were not expecting to introduce.

Mr. Bellingham: I am sorry to interrupt the flow of my hon. Friend's excellent speech, but does he agree that one of the points that the Minister did not answer was my question about how much extra this primary legislation will cost? What will be the cost of all the legal advice, civil service time, printing, effort and everything

[Mr. Bellingham]

else? We must be talking about a figure of around £500,000, yet this is the Government who say that they are trying to cut unnecessary expenditure.

Mr. Osborne: As ever, my hon. Friend makes a good point and is keeping a watchful eye on the interests of the taxpayer. It will be interesting to learn from the Minister how much this fiasco has cost. How much did it cost to draw up this unexpected primary legislation? Even if expletives were not involved, one can imagine that there was a moment of shock when the unfortunate Minister for Pensions was told by his officials, "Excuse us Minister, but the Chancellor seems to have made an announcement and doesn't realise that it requires primary legislation. Shall we call him or will you?" It is clear that the Department for Work and Pensions was left out of the loop.

Sir Paul Beresford: My hon. Friend is all sweetness and light towards the Ministers on the Treasury Bench, but does he agree that some of the blame must go not so much to the Treasury as to the Office of the Deputy Prime Minister—one of whose Ministers has just entered the Chamber—and to the Department of Health, because they are the primary cause of the problem we face?

Mr. Osborne: My hon. Friend is right. The only reason that the Minister for Housing and Planning is in the Chamber is that he hopes to get on to the next piece of parliamentary business, which deals with the Planning and Compulsory Purchase Bill. Thankfully, however, we still have plenty of time to consider this important Second Reading.

My hon. Friend the Member for Mole Valley (Sir Paul Beresford) is right to say that the problems that the measure is designed to address—although I shall argue that it does so very poorly—are, first, rising council tax bills, brought about by the Office of the Deputy Prime Minister, as we must now call it, and, secondly, fixed pensioner incomes, which mean that people cannot pay for rising council tax bills that are several times the rate of inflation. That is the story that has driven the legislation. As my hon. Friend the Member for Eastbourne and several of my hon. Friends pointed out, council tax bills have risen by 69 per cent. since 1997—equivalent to 3p on the basic rate of income tax. They rose 12.9 per cent. last year and are set to rise 5.9 per cent. this year. In Macclesfield borough council in my constituency, they will rise by 8.4 per cent. this year—*[Interruption.]*

The Minister for Housing and Planning says, "Shame." My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) and I are leading a delegation—of two—to see his colleague, the Minister for Local and Regional Government, to make the point that Macclesfield borough council, like many other Conservative-run councils, is well managed, does its job effectively and is debt-free, yet it is having to put up council tax by 8.4 per cent.

The reasons for that rise were set out by Councillor Wesley Fitzgerald, who represents a ward in my constituency and is a member of the cabinet of Macclesfield council. He gives a clue as to the underlying causes for the Government's introduction of the measure. I am sure that his comments would be true of many borough and other councils. He says that the rate support grant for this year went up by only 0.94 per cent., even though inflation is 2.5 per cent., which resulted in a gearing effect of 4 per cent. on Macclesfield council's bottom line. He says that the council has to pay increases on nationally agreed wage settlements: 70 per cent. of council expenditure is on staff salaries. The community corporate plan will apparently cost the council £80,000 a year. There are targets to be met, such as those set by the Department for Environment, Food and Rural Affairs on waste recycling. Such targets may be a good thing, but they are set nationally and no provision is made to help local councils to meet them.

Such costs have forced Macclesfield and other councils to increase their council tax by several times the rate of inflation. After listening to the arguments that have been made in the debate, we can all agree that the band D rate is the correct way to measure the impact of council tax rises and council performance. The average council tax on a band D property is £478 more than it was in 1997. Unfortunately, I did not bring a copy of the 1997 Labour manifesto to the debate but I seem to remember that it made an explicit promise to avoid excessive council tax increases. If an increase of 69 per cent. since the publication of that manifesto is not excessive, I am not sure what is.

My hon. Friend the Member for Mole Valley lucidly set out some of the pressures on councils. They have also been noted by the Audit Commission, as several hon. Members pointed out. "Council tax increases 2003/04—Why were they so high?" is the title of the Audit Commission pamphlet. Even if Members cannot read the entire document, I recommend the summary, which is only two and a half pages. The Audit Commission, a wholly independent organisation, makes it clear that the main reasons for council tax rises are due to pressures from central Government.

Sir Paul Beresford: I am no fan of Torbay council, which is renowned as a not especially competent Liberal authority, but it is one of the councils that have been capped. Indeed, not only have the Government capped the council but they have loaded it with 24 comprehensive performance assessments next year, which will cost Torbay about £2.5 million. If gearing is the same—at one for four—that is £10 million extra on the council tax of Torbay residents.

Mr. Osborne: My hon. Friend gives a powerful local illustration of the general problem. I suspect that all Members—even though Labour Members would not admit it—are aware of examples of the red tape and centrally directed targets that are being imposed on their local councils and that have led to huge increases in people's council tax bills. People on fixed incomes or on incomes that are inflation-linked are struggling to pay those huge bills. That includes not only those aged over 70 but anyone whose income is inflation-linked, for example, people working in the public or private sector whose salaries rise only by inflation.

We heard an interesting exchange about the alternative proposed by the Liberal Democrats and it is fair to say that the hon. Member for Northavon struggled to explain the fairness of an average couple

paying £630 a year more under his proposal—not the super-rich, as he implied, but the kind of people that the Liberal Democrat leader was referring to when he said on Radio 4's "Today" programme that the middle classes should pay more as well. Those are the people at whom he is directing the proposal.

The hon. Gentleman also struggled to explain what had happened to the Liberal Democrat promise to take £100 off people's council tax bills. For the greater information of the House, I have one of the leaflets that the Liberal Democrats distributed during the Brent, East by-election, which makes it absolutely clear that, as a first step,

"Every Council Tax payer in the"

country

"would see their bills cut by £100 in the first stage of the Liberal Democrats plans for a fairer tax system."

So there it is.

The hon. Gentleman, whom I have some time for, made a better stab at defending the fact that the Liberal Democrats have abandoned his policy than did his party leader—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The umbilical cord connecting what the hon. Gentleman is saying to the terms of the Bill is stretching very thin indeed, and there may be other occasions when it would be more appropriate to develop the argument on which he is now embarked.

Mr. Osborne: I will, of course, take your advice, Mr. Deputy Speaker, and not explore alternative ways of alleviating the pressure on council tax payers, although I hope that you will allow me to say that the poor old hon. Member for Brent, East (Sarah Teather) still has that proposal on her website, so no one has told her that the Liberal Democrats have changed their policy.

The hon. Member for Northavon made one decent point in his speech: the Bill is not a solution to the problem of high council taxes, however it is billed; nor does it have any direct connection, as he properly pointed out, with council tax—hence its rather anonymous name, the Age-Related Payments Bill, which tells everything about the fact that it is not linked to the problem that it is designed to solve.

Of course, the second issue that the Chancellor had in mind was the problem of low pensioner incomes and the proportion of those low incomes that is now swallowed up by the council tax. It is interesting to look at the figures. I am not sure whether these figures were quoted by other hon. Members, so it is worth mentioning them now. Since 1997, 40 per cent. of the increase in the basic state pension for a typical single pensioner and a third of the increase in the basic state pension for a typical pensioner couple have been taken up in higher council tax bills. A huge proportion of pensioners' incomes is involved, but the Bill does not tackle the root problems.

The Minister and other hon. Members mentioned council tax benefit and it is worth reminding ourselves that we have a benefit that is supposed to tackle the problem of people unable to pay their council tax bills. The Government should not need to introduce new primary legislation to provide payments to help people with council tax bills because such a benefit already exists.

The Government cannot rely on council tax benefit to help poorer pensioners because fewer than two in three of eligible pensioners claim that benefit. It is interesting to note that that represents quite a fall on the figure in 1998, when more than 75 per cent. of eligible pensioners claimed their council tax benefit. I have never seen a Government explanation of that fall. There has been a drop in the take-up of council tax benefit and plenty of evidence suggests that that low take-up is particularly skewed towards the poorest and older pensioners. Instead of trying to tackle the problem with council tax benefit, the Government have introduced this sticking-plaster solution to give all older pensioners a universal payment.

One should note in passing that it is good that the Government now have enthusiasm for universalism and believe in non-means-tested, universal benefits. Perhaps, when the Pensions Bill is debated on the Floor of the House next week, the Government will make a policy U-turn—they have made lots of U-turns recently—to support an increase in the basic state pension by linking it to earnings. *[Interruption.]* I am sorry, would the hon. Member for Harwich (Mr. Henderson) like to intervene?

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Gentleman, but there has been far too much noise from the Parliamentary Private Secretaries' Bench, which, by tradition, is an area that should be silent.

Mr. Osborne: In the three years that I have been a Member, I have found that those on that Bench are normally the most vocal, Mr. Deputy Speaker, whatever the tradition is.

The Bill will tackle neither of the twin problems of high council taxes and low pensioner incomes. Indeed, as my hon. Friend the Member for Eastbourne said in his opening speech, the Bill has been given a drubbing by various organisations that speak up for pensioners. It is worth reminding the House that the director general of Age Concern said:

"It is utterly scandalous that the average council tax bill is rising by more than double the increase to the basic state pension. Many pensioners will be dreading their council tax bill dropping through the letter box and the latest £100 payment from the Government will not ease the burden for many."

Help the Aged said:

"There would be no need for gifts like this if the Government was to review its fixation with means-testing."

The National Pensioners Convention said:

"One-off payments such as this are not the answer to pensioner hardship. They are often seen by the public as just a cynical attempt to grab votes."

The "Is It Fair" campaign said:

"Basically what the Government is doing is tinkering with a system that is fundamentally flawed . . . interestingly we now learn that to make good on their promise, the Government needs to pass a bill through Parliament that could take months. This is no consolation at all to those who cannot afford to pay."

It is worth mentioning some of the specific questions that hon. Members—mainly my hon. Friends—asked the Government during the debate and reminding the Minister that he should address them when he replies. In particular, my hon. Friend the Member for Eastbourne

[Mr. Osborne]

asked questions in his introduction and they were reiterated by my hon. Friends the Members for Spelthorne, for Mole Valley and for Christchurch.

First, there is the question of why pensioners must wait until after Christmas to receive the payment if it is supposed to help them to pay council tax bills. I thought that that question was very effectively put in the debate. Why must people wait until the beginning of next year, when the bills were sent out in April? Indeed, if pensioners are paying their council tax in 10 monthly instalments, they will have finished paying them just as they get the money that is intended to help them make those payments. There is no logic to that, so perhaps the Minister will address that point.

Will the Minister justify the exclusion of 65 to 70-year-olds? Obviously, there is a question of cost if £100 is to be paid to all people over 65, but did the Chancellor or the Department consider making a smaller payment to all pensioners? Of course, that could have been an option. Why did the Chancellor make his decision? If the Under-Secretary says that he wanted to target the payment on older pensioners, why does the Bill give the Government power to make future payments to people aged 60 or over? In what circumstances would such payment be justified?

My hon. Friend the Member for Christchurch said that people over 70 who die before the qualifying week will lose out. They will lose out in a big way as they will no longer be with us, but their widow or widower will lose out on the payment, thus exposing the absence of a genuine link with the payment of council tax bills. The Minister for Pensions addressed only in passing the question of why the Government are asking Parliament to give them authority to make one-off payments in future. What is the principle or theory behind future one-off payments, if that is not a contradiction in terms? Why do the Government feel that they need power to provide payments for people aged 60 and over?

When the winter fuel payment was introduced, we were told that it was a one-off payment, but it has since been confirmed every year. Will the one-off council tax payment be repeated next year? I would put a lot of money on that outcome, as it would be only weeks before the general election. However, what about the year after if, God forbid, Labour is re-elected? Will the one-off payments continue on a regular basis and, if so, could they still be described as one-off payments? Will the Under-Secretary explain why in the Bill the Government are taking on themselves the power to make a payment not just this year but in future years and, indeed, for different age ranges?

As I said when discussing the principle behind the Bill, it is a cynical piece of legislation that does nothing to tackle soaring council tax bills—council tax payers are well aware of that—or the low pensioner incomes that mean that pensioners cannot pay those bills. In time, the Government may move towards our policy of linking the rise in the basic state pension to earnings. We will support the Bill, because any help for pensioners to assist with the payment of council tax bills is worth while, but we must wait for a Conservative Government for a lasting solution to the pensioner income problem and, indeed, the council tax problem.

3.31 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I have experienced a wave of nostalgia in our debate, as in recent weeks I spent many happy hours in Committee with the hon. Members for Eastbourne (Mr. Waterson) and for Tatton (Mr. Osborne) discussing the Pensions Bill. On Second Reading, they voted against that Bill, which will set up the pension protection fund to make sure that people do not find themselves in the circumstances in which many others have already found themselves, a measure lauded by the Leader of the Opposition in Prime Minister's questions this afternoon.

I therefore expected the Conservatives to vote against the Second Reading of the Age-Related Payments Bill. Indeed, I became increasingly convinced that they would do so when I heard the hon. Member for Eastbourne say that the Bill was blatant electioneering and an election bribe. In response to a question from my hon. Friend the Minister for Pensions, however, he said that he would vote for the Bill, even though, according to him, it is a panic measure and an election bribe. I bet that on the doorsteps this weekend and over the next few weeks, the Conservatives will tell people that they will continue with the payments after a general election if, indeed, they ever have the opportunity to do so. They have told the House one thing, but will tell their constituents another.

Mr. Waterson: I am sure that it is only battle fatigue after Committee, but the Under-Secretary may wish to correct what he said about my party voting against the Pensions Bill on Second Reading. We voted for a reasoned amendment, which, of course, is the only procedural way of expressing concern about a Bill—those concerns are even deeper now—without voting against the measure in its entirety.

Mr. Pond: I am even more puzzled. The hon. Gentleman declined to give the Pensions Bill a Second Reading because he had concerns about it. Almost every Opposition Member who has spoken this afternoon has expressed concern about the Age-Related Payments Bill, but they have not declined to give this small Bill a Second Reading. I smell a whiff of opportunism in their approach to the two Bills dealing with pensions.

The hon. Member for Eastbourne spent much of his speech bemoaning the fact that we are using primary legislation to introduce the measure. I doubt that the 5 million older pensioners who will get the benefit of the extra £100 will say, when that payment arrives, "This is shameful. This had to go through on primary legislation. I'm not accepting this. It should have gone through on regulation." That will be of little interest to the 5 million people who will get real help from the measure.

The hon. Gentleman mentioned our council tax benefit take-up campaign, which I think he welcomes. That measure runs alongside this one to give additional help to older pensioners, many of whom, we know, were hurting as a result of increases in the council tax last year. Through council tax benefit, we have made sure that we put every effort into getting the help to those who are entitled to and need it, and in the Budget the

Chancellor introduced additional help for those very people. The hon. Member for Eastbourne and other hon. Members are wrong to suggest that take-up of council tax benefit is getting worse. The fact is that more people are entitled to council tax benefit as a result of the changes we made with pension credit. We increased the numbers by almost 2 million. Many of those people still have to get the information necessary to get the benefit that they are entitled to and need.

Mr. Wilshire: Does the Minister find it curious that somebody who is getting only 50 per cent. of the maximum council tax benefit gets the same £100 as the person who gets the full council tax benefit? By definition, the person who gets the additional council tax benefit is in greater need than the person who gets only 50 per cent., so why does the scheme not address that problem?

Mr. Pond: As I said a few moments ago, we are seeking to help people in that position in a number of ways. People who are on low incomes for a range of reasons will get help from council tax benefit, whether they are over the age of 70 or below that age, if they are on a low income. We are providing additional help for those over 70 because we feel they have additional need for extra help.

Mr. Chope: Will the Minister give way?

Mr. Pond: I will make some progress, if I may. The hon. Gentleman had quite long enough to develop his thoughts. I will give him an opportunity in a few minutes to come in.

A number of Conservative Members tried to turn the debate into one about council tax rises. That is not what the measure is about, but since they have done that, and since they like the band D comparisons on council tax, I can tell them that for 2004–05 Tory authorities have seen an increase of 5.4 per cent., Labour authorities 4.7 per cent. and Liberal Democrat authorities 6 per cent. I am grateful to the Liberals' local election manifesto 2004 for telling us that

"Liberal Democrat-controlled authorities over the last 6 years have seen average council tax rises of 6.9 per cent. compared to rises in Labour councils of 6.8 per cent. and Tory-run councils of 8.9 per cent."

Far be it from me to challenge the Liberal Democrats on any of their arithmetic.

Sir Paul Beresford: The hon. Gentleman is falling into the same fictitious trap as the Minister for Local and Regional Government did on the radio. He picked out one local council and said that its increase last year was 40 or 45 per cent., but as was pointed out to him, it is the bill on the mat that counts, and the bill in that local council was consistently the lowest in the country. So percentages do not count. What counts is the bill on the mat.

Mr. Pond: I thank the hon. Gentleman for that. It is worth him considering what the bill on the mat means for people working in Tory authorities, as against Labour authorities or Liberal Democrat authorities. I can tell him that the bill on the mat in cash terms is a lot smaller in Labour authorities than in Tory or Liberal Democrat authorities. If he wants to play the argument that way, he can do so, but he will not win the argument.

Hywel Williams: Will the Minister give way?

Mr. Pond: I shall make a little more progress, if I may.

A number of hon. Members asked what would happen in future years, under clause 7. It is true that the Bill provides for a one-off payment this year. The Chancellor made that clear. However, if the House approves the measure, we will take additional powers to give us flexibility so that in future years, if the circumstances are appropriate, the Chancellor may decide to give similar help or some other form of help, using the mechanism of the Bill. There is no commitment to do so, but it seems sensible to make sure that we have that flexibility.

Mr. George Osborne: What are those appropriate circumstances?

Mr. Pond: The hon. Gentleman must wait until the Chancellor considers those matters, but the circumstances will be fair, prudent and just, which are the principles that drive the Chancellor of the Exchequer in all his considerations.

I am sure that the hon. Member for Eastbourne did not intend this, but he caused great embarrassment this afternoon by quoting a good friend of mine, Rodney Bickerstaffe of the National Pensioners Convention. He sits on the Benches of the party that cut pensioner incomes by £10 billion, and he quoted Rodney Bickerstaffe in support of his argument for spending the money on the basic state pension, which, like the Bill, would result in a universal increase in pensioner incomes. The difference is, of course, that an increase in the basic state pension would not help the poorest pensioners, but this across-the-board payment is not offset against other benefits and will help the poorest pensioners.

This targeted help for the over-70s, winter fuel payments and free TV licences for over-75s cost around £3 billion a year, and those measures are cost-effective because they help the poorest pensioners as well as the rest. By comparison, the suggested increase in the basic state pension to £105 would cost an extra £10 billion. As with other measures, we concentrate help on those who need it most—older pensioners and those on the lowest incomes. I remind the hon. Member for Eastbourne that the increase in the basic state pension between 1997 and this April was 7 per cent. above inflation, and that it cost about £6 billion a year.

The hon. Member for Tatton asked why we are not making the payment until after Christmas, but he must brief himself more carefully. The payments will start to come on stream from November, and we hope to make all 5 million payments before the end of the year. That is not an absolute commitment, but it is our objective.

The hon. Member for Northavon (Mr. Webb) criticised the £100 payment to ease the burden of council tax because it is across the board. However, the hon. Member for Tatton reminded us that, until recently, Liberal Democrat party policy was to make a payment to everybody, rather than just the over-70s and those

[Mr. Pond]

who are most in need. That policy was quietly dropped after the Brent, East by-election, although the hon. Member for Brent, East (Sarah Teather) is apparently unaware of that change.

Several Conservative Members suggested that the payment is an election bribe. That prompts the question: why are they going to vote for it? If we were offering an election bribe, we would promise that a Labour Government would continue to make the payments after the next election, but we are not making that promise, because the payment is a one-off. That does not sound like the work of a Government more concerned about the ballot box than the needs of older pensioners.

Mr. Chope: Does the Minister accept that clause 7 contains a power that will enable him to ensure that only people who voted Labour get paid next time?

Mr. Pond: I am not going to bother to respond to that.

The hon. Member for Northavon was rather defeatist as regards ensuring that people who need council tax benefit get that help. I can tell him that we are absolutely determined to ensure that they do get it. I accept that it is means-tested—it always has been. We did not invent council tax benefit any more than we invented council tax. I accept, too, that by increasing the numbers of people who are eligible for that help and get it, we will in the process increase the numbers of people who are on means-tested benefits. However, I do not intend to apologise for the fact that we are ensuring that people get the help that they need and to which they are entitled, especially given that we are today seeking to introduce the £100 universal payment for all pensioners aged over 70.

Opposition Members seem to find difficult the notion that the Government are determined to get help to pensioners, and the most help to those who need it most, but in different ways—by boosting the basic state pension, by introducing universal payments such as the £100 and the winter fuel payment, and by accepting the need for some income-related benefits. Through those measures, we are spending £10 billion a year more on pensioner incomes than when we first came to office. That compares with the £10 billion cut in pensioner incomes under the last Conservative Government.

The hon. Member for Mole Valley (Sir Paul Beresford) suggested that this proposal is the result of the Government's policy on council tax. I remind him that his party's policy on council tax is to cut grant to all local authorities by £2.4 billion; which is equivalent to a 10 per cent. increase in band D bills; to cut the grants to poorer councils; and to refuse to use capping powers even against councils such as Shepway, which, as we heard, is in the constituency of the right hon. and learned Gentleman the Leader of the Opposition, and which increased band D council tax by 28.9 per cent.

Mr. George Osborne: It is a Liberal Democrat council.

Mr. Pond: Yes, it is—I should read that into the record, too.

The hon. Member for Mole Valley suggested that we need to get off the backs of local authorities. I have to tell him, in the presence of my right hon. Friend the Minister for Housing and Planning, that he is a little out of date with the progress of the Government's discussions. We are determined to work in partnership with local authorities, and that is what we are doing. We are giving them the flexibility to make local decisions according to local needs, but in such a way as to ensure that basic minimum national standards apply. That is the context in which we have increased Government grant by 30 per cent. in real terms. Most local authorities have behaved very responsibly this year in proposing council tax increases that are half what they were last year. In the case of those few authorities that decided to go their own way, we had to consider using our capping powers.

The hon. Member for Mole Valley prayed in aid the Audit Commission report, which, it was suggested, blamed the Government for high council tax increases. However, the chair of the Audit Commission, James Strachan, has said that there are a number of factors behind the rises and that trying to find single point of blame is not only counter-productive, but not borne out by the evidence. The Government are trying to do whatever we can to ensure that the implications of that are minimised in terms of the effect on the poorest pensioners and those on low incomes generally.

The hon. Member for Spelthorne (Mr. Wilshire) went through the Bill clause by clause. We thought that perhaps he would speak long enough to qualify for the £100 payment. He made some interesting detailed points, which will be considered in Committee, where I look forward to debating them with him. I am sure that he will want to put himself forward to serve on the Committee. However, I must ask my officials to contact his council because he appears to believe that the local authority meets part of the cost of council tax benefit when the central Government subsidy finances all properly made payments of such benefit. I will happily ensure that he and his local authority are clear about that.

Mr. Wilshire: Is the Minister saying that, because my council has paid out more than the Government's help, he will send it a cheque to cover the loss that it is reported to have made? Or does he accuse the council of telling me an untruth?

Mr. Pond: I cannot promise to send the hon. Gentleman a cheque. I shall send him an official if he likes—I am sure that he would be grateful for that.

I do not know how to respond to the hon. Member for Tatton. Again, he told us everything that was wrong with the Bill but said that he and his colleagues would vote for it. It is difficult to know exactly where one stands with an Opposition who are prepared to say one thing in the Chamber and another on the doorstep.

The Government are proud that we are giving extra help of £100 to older pensioners through the measure. We believe that they need and deserve that additional help. Those who have listened to our debate will recognise the cynicism and opportunism of Conservative Members, who are prepared to criticise every clause but ultimately do not have the courage to

vote against the measure. With our other measures, the Bill adds £10 billion to the amount that we spend each year on pensioners. I repeat that we are proud to spend the money—pensioners deserve and need that help. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

AGE-RELATED PAYMENTS BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003].

That the following provisions shall apply to the Age-Related Payments Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on 27th May 2004.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

Programming Committee

6. Sessional Order B (programming committees) made on 28th June 2001 shall not apply to proceedings on consideration and Third Reading.

Programming of proceedings

7. All other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further message from the Lords) may be programmed.—*[Vernon Coaker.]*

The House divided: Ayes 344, Noes 112.

Division No. 172] **[3:52 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Austin, John
Bailey, Adrian
Baird, Vera
Baker, Norman
Banks, Tony
Barnes, Harry
Barrett, John
Battle, John
Beard, Nigel
Begg, Miss Anne
Beith, rh A. J.
Benn, rh Hilary
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom *(Carshalton)*
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cable, Dr. Vincent
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, Jean
Cotter, Brian
Cox, Tom *(Tooting)*
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dismore, Andrew
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, Andrew *(St. Ives)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Green, Matthew *(Ludlow)*
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Heath, David
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Ingram, rh Adam
Iranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jones, Nigel *(Cheltenham)*
Jowell, rh Tessa
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, David
Lawrence, Mrs Jackie
Laws, David *(Yeovil)*
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*

Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meale, Alan *(Mansfield)*
Merron, Gillian
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Oaten, Mark *(Winchester)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Diana
Owen, Albert
Perham, Linda
Picking, Anne
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robertson, Angus *(Moray)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salmond, Alex
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stunell, Andrew
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wills, Michael
Winnick, David
Wishart, Pete
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Joan Ryan and
Charlotte Atkins

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Barker, Gregory
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burt, Alistair
Butterfill, Sir John
Cameron, David
Campbell, Gregory *(E Lond'y)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Conway, Derek
Cran, James *(Beverley)*
Curry, rh David
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Forth, rh Eric
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Grieve, Dominic
Hague, rh William
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hermon, Lady
Horam, John *(Orpington)*
Howard, rh Michael
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lilley, rh Peter
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Maples, John
Mates, Michael
May, Mrs Theresa
Moss, Malcolm
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Redwood, rh John
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Ruffley, David
Selous, Andrew
Shepherd, Richard
Smyth, Rev. Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Wiggin, Bill
Willetts, David
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Young, rh Sir George

Tellers for the Noes:
Mr. Hugo Swire and
Mr. Peter Atkinson

Question accordingly agreed to.

AGE-RELATED PAYMENTS BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Age-Related Payments Bill it is expedient to authorise the payment out of money provided by Parliament of expenditure of the Secretary of State under or by virtue of the Act.—*[Jim Fitzpatrick.]*

Question agreed to.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Alan Haselhurst): I now have to announce the result of a Division deferred from a previous day.

On the motion "Visitor Facilities", the Ayes were 333, the Noes 46, so the motion was agreed to.

[The Division List is published at the end of today's debates.]

Planning and Compulsory Purchase Bill

Lords message considered [11 May].

Clause 1

REGIONAL SPATIAL STRATEGY

Lords amendment: No. 3.

4.7 pm

The Minister for Housing and Planning (Keith Hill): I beg to move, That this House agrees with the Lords in their amendment to the Bill in lieu of Lords amendment No. 3.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this we may take Lords amendments Nos. 3E, 3F, 3G, 3H, 3I and 3J.

Keith Hill: The last time the Bill was before the House, I said that, given concerns about sub-regional planning and the role of county councils in particular, I was prepared to review the package in a way consistent with our policy, in order to make the arrangements work as well as possible on the ground. Given the unhappy procedural events of the past week I have, I think, gone further than is strictly necessary, but I feel that we owe it to local authorities, developers and all involved in the planning system to secure a closure on the legislation.

Last time, we discussed the statutory guarantee that at least 60 per cent. of the members of each regional planning body would be members of local authorities. We have previously discussed the mandatory role given to county councils and other authorities with strategic planning expertise in advising the regional planning body, as agreed and, I remind the House, publicly signed up to and welcomed at the time by both the Local Government Association and the county councils network. When introducing the amendments in the other place, my noble Friend Lord Rooker said he hoped the CCN would not thank us for our efforts in relation to them, as he would not be able to take such a letter from it seriously. I have to say that I agree with those sentiments wholeheartedly.

I look to local government, and to the CCN in particular, to ensure that the arrangements work, and to engage constructively in the process. The Government are serious about putting in place an efficient, effective and speedy system that creates sustainable communities, delivers the houses that our people need and protects the environment. That is why we have brought forward these fundamental reforms through the Bill. That is why we have given local authorities £350 million through the delivery grant for planning purposes.

Let me put on record now, and put local government on notice, that, if the arrangements that we are agreeing to through these amendments prove unworkable because of a lack of good will from the parties concerned, we will come back and amend the law. We must have effective regional planning.

I turn to the amendments themselves. I will be brief but it is important that this is put on record. The regional planning body will have a duty to consider

[Keith Hill]

whether one or more sub-regional frameworks should be included in the regional spatial strategy. The amendment defines those frameworks as

"different provision in relation to different parts of the region."

The regional planning body must seek the advice of the counties and other authorities with strategic planning expertise on whether the sub-regional frameworks are desirable. The lead in preparing the draft detailed policies for such a framework must be taken by one or more of those authorities, except when they and the RPB agree that one or more district councils or the RPB itself should do so.

Matthew Green (Ludlow) (LD): Will the Minister confirm that, although there is a duty on the RPB to consult the counties about the desirability of these bodies, the decision on whether there will be any bodies will still lie with the unelected RPB, which can, of course, ignore the advice given to it by county councils?

Keith Hill: The hon. Gentleman seizes the opportunity to make an all too familiar propagandistic point, but the simple answer to the question is yes.

The regulations to part 1 will need to set out any necessary procedural detail. That may include, for example, clarifying that the sub-regional work would be performed according to a brief set by the RPB. In further recognition of county councils, unitary authorities and national park authorities, we will strengthen their role in the following three ways.

First, we will amend planning policy statement 11 to provide that the panel will examine major issues of contention between the regional planning body and those authorities relevant to a matter being considered at the examination in public. Secondly, we will amend planning policy statement 12 to make it clear that the county councils' advice should be sought and considered by the district councils in preparing local development documents, and development plan documents in particular, given county councils' service responsibilities and expertise relevant to plan implementation. Thirdly, we will make it clear in PPS12 that district councils, in planning the preparation of local development documents, should have regard to the capacity of the county council and/or national park authority to provide prompt advice.

We have long recognised the sub-regional dimension to the regional spatial strategy and the role of authorities with strategic planning expertise in developing that dimension. As well as the amendments, we will further strengthen that dimension in two ways. We will amend PPS11 to emphasise that although in some parts of a region local development documents should be capable of being prepared within the context of the generic policies of an RSS, in other areas it will be necessary to have sub-regional frameworks as part of the RSS. That might be, for example, where important development or infrastructure proposals cross local authority boundaries. That will help to guide the RPB in applying the policy as expressed in the amendment. We will also draw attention to the role of the RPB in identifying the need for joint local development documents where that will be helpful in implementing the regional planning strategy.

Further to my reply to the earlier question from the hon. Member for Ludlow (Matthew Green), the RPB takes the decision with regard to the involvement of other authorities but must act reasonably, which includes taking account of the advice that it receives.

In conclusion, this package of changes, although, I repeat, not strictly necessary, reflects considerable discussion and represents a workable way forward. I commend the changes to the House.

4.15 pm

Mr. John Hayes (South Holland and The Deepings) (Con): This is, indeed, a memorable day. It is memorable because the Minister for Housing and Planning is engaged in a substantial climbdown. I do not want to delay unduly the House's proceedings and I do not want to cause him unnecessary suffering, but it is important to put on the record the fact that the change in the Government's approach to this matter is a profound one, which has been forced from them. They have come kicking and screaming to a point at which they now acknowledge that there should be greater competence for sub-regions—in practice, that will usually be counties—in the business of drawing up planning strategies.

That is a vital change, which has been wrought from the Government by the good work done principally, I have to say, in the other place by peers who have put democracy first. To a lesser degree, I humbly point out that it has been helped by my hon. Friends and me in this House, as we have sought to emulate the strong and persuasive arguments made by peers, both Conservative and Liberal Democrat. The Liberal Democrats have played an important and valuable role, and it would be wrong of me not to mention that. I have enjoyed the close co-operation with the hon. Member for Ludlow (Matthew Green) that has brought the Minister to the point at which, contrary to all his earlier suggestions—contrary to his claims that the case that we made on this specific subject was not persuasive—he has finally agreed that it is vital for local people and communities to have a critical role in the development of regional spatial strategies.

"Regional spatial strategies" is an arcane phrase for major developments that will affect local communities profoundly, alter the character of the local landscape, cityscape, townscape or villagescape, and possibly have long-term effects on the quality of life of countless thousands of people. You will remember, Mr. Deputy Speaker, because you follow these matters assiduously, that the Minister made a bold but entirely unconvincing case for that power being transferred wholesale to the regions. He told us that the regions would be the best level at which people could make their representations. He believed, I think genuinely, that the regions were more in touch with local people than their elected representatives in districts and counties.

Why the Minister came to that view almost defies understanding, but certainly that was what he put to the House from the Dispatch Box when challenged

repeatedly by my hon. Friends and me, and by Members from the other parties represented here today—although I have to say, not in great numbers.

Matthew Green: The hon. Gentleman should speak for his own party.

Mr. Hayes: Well, I reckon that we have a ratio of 5:1, and given that the Liberal Democrats constantly crow in their leaflets that they care more about local democracy than does either of the other two parties, it would be unreasonable for the hon. Gentleman to play that hand too vehemently.

So the Minister has told us that there has been a change of heart—a turnaround. The truth is that there would have been no such reverse in his position had he not passed the Bill to the Lords—with what he described as a difficulty—in such an inappropriate form that it would have died but for the proper ministrations of that place and his ultimate but reluctant acceptance of its proposals. The truth, as we know from what was said in the other place, is that the Government were forced to make this change.

When such cock-ups occur—if I might use that term—it is the Minister who must accept responsibility, for the buck stops with him. There is no use in his saying that he was badly advised, or that the cause was his busy schedule. He is a man with many personal interests who has many other fish to fry, but he cannot argue that that is why he was unable to pay sufficient attention to the matter. He is a lateral thinker and a man of wide interests, and it may well be that this important measure slipped down his list of priorities and escaped his notice. Perhaps he put it in his Sunday afternoon box and was unable to get to it because it was right at the bottom.

Notwithstanding the allowances that we make because we wish to be kind and generous to the Minister today, he was ultimately responsible for passing the Bill to the Lords in a form that would have killed important Government proposals. He was then obliged to change his position, quickly and fundamentally, on an issue that had been discussed in the other place and here ad infinitum. Indeed, he had previously made absolutely clear his opposition to the case that was properly made by local representatives, county councils, Lords and Commons.

So the Minister appears before us today rather like a sinner entering heaven. The truth is that we must treat him with generosity. You will know, Mr. Deputy Speaker, that St. Luke tells us that the

"joy in the presence of the angels of God over one sinner that repenteth"

is a glory to behold. We accept that the Minister is a repenting sinner, and we understand that he has recognised the important case that has been made for local democracy. As he said, it is worth putting on the record just what that means in practice. It means that planning policy statements 11 and 12 will be amended, and that the Bill will include a duty to consult and to seek advice from the sub-regions, which, for the most part, means the counties.

The Minister made a useful point in answer to an intervention from the hon. Member for Ludlow. He said that in having a statutory duty to take account of such matters, the regions must also act reasonably. If the regions ignore that aspect of the legislation, the sub-regions—the counties and districts—and other interested parties might well have a case in law. If the regions simply ignore the Minister's important U-turn, the counties will undoubtedly complain fiercely on behalf of local communities that it was no U-turn at all, and that the Minister was simply paying lip service to local democracy to save his wretched Bill.

Of course, the problem is that the longer one takes to climb down, the further and harder the climb-down becomes. If, in the spirit that the Minister showed when dealing with other matters, he had listened carefully to the proper concerns of this House and the other place about local democracy, and heard the case that we made about political legitimacy—as you know, Mr. Deputy Speaker, the regions will not be directly elected; they will be remote and only indirectly accountable to local people—we would have welcomed his conversion in a spirit of good will, and with characteristic Tory generosity. However, because the conversion had to be squeezed from a reluctant Minister—it was facilitated by the Government's procedural error, which can be described only as incompetence—our generosity is offered, frankly, in a rather different manner and style and at a rather different time.

We are still going to be generous and say that the Minister was right in what he said today about the role of sub-regions in the drawing up of strategies and about the need at each stage of the process to involve all those who can speak directly for the people because they are directly elected and accountable to them. He was also right that the amendment improves the Bill. It is still not, I have to say, a great Bill and perhaps not even a good Bill, but it is certainly a better Bill than it would have been if the Minister had not accepted the Lords amendments. It is in that spirit of generosity that we accept the Minister's opening remarks today.

The Lords have been so insistent on this matter because, not for the first time, they speak for the people when the Government speak simply for themselves. There is a certain irony in the fact that an upper House that has suffered so many slings and arrows from Government Members is making the case to protect the interests of people and local communities in respect of major development decisions; and that, in so doing, the upper House is articulating the argument for democratically elected councils more effectively than Ministers are able or willing to do.

I welcome the change and would have liked to see more. I am sure that that is what the hon. Member for Ludlow will say, and I look forward to hearing his remarks. He will doubtless say that he would have liked more on the binding nature of inspectors' reports, but I believe that the Minister may move a little further in our direction on that matter too. I know that the Minister has considered the matter carefully and I believe that he may offer further concessions on inspectors' reports. He may not do so today, but he may want to go away and think further about it. The hon. Member for Ludlow may also say that further concessions on regional authorities are necessary. We have debated at length whether regions should exercise powers when they are not directly elected. The important concession that we want is a firm step in the right direction.

[Mr. Hayes]

I do not want to abbreviate the argument, so let me provide a couple of examples of how that might work. Sometimes major regional developments and plans—or major infrastructural projects—may affect several counties and spread across a number of districts. They may sometimes go beyond the boundaries of a region. In those circumstances, it is vital that the views of local people—articulated through the districts and counties—be taken into account.

As the Bill stood before, that would have been almost impossible. It is true that the regions would have taken some notice, I guess, of strongly felt local opinion properly expressed to them, but there was no statutory obligation on the regions to take account of local opinion or advice.

The Minister said that, in those cases, the amendments to PPS11 mean that sub-regions will be asked to comment on infrastructural changes in major developments that affect their areas. We also heard that amendments to PPS12 mean that the county council, as the provider of a range of services, will be able to make a case about the impact of recommendations from the regional authority in respect of that provision. Those important changes recognise the vital role of counties and show some understanding of local communities' real concerns.

4.30 pm

I shall not go on any longer, as other hon. Members want to contribute to the debate. I certainly look forward to what the hon. Member for Ludlow has to say, and I have no doubt that he will want to offer a glowing tribute.

In conclusion, it is probably worth saying that the Minister is widely regarded as one who genuinely listens to comment from across the House. He is well respected for his willingness and ability to consider criticisms, suggestions and proposals from hon. Members of other parties. When he can, he takes them on board. As was evident only yesterday in connection with the Housing Bill, he has sometimes been able to amend Bills accordingly.

That is the context in which our criticism of the Minister must be regarded, but we are critical of him—for not doing weeks ago what he has done today, for exercising the House's patience by refusing to accept the arguments that he now endorses, and for being forced into his current position by the inefficiency of his Department. Ultimately—because the Minister has to report upwards—I suppose that he has been forced into this position by the incompetence of the Deputy Prime Minister.

We will not press the matter because, at last, we agree with the Government and accept what they are saying. In short, we will not press the matter, because we have won.

Matthew Green: I congratulate the Minister on finally completing a process that has lasted 18 months. The passage of the Bill through the House must be one of the longest in parliamentary history. I am sorry that the hon. Member for Chipping Barnet (Sir Sydney Chapman) has left the Chamber—perhaps he could not stomach much of the speech by the hon. Member for South Holland and The Deepings (Mr. Hayes)—but he and I are the sole survivors from 18 months ago. Even the Minister involved changed midway through, although that was probably for the better. It has been a long and, at times, tiring process, but the end is in sight.

The hon. Member for South Holland and The Deepings claimed that the Government's acceptance of the Lords amendments was a great victory. It is not, and the hon. Gentleman is sadly mistaken if he thinks that it is. I know that he is a romantic, because that is how he describes himself, so I shall put the matter in terms that he can readily understand.

Two amendments were ping-ponging between the Lords and this House. The Government made a very small amount of movement on one amendment, but the Conservative peers completely caved in on the other. That is not what the hon. Member for South Holland and The Deepings wanted, and I am certain that he would have liked his colleagues at the other end of the Corridor to keep fighting. However, I shall put the matter in terms that he will understand.

We have seen Colonel Spelman, Captain Hayes and Lieutenant Syms line up their troops to charge at the massed ranks of Labour Members set to defend centralism and reduce democratic accountability. Captain Hayes shouts, "Charge!" and he, the lieutenant and the colonel charge across the field. They get halfway over, only to discover that their troops have not moved. Whatever the hon. Gentleman wanted, the Conservative peers have not followed him. They have let him down badly and the Government off the hook.

The Government have not only succeeded in persuading the Conservative peers to drop their opposition to the amendment on regional powers, but have pulled the wool over their eyes on the sub-regional groupings. To explain why, I shall quote Lord Rooker. I know that when I quote Lord Rooker, the Minister fears that I shall say "spivs" or something of the sort, but in this instance, he will be happy with what Lord Rooker said. However, it will not be palatable for the Conservatives. Lord Rooker described what the amendment would do:

"The amendments in lieu make it a duty"—

gosh, that sounds good—

"that the regional planning body should consider whether it would be desirable".

The regional planning body does not have a duty to do something, merely to consider whether something might be desirable. That is not some great victory; it is a smokescreen from the Government. Lord Rooker continued:

"The amendments require"—

again, "require" sounds firm, strong and decisive—

"the regional planning body to seek the advice of the counties and other authorities with strategic planning expertise on the desirability of making such provision."—[*Official Report, House of Lords*, 11 May 2004; Vol. 661, c. 162.]

That is no great victory, but mere flim-flam from the Government to persuade the Conservatives that they have achieved something.

The Conservatives have let down local councils. They have let down local councillors who have protested at these powers being taken away from county councils

and unitary and metropolitan authorities, and given to unelected regional planning bodies. When Conservative councillors protest about their party's failure in months to come, I will point out exactly where the blame lies.

Mr. Hayes: I understand that the hon. Gentleman might have wanted more, but to refuse to accept that the amendments are a step forward is churlish. I do not say that about his behaviour, but because now we have this victory it is important to celebrate it joyfully.

Matthew Green: It is a step forward, but such a small one. I am just pointing out that no great victory has been won. It is a tiny victory and the hon. Gentleman described it as though it were a U-turn by the Minister to rank with the Prime Minister's U-turn on a referendum on the constitution for Europe. It does not begin to approach that.

Mr. Hayes: We are speaking not about the kingdom of Blair, but the kingdom of Hill. In that kingdom, the amendments represent a significant U-turn. The hon. Gentleman talks about the duty to decide whether it is desirable to consult sub-regionally. If the regional planning body did not do so, in a case such as Stansted or a similar major development, the courts would not look on it very favourably.

Matthew Green: It would appear that the hon. Gentleman wants there to be court cases in which county councils challenge regional planning bodies on how reasonable they have been. That is not a very effective approach, and I am sure that the Minister would not want that. Indeed, he has already threatened that if that happens he will come back to the House to remove this minor provision. In reality, of course, we will not have county councils taking regional planning bodies to court. If county councils were to do that, they would find that the Minister whipped their toys away as soon as they started playing with them.

We need to put the matter into context. Much more could have been gained, although I shall not go over that ground, as we are debating the Lords amendment. We have gained something, but not very much. It is not worth voting either for or against the amendment—it amounts to nothing. I am disappointed that after so much fine talk, and notwithstanding his eloquent debating skills, the hon. Member for South Holland and The Deepings failed to persuade his colleagues in the other place to do their job properly.

As I said in earlier debates, most of the Bill will improve the planning system. Its failure lies in the absence of provision for democratic accountability at regional level, and the amendment fails even to begin to deal with that issue. The Minister probably chuckled into his cocoa last night when he heard the result in the Lords. He was probably delighted, but the Conservatives have been sold a fast one, which, when their councillors throughout the country try to explain it, they will come to regret.

Keith Hill: With the leave of the House, I should like to respond to some of the observations that have been made in our exchanges, especially some of those made by the hon. Member for South Holland and The Deepings (Mr. Hayes), who speaks on behalf of the Conservative party.

The hon. Gentleman crowed that this was a memorable day. He accused me of a substantial climbdown. He said that the amendment had been "wrought" from me. He accused me of lack of attention on the matter and speculated that it had fallen down my list of priorities. On the procedural matter, he accused me of incompetence. On that issue, I remind him that Ministers act, as always in such matters, on the advice of the Clerks of the House. The hon. Gentleman is well aware of that. He is also well aware that we acted with due diligence, as was made clear and accepted—I stress that point—in the other place.

The hon. Gentleman should realise that we are not playing a game. This is not about schoolboy pranks and good or bad losers, but about the Government's commitment to creating a planning system fit for the 21st century and about the obstacles that have been put in the way of that purpose. Thousands of people in this country need homes, yet developers and house builders complain of delays in the planning system that slow down the delivery of those homes. The CBI has told the Government that inefficiencies in the planning system undermine the competitiveness of British industry.

As a result of those representations the Government have tried to respond to the needs of our people and our economy by reforming the planning system to make it fairer, more flexible and—critically—faster. One of the important ways in which we are speeding up the process is by removing what is, we believe, one unnecessary tier in the system—the counties—to create a streamlined regional, local two-tier system. However, I fear that the amendments that I have reluctantly accepted today could go some way towards undermining the streamlining of the system.

I remind hon. Members that our elected House has repeatedly voted in favour of the two-tier system and has twice voted against the substance of the amendments, yet Conservative and—notwithstanding the somewhat emollient nature of the speech made by the hon. Member for Ludlow (Matthew Green), who speaks for the Liberal Democrats—Lib Dem peers have exploited the Government's minority position in the House of Lords to foist those changes on us. It is unacceptable that the unelected House should override the repeated wishes of the elected House in that fashion. It is also unacceptable that it should happen with the encouragement of the Opposition parties in this place. On both the Planning and Compulsory Purchase Bill and the Housing Bill, Conservative and Lib Dem spokesmen have constantly treated us to threats of what their counterparts in the House of Lords would do to those measures.

The Conservative and the Liberal Democrat parties compete with Labour in the general election, lose fair and square in the democratic electoral process and then collaborate with the unelected House to defeat the purposes of elected Members of Parliament. Frankly, that is a parody of democracy. The hon. Member for South Holland and The Deepings referred to the Lords speaking for the people. What nonsense!

4.45 pm

Mr. Hayes: The Minister is right: this is not a game. It is not a game when people are defending local communities from unsuitable development and when

[Mr. Hayes]

people are trying to resist power being transferred to unelected regions, remote from where those changes might take place. It does the Minister little credit to use the debate as a vehicle to attack the House of Lords, where both Liberal Democrat and Conservative peers have consistently and steadily defended the interests of those communities and local democracy. The Minister should take this one on the chin, recognise that he has made a mistake and have a little more good grace.

Keith Hill: The hon. Gentleman blusters, not for the first time in these matters. In fact, these matters have been thoroughly dealt with in the House. As his colleague the hon. Member for Cotswold (Mr. Clifton-Brown) acknowledged in Committee, we have thoroughly ventilated the issues of democratic accountability and responsibility. Again, the repeated wishes of the House have been overridden by the House of Lords.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Minister give way?

Keith Hill: No, I will not give way.

Mr. Heald: On a point of order, Mr. Deputy Speaker. Is it in order for the Minister to make this great show and pretence of bluster about the other place, when the truth is that the Government have never even mustered two thirds of their peers in any of the Divisions in which they have been defeated?

Mr. Deputy Speaker: The hon. Gentleman knows that that is a point of debate, not a point of order for the occupant of the Chair.

Keith Hill: I am not in the least surprised that the Conservative party—the historic defender of privilege—has behaved in that way with regard to the other place, but I am surprised that the Liberal Democrats, who are, in principle, so committed to elected democracy, have adopted such double standards during the consideration of the Bill. If the Liberal Democrats can offer £100 off everyone's council tax in the Brent, East by-election last September and forget that offer for the June elections, who can be surprised at such double standards?

I signal again the Government's acceptance of the Lords amendment.

Lords amendments agreed to.

Promotion of Volunteering Bill *[Money]*

Queen's recommendation having been signified—

4.47 pm

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): I beg to move,

That, for the purposes of any Act resulting from the Promotion of Volunteering Bill, it is expedient to authorise the payment out of money provided by Parliament of any administrative expenses incurred by a Minister of the Crown by virtue of the Act.

Before speaking to the money resolution specifically, I should explain that my purpose in moving the resolution is to allow full discussion of the issues raised about the Bill in Committee. I gave such an undertaking on Second Reading, and I want to ensure that the concerns raised by the Bill are fully aired. The moving of the money resolution is essential to that process.

The Bill, which was introduced by the hon. Member for Canterbury (Mr. Brazier), is likely to have some expenditure implications for the public purse. The Bill will require the Secretary of State to make provision, by regulation, for training courses about volunteering for members of the judiciary—including, in particular, sport and adventure training, as well as training in the workings of the Bill. It provides that those regulations may prescribe that that training be provided by courses established by Sport England, the Central Council for Physical Recreation, and such other bodies as the Secretary of State may see fit. It also provides for the Lord Chancellor to lay before Parliament an annual report setting out the training courses provided and the number of judges who have attended those courses or any other training on the provisions of the Bill. Training would have to be provided for all members of the judiciary who deal with personal injury cases, including all district judges and circuit judges in the county court, as well as all judges sitting in the High Court Queen's Bench division.

Training of members of the judiciary is the responsibility of the Judicial Studies Board, an independent body funded by the Department for Constitutional Affairs. The provision of training courses raises a number of cost issues, including administrative costs such as the provision of appropriate accommodation and catering; the cost of lost sitting days caused by the removal of judges from their courts to attend the course, which may also involve the cost of providing a deputy to sit in place of the judge concerned; and miscellaneous travel and subsistence costs incurred by the judges in attending the course. Under the scheme proposed by the Bill, those costs would have to be met either by the Judicial Studies Board or by the prescribed body, and it is likely that any such body would require Government funding for that purpose. Clearly, the cost implications will depend on a number of factors relating to the structure and duration of the training, such as the location and facilities used, and whether or not the training was residential.

As a broad indication of the possible costs, there are approximately 2,380 members of judiciary who attend JSB civil seminars and could deal with personal injury cases. The provision of dedicated one-day non-residential seminars for all those judges and the provision of deputies to sit in their place would probably

involve additional costs of about £1 million. Those costs could be reduced if deputies were not provided, but sitting days would be lost and cases delayed.

We do not anticipate that any significant additional cost will arise from the requirement on the Lord Chancellor to report annually to Parliament. The JSB is already required to publish an annual report to the Lord Chancellor on its activities and to place copies in the Libraries of both Houses. Those annual reports give the number of judges attending courses and the topics covered at each course. There could be a small additional cost if the training was provided by a prescribed body rather than the JSB. I commend the motion to the House.

4.52 pm

Mr. Julian Brazier (Canterbury) (Con): I am grateful to the Minister for moving the motion, thus allowing further debate on my Bill. As she explained so lucidly, the money resolution arises only from a small part of the Bill that makes provision for judges' training. That training is sorely needed, and the cost will in fact be much smaller than she suggested.

At a time when obesity and antisocial behaviour are both increasing among young people and, indeed, disfiguring our country, the efforts of volunteers, voluntary bodies and teachers who work in their spare time to provide sport, recreation and adventure training is more important than ever. Much of that work, however, has been undermined by a number of regrettable court judgments in the past few years. Five consecutive surveys have shown that the blame culture and the threat of litigation are the primary barrier to volunteering in sport and adventure training.

I hope that it is in order, Mr. Deputy Speaker, to touch on one judgment and a related case to illustrate why more judicial training would produce results more in accordance with common sense. The Royal Yachting Association has provided me with details of the case of Richards *v.* Wanstall, which was considered in 1995 by the Queen's Bench division of the High Court. A lightweight 25-ft racing yacht was manoeuvring to leave a marina berth in Plymouth when the skipper realised that it had been caught by a gust of wind and might hit an adjacent moored yacht. He therefore asked an experienced crew member to run forward with a fender, but the crew member stumbled. It took the High Court five days to consider something that I first did as a six-year-old—putting a fender out when a wind is blowing. At the end, it ruled in favour of the litigant.

That case must have been considered by the insurance company dealing with a subsequent case that never reached court, because it decided to make a horrendously large settlement.

Paddle sport relies heavily on volunteers at all levels. At a marathon last year, crews were competing over a 30-mile course in racing kayaks. Part of the race course passed through a narrow half-mile-long cutting. A volunteer marshal was positioned at each end to warn crews entering it that powered craft could present danger of a collision. A powered boat entered the cutting, followed a few minutes later by a kayak crew. The marshal allowed the kayak to enter on the strict understanding that the crew were not to try to overtake the powered craft. They ignored the instruction and there was a collision. A case was brought against the volunteer marshal. The insurance company decided, on legal advice, to settle out of court. That has had a devastating effect on future insurance for the event. The volunteer has resigned and will never volunteer again. The issue is not just money.

Lastly, I shall deal with costs. I was interested to hear the Minister's comments. I should stress that there are any number of voluntary organisations that would be willing to provide a one-day course, or perhaps even a longer course, free. The Girl Guides made that clear from the beginning, and they are the biggest youth movement in the country. This morning I had an e-mail from the Boy Scouts legal adviser, stating that they would be delighted to lay on something similar. There is no reason why we should lose sitting days. If their lordships were willing to give up a weekend for such a course, which it hardly seems unreasonable for them to do, no sitting days need be lost. As much of the activity takes place over a weekend, it would be a convenient time to organise such a course.

There could be some travel costs, but those would verge on the minimal, only just reaching the threshold where we would need a money resolution at all. I thank the Minister for tabling the motion and I urge the House to support it.

4.56 pm

Mrs. Jacqui Lait (Beckenham) (Con): I appreciate the opportunity to support the Bill promoted by my hon. Friend the Member for Canterbury (Mr. Brazier), and the motion. I accept my hon. Friend's argument that the Minister is generous in her estimate of the cost, and that, acting judiciously, the judiciary may be able to reduce the cost so that it would not be too great a burden on its training budget.

In the two Committee sittings on the Bill, there was an interesting exploration of the issues, so many of which are directly related to legal judgments and to the consequences of the compensation culture that continues to bedevil the volunteering movement. That includes not only the volunteers who work for charities, but teachers and people who are paid in some areas in order to ensure that kids as well as adults have access to the sort of adventurous lifestyle that I expect most of us in the Chamber were used to when we grew up. I think of some of the things I do now, and I know why my mother said, "Don't do it", but I would hate to think what would happen to us as a country and a culture if we could not provide adventure training and risk-taking ability so that our future generations can learn to assess risk effectively.

Unfortunately, the compensation culture drives organisations to be careful and volunteers to give up volunteering. With the changes in our lifestyles, there are greater and greater opportunities for people to volunteer, but if we cannot assure them that they will not appear in court, having taken all the professional and training opportunities necessary for them to be effective leaders and trainers, we will have a poorer life. We need to ensure that members of the judiciary have access to the best information so that when then come to make up their minds in compensation cases, they are well qualified—as is the entire legal profession—to assess risk in the context of volunteering.

[Mrs. Jacqui Lait]

I do not intend to cite cases, because other hon. Members are better at it than me—indeed, they are trained to do it. Listening to the debate in Committee, I was conscious that it is important when such cases come to court—the Bill's main purpose is to introduce a statement of inherent risk, so hopefully fewer and fewer cases will come to court—and imperative for the good of the UK and future generations that judges base their decisions on a true and clear view of risk, that they take that view properly into account in reaching a decision, and that that view coincides with common sense. I therefore take great pleasure in supporting my hon. Friend the Member for Canterbury and the Minister.

5.1 pm

Mr. Derek Wyatt (Sittingbourne and Sheppey) (Lab): I pay tribute to my hon. Friend the Member for Canterbury (Mr. Brazier)—we bat together in Kent on so many things—for his persistence with the Bill, which is so important to the glue that makes up our communities. Without volunteering, communities would not exist, and the cost would ultimately return to the state, which we are trying to avoid.

I shall give one example. A boy broke his neck playing rugby. Whom did his parents sue? It was not the school, the union or the school's union, but the referee—and guess what? The referee lost. What an appalling situation. Referees in not only rugby, but any active sport are worried and nervous about whether they can afford not the time but the risk of a court case.

The crux of one part of our society depends on volunteering, probably because of the religious side of our nature which goes back hundreds of years. I hope that the House eventually supports the Bill, but for the moment, let us support this money resolution.

5.2 pm

Lembit Öpik (Montgomeryshire) (LD): I praise the Minister for acting in good faith on the money resolution, which she promised to do at an earlier stage. The sum of £1 million may sound like a lot of money, but it is actually small considering what the country, and indeed the Government, will get from it.

Training is important to make sure that legal judgments are right. The hon. Member for Canterbury (Mr. Brazier) mentioned the importance of common sense. On several occasions, my father has said to me, "Sense is not common," and I think about what could go wrong if we do not invest in training the judiciary to apply the law correctly.

I have had a fair number of accidents, most of which were self-inflicted. In 1971, at the age of six, I fell out of a tree and on to a post, causing considerable damage to myself—I did not land on my head, before anyone suggests that. In today's litigious society, I might have attempted to sue my parents.

In 1998, I nearly died on a hillside in Wales in a paragliding accident. I could have sued the descendents of Owain Glyndwr or myself for reckless use of gravity. Under the regime that the money resolution makes possible, I hope that those who make legal decisions will receive sensible training and that such frivolous and vexatious claims will not be made.

I am sure that the relatively small investment that the new regime requires will be repaid to not only the Government, but society as a whole. The Government will benefit because, as the hon. Member for Sittingbourne and Sheppey (Mr. Wyatt) said, volunteering saves them a lot of money, and any disincentive to volunteering costs them a lot of money. Moreover, in terms of being a public-spirited country, there is an enormous advantage in taking away the fear of being sued from individuals who act in good faith for no financial reward, but simply because they think that is a good thing to volunteer.

In that context, the money resolution is a sensible, proactive effort to ensure that the Bill can work. I hope that the positive spirit in which the Minister approached this small part of the Bill is a promising sign that she will consider positively the intent of the Bill as a whole, which can bring great credit not only to the hon. Member for Canterbury, but to the Government, for finally coming to terms with a situation that has concerned many volunteers for a considerable period.

5.5 pm

Mr. Andy Reed (Loughborough) (Lab/Co-op): I welcome the money resolution and was pleased to see the Minister move it. One of the good aspects of the proceedings in Committee has been the degree of cross-party support for finding a solution to this problem, although not necessarily for all the details along the way. It has been useful to explore ways in which we can make progress.

In reality, £1 million is not a great deal of money, given that there are 1.5 million volunteers, 26 per cent. of whom are in the sports sector. That £1 million is intended to ensure that those volunteers continue to want to make some contribution, not only now, but in the future, to the 150,000 sports clubs at the grass-roots level.

My hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) is right about rugby. I still enjoy playing every Saturday afternoon, and I think that I have a couple more seasons left in me, although my wife probably wishes that I had packed up 10 years ago. The next stage for me is to start to think about coaching or refereeing. Nowadays, every Saturday afternoon before the match the referees have to run through the whole procedure with the front rows and make sure that the packs go down in the proper manner. We know the risks as rugby players, but have to go through that procedure.

It is a pity that £1 million has not already been spent on training judges, because then we might not be in this ridiculous situation, which was illustrated by the long list of cases that the hon. Member for Canterbury (Mr. Brazier) brought before us. If that money had been spent 20 years ago, it could have saved us a lot of effort in trying to prevent the compensation culture that has developed.

Mr. Tim Boswell (Daventry) (Con): There is no need for me to make a speech, because I entirely endorse what the hon. Gentleman and other hon. Members have said. Does he agree that although it is all very well to have a money resolution committing us to expenditure on a

particular piece of legislation, the training of the judiciary, which is highly desirable, is a different matter, because it should be implicit in the passing of that law?

Mr. Reed: If only that were true. Hon. Members make assumptions about such matters. We sometimes have to wonder whether the judiciary are trained at all when constituents bring to our surgeries cases that make us sit there in utter amazement at the judgment that was made.

Overall, we need to give confidence back to the sector so that people are willing to volunteer to take part in many of the activities that we wish to see. In the context of the health agenda, volunteers make a significant contribution to fitness and tackling obesity. If we do not make progress through the Bill or through other mechanisms that I hope that the Minister will bring forward, we will do this nation a disservice, and we will all pay in the long run. I support the motion and hope that the rest of the House will do so.

5.8 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): I do not welcome this money resolution at all, because the Government are presenting us with the undefined blank cheque to which we have become accustomed. We are being asked to authorise the payment of any administrative expenses incurred without any indication of how much we will be spending. None of us should support it, because if we did we would have shamefacedly to go back to our voters to admit that we had failed to discharge our duty in looking after their interests by voting money the amount of which we are completely unaware.

However, on this occasion, rather unusually, I shall offer the Under-Secretary faint praise. She—again, unusually but I hope that it will set a precedent—went through the elements of the Bill that would mean a charge to the public finances and, miracle of miracles, gave us her estimate of the amount. That is a genuine breakthrough and we should note the day, date and time that it occurred. Perhaps we should expect Ministers to do that in future so that, even if an amount does not appear in the motion, we could at least refer to their comments in *Hansard* for some guidance. Perhaps you, Madam Deputy Speaker, and your colleagues might wish to hold Ministers to that.

There is, however, a catch, which made me suspicious. I have reason to believe that the Government support the Bill promoted by my hon. Friend the Member for Canterbury (Mr. Brazier) less than wholeheartedly. Do not ask me how I know—I simply have reason to believe it. Is it a coincidence that, when the Government support a private Member's Bill, they do not want to suggest how much it might cost? Nothing could wring an estimate of cost out of Ministers in those circumstances. They simply say, "We like the Bill. Trust us. Vote for the money resolution." When the Government are not keen on a measure, they come up with some figures and a cost estimate.

I do not know whether the Under-Secretary was trying to frighten hon. Members by brandishing the figure of £1 million. Given that, last night, the House voted £5 million to build some absurd new facility on our premises, £1 million almost appears a bagatelle. My hon. Friend the Member for Canterbury smiles. He should be able to rest safe in the belief that, having voted £5 million for ourselves, it would be niggardly not to support the resolution for a mere £1 million for the excellent purposes for which the Bill provides in the opinion of so many hon. Members.

The money resolution is therefore unusual. It is unnecessary to dwell on the matter further, except to say that I have made a note of the Under-Secretary's action. The Government deputy Chief Whip was sitting on the Front Bench a moment ago, and he, too, has made a note of it. The Under-Secretary has therefore either set a shining example to her colleagues or is in deep trouble. She will find out shortly.

I do not support the wording of the money resolution but I give the Under-Secretary faint praise for her action and I wish my hon. Friend well.

5.12 pm

Mr. Frank Dobson (Holborn and St. Pancras) (Lab): I apologise for my late arrival but I sat through the whole of Second Reading and every minute of our Committee proceedings.

I welcome the money resolution and especially some training for judges. Judges who resort to their intellectual musings have led us to our current position, which was caused by a combination of the effects of an Act that was passed in 1977 and judges' extension of the concept of liability to people who are trying decently to provide play and other opportunities for children, young people and adults.

It may be worth reminding judges that all the measure does is to take us back to pre-1977 days for some aspects of activity by restoring to statute the concept of the voluntary assumption of risk. It used to be part of common law but was removed in 1977. Since then, some judges have gone far too far and they need telling about that. It could form part of their training.

Perhaps the judiciary in general would benefit from a little training so that, when it considers the rights of the individual, every now and then, it might consider the rights of society as a whole and reflect that a decision in favour of one or two individuals could be deleterious to many others, especially children who could be denied access to sport and other activities.

I hope that that kind of thing will be included in the training for which this £1 million is to be made available. I also hope that one or two of the lessons learned from this could be offered more broadly across the judiciary in a combined effort by Parliament and the judiciary not to extend the law or to encourage people to resort to litigation every time they fall over and bruise their knee. We need to shift things back in the opposite direction. We all need to recognise that, as the judiciary has extended the concepts of liability and negligence in this sphere, we wish to restrict and restrain it in that regard. Such restriction and restraint will benefit most people, although a few who might otherwise successfully have sought compensation will not get any. The answer to them will be "Tough", because everybody else will benefit.

5.15 pm

Mr. John Burnett (Torridge and West Devon) (LD): I, too, rise to support the Bill and am delighted to be a sponsor. What sort of society would we have if we tried

[Mr. John Burnett]

to make it risk-free? Young, spirited children must always have opportunities and I know from my own experience in the Royal Marines that we recruit entirely from young, spirited individuals who like sports, climbing, diving, parachuting and all the other things that I and the hon. Member for Canterbury (Mr. Brazier) indulged in. He is unusual for a member of the Parachute Regiment, because he is tall. At the parachute school, we could always tell who was a Royal Marine and who was a parachutist; we were all 6ft tall, and they were all about 5ft 6in. Nevertheless, when we come together, we become a formidable operation.

If society does not provide socially acceptable means of adventure and training, young individuals will soon find socially unacceptable ways of biding their time. The Bill provides for sound standards and proper training for volunteers. The Government recognise the growing number of grave obstacles to volunteering, including the ever-increasing incidence of litigation and threats of litigation and the huge insurance costs involved. Furthermore, insurance companies frequently refuse to cover certain activities. We must be seen to be behind the millions of volunteers who provide so much for their fellow citizens and for the youth of this country. I am therefore delighted to be a sponsor of the Bill and pleased to pay tribute again to the hon. Member for Canterbury for all that he has done. I wish the resolution well.

Question put and agreed to.

Estimates and Appropriation Procedure

[Relevant document: The Government's Response to the Committee's Report, published in the First Special Report from the Procedure Committee, HC 576.]

5.18 pm

The Chief Secretary to the Treasury (Mr. Paul Boateng): I beg to move,

That this House approves the First Report from the Procedure Committee of the current Session, on Estimates and Appropriation Procedure, House of Commons 393.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss motion 8 on Questions on Voting Estimates, &c.

Mr. Boateng: This report follows the extremely constructive correspondence that I have had with a number of Committee Chairs about the changes to the Supply estimates and appropriation process and I am grateful for the care and attention that Members and Chairs on both sides of the House have paid to this matter. The aim is to improve the reporting of public expenditure information to Parliament and the Procedure Committee and other committees have responded quickly and positively to the Government's proposals.

The changes include a move from one to two Appropriation Bills each Session, one in March and one in July. The reason for that is primarily to allow departmental resource accounts to be presented to the House earlier than is currently possible. At present, Departments that have winter or spring supplementary estimates do not get full legislative authority for that until the Appropriation Act is authorised in the July after the financial year-end. They cannot therefore present their accounts to the House until after Royal Assent, which is usually in mid-July. A March Appropriation Bill, which will replace the Consolidated Fund Bill currently presented at that time, will ensure that full legislative authority is provided in the same financial year.

A further change would allow departmental Supply estimates to better reflect reductions in voted limits. Departments are currently allowed to seek increases in resources but not reductions. The current process can therefore lead to an unhelpful presentation of departmental spending plans and the change would allow estimates to better reflect reductions, for example, when responsibility and therefore resources for a particular function have been transferred to another Department as part of a machinery of government reorganisation, or when a Department was using savings from one request for resource within its estimates to finance additional spending in another.

The second motion amends Standing Order No. 55. This proposed change, which has been recommended by the Procedure Committee, extends the minimum time available to Committees to scrutinise the estimates before formal authorisation from eight to 14 days. It also provides for estimates to better reflect the move to resource-based supply, by including limits on appropriations in aid—the amount of income that departments may retain. Other proposed changes set out in the Procedure Committee's report provide for the

provision of additional information to the House. The main change is that Departments will be required to provide an estimates memorandum to their Select Committee, explaining how the changes sought in the estimates relate to spending controls and published targets.

Mr. Alan Williams (Swansea, West) (Lab): May I reiterate to my right hon. Friend on behalf of the Liaison Committee—we have had correspondence—how important it is that the memorandums are as clear and understandable as possible? The Treasury has been dragging its feet at official level. What we want to ensure is that we get maximum time, as he said, but also maximum clarity. To help to focus the attention of the Treasury, may I tell him—with my other hat on as Chairman of the Public Accounts Commission—that I have invited the Comptroller and Auditor General at the end of the first 12 months to produce a review for the House of Commons of the clarity, adequacy and timeliness of the memorandums when the new system is introduced?

Mr. Boateng: I am grateful to my right hon. Friend for the care and attention that he and his Committee have applied to this issue. Before the Chairman of the Public Accounts Committee took his place in the Chamber, I thanked all Committee Chairmen for their contribution to the consideration of these matters, which has led to these motions being tabled. I take my right hon. Friend's point about the need for clarity in relation to the memorandums and will ensure that we do everything that we can to live up to the properly high standards that he, his Committee and his fellow Committee Chairmen demand and expect of us.

Mr. Edward Leigh (Gainsborough) (Con): I am grateful to the Chief Secretary for what he has said. He will be aware of the correspondence that we have had, which is detailed in the report. As well as the Treasury being aware of what the Liaison Committee wants, I take it as read that he will issue full guidance to Departments on the contents of these new memorandums so that they are clear and useful to the House.

Mr. Boateng: Certainly, we will take steps, whether through the issue of formal guidance or otherwise, to make sure that all Departments are aware of their responsibilities in relation to this matter and the changes proposed. I will write to the hon. Gentleman and my right hon. Friend to explain the means by which we have sought to ensure that their properly directed strictures have been met.

An explanatory memorandum explaining the purpose of the motions in more detail has been made available in the Vote Office. With that, I commend the motions to the House.

5.24 pm

Mr. Howard Flight (Arundel and South Downs) (Con): I wish to second support for the two motions and to congratulate the Procedure Committee on its work, which, as I understand it, implements the will of Parliament. Having read through the report, it struck me that any citizen doing so would not have a clue as to what it is about. If I may comment on such procedural matters, it would be helpful if there were at least some gloss to describe such effects in a way that citizens could understand.

Before I conducted my researches, my gut reaction was to ask, "Is there a rat to smell here? Is our stealthy Chancellor involved in some arrangement to slip something past us whose effects might be other than its apparent effects?" Having checked with the National Audit Office and others, I established that my suspicion had been entirely erroneous—or perhaps I have been too bogged down with the Finance Bill, and have missed something.

This is, I think, an occasion on which the House of Commons has got what it wants. As the Chief Secretary explained, there will now be two Appropriation Acts each year rather than one. The reporting and availability of Government financial information will be improved and the sensible inclusion of negative estimates will make arrangements for the transfer of funds within and between Departments much more transparent. The measures constitute a sensible modernisation of appropriation procedures that have become somewhat outdated in the context of the requirements of ordinary life.

There will be three key improvements. First, the changes will facilitate speedier completion of departmental accounts—hopefully by the summer recess. They will remove legal constraints that have hitherto prevented Departments from completing their accounts on time. We will take due note of whether they do have that effect. In the past, there have been unnecessary delays in the completion of audited Government accounts. I understand that until now parliamentary approval has been required for supplementary estimates and the fact that it has not been available in time has made Departments legally unable to produce their accounts on time. The second March Bill will make possible approval and thus completion of resource accounts in due time, with no legal restraints.

Secondly, the new arrangements will improve the way in which estimates are used to facilitate changes in the machinery of government. For example, if the transfer of functions from one Department to another—or, potentially, the consolidation of Departments—occurred after the production of the main estimates, there used to be a very complex and opaque arrangement which allowed accounts to be produced, but legally that was fairly difficult to accomplish. The changes will bring about transparency and remove the legal complexity involved in sorting out the figures.

Thirdly, the arrangements will deal with instances in which savings in one departmental area are matched by additional spending in another. The new system of negative estimates will permit transfers of resources "plus or minus" within Departments. At present that can only be done by means of what is again a very complex and opaque procedure.

The changes will increase transparency. The increase in the notice period for Select Committee approval from eight to 14 days is also welcome, but is essentially a formalisation of current practice.

[Mr. Howard Flight]

As the Chief Secretary has already commented, it is clearly necessary that there should be clear and explicit guidance for all Departments. We welcome his confirmation of that. I am pleased that, as I understand it, the Government have confirmed that they will accept two specific recommendations made by the Procedure Committee. First, changes in departmental expenditure limits will continue to be announced via written statements, as well as included in estimate memorandums—the National Audit Office feels, rightly, that that is required and proper. Secondly, the Government agree that there should be a 14-day interval between presentation of the summer supplementary estimates and their approval, as well as a 14-day interval between the spring and winter estimates and their approval.

We note that Departments will need to make better progress in the presentation of their accounts if the benefits of those technical changes are to be realised. We will look with confident expectation at that being achieved next year.

5.30 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I thank the Chief Secretary for setting a precedent by making a timely response to the Committee's recommendations and I hope that other Departments that respond to the Procedure Committee will follow it. That the response was in the required time was much appreciated.

Mr. Desmond Swayne (New Forest, West) (Con): A rather better precedent is the fact that the Chief Secretary has agreed to all the recommendations of the report. Would not that be a precedent to follow?

Sir Robert Smith: Given that the report followed a request from the Chief Secretary, the circle was being completed—it would have been rather unusual if he had changed his mind. The report is a welcome step in the right direction. Much of it has already been dealt with by hon. Members, for example, the reasons for the process being brought forward and for the recommendations.

In their response, the Government took the recommendations on board, although they made some minor caveats about which I want to question them. Recommendation 2 was about publishing annual lists to show the dates on which each resource account is laid before Parliament and published—it is a chance for the Government to demonstrate what they are doing. Their response states:

"The Government accepts the recommendation to publish annual lists showing the dates on which individual resource accounts are laid before Parliament and published. The Government has no plans at present to amend the statutory deadlines but will keep them under review."

It would be helpful if the Government showed a willingness to try to improve the speed at which they publish the annual lists, so that scrutiny is timely and effective. If the naming and shaming through publishing the lists does not achieve that, perhaps statutory deadlines may be required.

The Committee recommended that the 14-day period should take account where possible of recesses and the times when the House is not sitting to do the leg work. The Government have said that they intend to take that into account, although they included the caveat:

"However, despite best efforts the timing of recess periods such as the half-term break, particularly if announced fairly late or subject to a change of date, may not always make it possible to ensure that a full two weeks of sitting days is included".

I hope that that is a minor caveat. With modernisation, we were meant to have a regular timetable, so the Government should not be caught out. They have made the commitment that we should know all these things in advance. There was a time at Easter when they would have been caught out, and people would have had to understand, but I hope that people will not rely on that caveat and get too slack in meeting the deadlines.

The Government say of the 14-day deadline:

"It is envisaged that this might not be met only in circumstances where departments require authority for spending on new services at a late stage in the process."

I wonder whether the Government can give some idea how often they think that will happen and assure me that that is meant to be a minimalist caveat. If the process is to work, 14 days is still not a great length of time.

I welcome the commitment to clear memorandums because that will offer a greater chance that scrutiny will be more effective and more focused. I welcome the Government's approach and hope that they can give some reassurances on the caveats that they have put in their response.

5.34 pm

Mr. Desmond Swayne (New Forest, West) (Con): May I apologise for the absence of my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), the Chairman of the Procedure Committee, who is unavoidably elsewhere? The motions arise out of the first report of the Procedure Committee, although the proposals have also been considered by other Select Committees.

I am in the fortunate position of rising when everything has already been said, even if not by everyone, so I can be brief. The proposals are directed at improving scrutiny of the Government's expenditure proposals that appear in the estimates. I do not think that we can be expected to nod through 12-figure sums without proper scrutiny, and these are useful changes.

Having two Appropriation Acts per year instead of one, as previously, will enable the resource accounts—the successors of the appropriation accounts—to be produced earlier. The winter and spring supplementary estimates will be laid at least a fortnight before their approval, which gives a much more realistic time scale to the opportunity for scrutiny, especially if the proofs are made available to the Select Committees in advance of that.

Resource accounts and estimates do not naturally lend themselves to the scrutiny of ordinary Members of Parliament without some expertise, and in that regard, the new scrutiny unit will assist by explaining matters to Members, and perhaps even pointing them towards useful avenues of inquiry. Each Department will produce an estimates memorandum to its Select

Committee, which will accompany the estimate. We hope that supplementary estimates will be in a standard format, analysing the changes proposed. The reasons will be set out in the accompanying memorandum.

I understand that the contents of the memorandums will be a matter for negotiation between Departments and their Select Committees, and Committees will clearly differ over what they expect and require in their own estimate and memorandum. However, I hope that the Chief Secretary will be open to representations for the material that will form the core of those memorandums, and that guidance will be issued to the Departments, as he has already given us to believe. I am sure that the Liaison Committee will pursue that with him.

Before we get too excited, I quote from the conclusion of the Procedure Committee's report, which says that the change is a "useful" but

"minor . . . improvement in the House's procedures".

5.38 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): This debate has been short, positive, useful and more lively than anticipated. I start by thanking the Chairman of the Procedure Committee, the hon. Member for Macclesfield (Sir Nicholas Winterton), who has explained to the House that unfortunately, he cannot be here. I should like to put on record our thanks to him, on behalf of the Government and the whole House, and to the hon. Member for New Forest, West (Mr. Swayne), who is a member of the Committee, for explaining that to us.

I reiterate the thanks expressed by my right hon. Friend the Chief Secretary to the four Committees involved in the debate for their swift and positive response to the Treasury's original proposals for change. We owe particular thanks to the Procedure Committee for its helpful report. We could call it sensible accounting, and on the anniversary of the tragic death of our former leader John Smith, sensible accounting is something that we should all support and bear in mind.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister refers to sensible accounting, and I declare an interest as an accountant.

In relation to the point made by the hon. Member for New Forest, West (Mr. Swayne) on Committees nodding through 12-figure sums without the background information needed to know whether that is justifiable, how does the Minister respond to the International Monetary Fund's observation that the private finance initiative commitments that our Government have racked up during the past seven years, which are 12-figure sums in aggregate, should appear on the national balance sheet, rather than being invisible as at present?

Mr. Woolas: The House spent three and a half hours yesterday debating £5 million, and looks set to spend about 40 minutes today debating how we account for the expenditure of hundreds of billions of pounds. It would not be wise for me to go into that issue in detail, but my right hon. Friend the Chief Secretary has noted the point that was made.

For those Members who have never been fully confident about the differences between a Consolidated Fund Bill and an Appropriation Bill, or between Votes on Account and Excess Votes, the Committee's clear exposition of our Supply procedure is very useful. Reference has been made to the memorandum by the Clerk Assistant, which is printed on page 52 of the report. It is particularly helpful and I commend it to Members.

I shall try to respond briefly to some of the points that were made. The hon. Member for Arundel and South Downs (Mr. Flight) welcomed the report and I thank him for that. He implied that the use of plain English would be helpful, but I am not sure that the accountancy profession would always support that idea. Like the legal profession, it tries to keep some semblance of its own language for its own benefit. As he acknowledged, a very helpful explanatory memorandum is available and can be referred to. I was rather worried when he said that his instinct told him that he smelled a rat, only to discover that he could not smell one. It is good advice for Governments always to work on the principle that if the Opposition Treasury spokesman cannot smell a rat, there probably is one and he simply cannot smell it. That said, I think we are all in agreement, and I am grateful for that.

The hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) asked three questions, the first of which concerned recommendation 2, speed of publishing and the statutory deadline. We do of course intend to meet the deadline, but in the spirit of sensible accounting my right hon. Friend the Chief Secretary is keeping the matter under review. The hon. Gentleman also asked about the 14-day period, and I can confirm that the Government and the Committees intend that the period in question be 14 working days. As he pointed out, in the past two years the Government and the Leader of the House have helpfully published a calendar of parliamentary sitting times, but of course, there is the inevitable caveat of flexibility. The intention is that common sense be applied, but half-term might cause problems, as the hon. Gentleman suggested. *[Interruption.]* I am helpfully informed by my right hon. Friend the Chief Secretary that the period is indeed 14 days.

The hon. Member for West Aberdeenshire and Kincardine also asked whether there would be exceptions. I am informed that there is the usual Treasury contingency, in that one has to plan for all eventualities. That is the sensible approach.

Mr. Oliver Heald (North-East Hertfordshire) (Con): As the hon. Gentleman knows, I did not choose to wind up the debate for the Opposition, given its narrow nature. Will the guidance given to Departments be made available to Members, so that we can judge whether we think it right?

Mr. Woolas: I am grateful for that helpful intervention from the shadow Leader of the House, and I appreciate what he says about not winding up the debate. On the guidance—about which the hon. Member for New Forest, West also asked—the Chief Secretary is very sympathetic to the point that is being made. He intends to write to the Chairmen of the Select Committees to clarify the guidance in each

[Mr. Woolas]

departmental area. That will be done forthwith. I hope that that deals with the questions asked at this stage of the debate.

Mr. Leigh: The Minister mentioned the excellent memorandum and referred to the table on page 51. I see from the section on the historical background on page 52 that

"the systematic use of legislative appropriate dates from the Glorious Revolution."

If we are to have historical references, could they avoid value judgments?

Mr. Woolas: Some in the House would argue that all historical references are value judgments. What is important is that supply measures are the property of the House and not the other place. I am sure that every hon. Member would agree with that and long may it be so.

In conclusion, once again the Government have listened to the advice of Select Committees. We are grateful to them; that is what they are there for. Once again the Government have provided time on the Floor of the House to debate these important issues, and I hope that that will be noted. What we are proposing is a modest and sensible change to our supply procedure. Several Committees have endorsed both motions on the Order Paper and I commend them to the House.

Question put and agreed to.

QUESTIONS ON VOTING OF ESTIMATES, &C.

Ordered,

That the following be substituted for Standing Order No. 55 (Questions on voting of estimates, &c.):

Questions on voting of estimates, &c.

'55.—

(1) On any day to which the provisions of paragraphs (2), (3) or (4) of this order apply the Speaker shall at the moment of interruption put the questions on—

(a) any outstanding vote relating to numbers for defence services;

(b) any motion authorising amounts and limits on appropriations in aid, set out in outstanding estimates.

(2) The provisions of paragraph (1) of this order shall apply on a day not later than 6th February, if any of the following total amounts have been put down for consideration:

(a) votes on account for the coming financial year;

(b) supplementary and new estimates for the current financial year which have been presented at least fourteen days previously.

(3) The provisions of paragraph (1) of this order shall apply on a day not later than 18th March, if any of the following numbers or total amounts have been put down for consideration:

(a) votes relating to numbers for defence services;

(b) supplementary and new estimates for the current financial year which have been presented at least fourteen days previously;

(c) excess votes, provided that the Committee of Public Accounts has reported that it sees no objection to the amounts and modifications to limits on appropriations in aid necessary being authorised by excess vote.

(4) The provisions of paragraph (1) of this order shall apply on a day not later than 5th August in respect of any motion authorising amounts, and limits on appropriations in aid, set out in outstanding estimates.

(5) At least two days' notice shall be given of the motions which are to be put down for consideration under paragraphs (2), (3) or (4) of this order.

(6) The provisions of this order shall not apply to any vote of credit or votes for supplementary or additional estimates for war expenditure.'.—*[Mr. Heppell.]*

PUBLIC ACCOUNTS

Ordered,

That Mr George Osborne be discharged from the Committee on Public Accounts and that Mr David Curry be added.—*[Mr. Heppell.]*

Exmoor National Park

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

5.47 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I am delighted to see the Minister in his place and to know that a west country Member will reply to this debate on Exmoor. I know that he has bicycled over most of the west country, so I am delighted to see him here.

I regard myself as an extremely fortunate man. Every morning in my Bridgwater constituency, I wake up, pull open the curtains and gaze towards one of the most beautiful places on earth—Exmoor. I am delighted to have a chance to talk about it this evening. Exmoor national park is 50 years old this year, during which time it has positively bloomed.

Members perhaps spend too much time looking back, but if I may indulge the House I propose to provide a potted history of the national park. Seventy years ago, one could hardly wander across Exmoor. Most of the land was privately owned and most of the owners preferred to keep it that way. By 1930—even then—there was growing political pressure to open up the countryside. New organisations well known to us, such as the Campaign to Protect Rural England and the Youth Hostels Association, were flexing their then not inconsiderable muscles. America had already created its own famous national parks. Yogi Bear was already loose in Yellowstone park, so surely it was time for Britain to do the same.

In 1931, a Government inquiry recommended a brave new national authority. Eureka—what a splendid idea, and what a crying shame that it took another 23 years to create Exmoor national park. The snail's pace of British democracy is a maddening mystery to us all but, half a century later, there is a great deal to celebrate.

So, I give three big cheers for the rangers and the expert staff who make Exmoor's conservation their life, and their way of life. I give two medium cheers for the 26 members of the national park authority—someone has to do the job, and it does not make them rich. I also give a muted cheer for the Department for Environment, Food and Rural Affairs, although I suspect that the Minister was hoping for more. However, there are no cheers at all for some of the crass decision making that mars the good name of what I believe to be the best place on the planet.

I have no desire to scare the House, but there is said to be a huge, horrible and hairy creature stalking Exmoor. The beast was always thought to be a myth, dreamed up to tell to tourists, but I am not quite so sure now. I think I have seen the beast in action, and I am afraid it is the beast of bureaucracy—a ghastly manifestation of officialdom gone mad.

If the House will indulge me, I should like to tell a real story of the moor and its wildlife, and of what happens when the beast appears. In this, I am indebted to a journalist called Annalisa Yard. She dug out the story, and her editor at the *West Somerset Free Press* had what some would say was the courage to print it. It is a story about peaceful creatures and the wild beast of bureaucracy.

On Exmoor, we have all sorts of creatures—badgers, foxes, the famed red deer, Jacob sheep, alpacas, and Simmental cattle; one can even find the odd llama. There is a family of meerkats, a couple of kookaburras and an equally exotic mara. Not all can claim to be indigenous to Exmoor—it is not their natural breeding ground or habitat, but what the heck? They are not doing anyone any harm, and they should not attract the attention of the Exmoor bureaucrats, but some of them have.

This is the sort of silly issue that gives the Exmoor national park authority a bad name. The real beast of Exmoor is not a figment of the imagination, or an overweight wild cat—it is the legally empowered bunch of officials with the right to make rules. Those rules would have had the Porlock kookaburras packed off in crates and shipped off the moor for ever, all because they have been designated "non-native".

I live on the fringe of the moor, but I was born in Scotland; presumably, that makes me non-native too. I shall not even ask where the Minister was born. The sort of language being used is normally associated with radical extremists. One does not expect to hear it from the lips of people whose sole reason for existence, according to the National Parks and Access to the Countryside Act 1949, is to

"conserve and enhance the natural beauty, wildlife and cultural heritage of their area."

Fortunately, the bureaucratic beast of Exmoor did not get away with it this time, and thanks has to go again to the *West Somerset Free Press*. Officialdom and its beastly rulebook said, "Kick the kookaburras out!" Exmoor authority members, however, voted for common sense. I wish them more power to their elbow—but how much more power?

One of the features of every national park, Exmoor included, is that it runs its own planning system. That makes sense in theory. If one wants to preserve the culture of an area, one has to set rigid regulations and leave it to officials, by delegated power, to give the final yea or nay.

However, officials are only as good as the rules they enforce, and that leads to a number of questions. First, what exactly is the kookaburra rule? Secondly, who approved it? Thirdly, how do we stop this nonsense in future?

I shall try to give some answers. Let me quote the rule itself:

"The Kookaburra is not indigenous to Exmoor and does not therefore contribute to the understanding or enjoyment of Exmoor".

That is a matter of loose interpretation, not of hard fact. The rule forms part of the national parks development plan, so at some stage it must have come before members of the authority. Why did they not notice it?

How do we stop such nonsense in future? This is where the debate starts. The national park has many of the powers of a local authority and a fair chunk of public money. Exmoor national park does a sterling job and valuable work, very economically. Its annual budget is some £3.5 million, and tourism is booming. It deserves a pat on the back. Its members are dedicated and its aims are high. All that is good.

[Mr. Ian Liddell-Grainger]

The national park's budgets have been cut, however, as the Minister knows. However, one cannot take the national park authority before the ombudsman in a claim of maladministration—I do not propose that in this case—and, like local councillors, its members are not legally liable for things that go wrong. National park authorities answer first to DEFRA and second to the Office of the Deputy Prime Minister, although, given his identity, it may be hard for them to understand the question. After 50 years, perhaps it is time for a little straightforward accountability.

Exmoor national park authority has 19 members who are drawn from parish, district and county councils—local people who know Exmoor like the back of their hands, and I can vouch for that. The Secretary of State, however, directly appoints seven others, and they are not locals at all. There is a bloke from Warwickshire and a lady from Wiltshire. I do not expect that they pop into Exmoor national park very often. The Government want to increase the number of such appointees from seven to 10, but surely it is time to insist that Government appointees are local people too.

Exmoor national park is a wonderful institution that has done a brilliant job over 50 glorious years. It has not done many things wrong, but in the light of some of the beastly bureaucracy it is a wonder that it has managed that.

5.57 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): I congratulate the hon. Member for Bridgwater (Mr. Liddell-Grainger) on securing the debate and I apologise for the absence of my right hon. Friend the Minister for Rural Affairs and Local Environmental Quality, who had an accident earlier this afternoon and had to be taken to hospital. I have taken his place at short notice.

The hon. Gentleman did not mention—so I must—that the creation of the national parks was one of the triumphs of the 1945 Labour Government. They were a victory for Fabian socialism and the belief that our finest landscapes are a national treasure for all to enjoy. Amid the many changes of the last decades, Exmoor and its fellow national parks have provided constant oases of calm and refreshment. It pleases me, as a Devon Member, to respond to the debate on a national park shared with the hon. Gentleman and his neighbours in Somerset.

What would have become of Exmoor if it had not been a national park? That is an interesting question, but it is impossible to know. The threats that seemed very real at the time of designation—from intensive agriculture or from large-scale conifer plantations—have happily been avoided, and Exmoor has been conserved for further generations. That conservation work includes caring for the park's 31 native mammal species, 243 bird species, 1,000 flower and grass species and 1,751 insect species. As recently as January, 33 hectares of the famous Tarr Steps woods have been declared a national nature reserve. The park authority has drafted a biodiversity action plan, covering seven habitats and seven species. In short, there have been real and tangible conservation achievements.

Of course, conservation is only part of what the parks are about. They have a second purpose:

"promoting opportunities for the understanding and enjoyment of the special qualities of those areas by the public".

In pursuing those purposes, they also have a duty to

"foster the economic and social well-being of local communities within the National Park ... and ... co-operate with local authorities and public bodies whose functions include the promotion of economic or social development within the area of the National Park".

Those words show clearly that the national park authorities are neither tourism authorities nor tourism promoters as the tourism industry might understand those roles, but that they need to be aware of the value of appropriate tourism in pursuit both of their recreational purposes and their socio-economic duty. Our national parks are major features of the tourism landscape; for example, when last measured, in 1994, Exmoor was attracting 1.4 million visitor days a year. A new survey is due to begin shortly and I am sure that it will show a significant increase.

The Visit Exmoor initiative, which is led by the park authority, with West Somerset district council and the tourism industry, will promote and market Exmoor, encourage sustainable tourism and improve the quality of the visitor experience. To take a specific example: the authority's water-powered sawmill at Simonsbath will promote the use of renewable energy as well as promoting tourism and will form part of the authority's sustainable countryside management initiative. It will truly be a multifaceted project.

The hon. Member for Bridgwater touched on planning, which is a key responsibility of the park authority. The Government are keen to see that the performance of national park authorities is consistent with that of other planning authorities. Key relevant statistics include the fact that, in 2004–05, all the national park authorities, including the Broads authority, are receiving planning delivery grant from the Office of the Deputy Prime Minister in recognition of their planning performance. Exmoor is receiving £76,353. Between 1997 and 2001, Exmoor received 1,645 planning applications of which 87 per cent. were granted. An analysis of the applications received from businesses on Exmoor in 2003 shows that of the 82 applications made, eight were withdrawn and only five rejected—an approval rate of 93 per cent.

The hon. Gentleman posed three questions, which he then proceeded to answer himself. Let me offer my answers to his points. First, he asked exactly what exactly was the kookaburra rule. There is no kookaburra rule, nor is there a meerkat rule or a llama rule; rather there are site-specific conditions, as are commonly attached to planning permissions, that address the specific circumstances of a particular site or application.

In 1983, in the case to which I think the hon. Gentleman was referring, a condition was imposed that no exotic animals could be kept. That condition, we believe, grew out of local concerns about allowing a public attraction to open at the site. Certainly, it is consistent with what we understand to have been the view of the planning authority at the time; namely, that the only way such a development could be justified at the location was if it were an educational facility which

would relate directly to the national park purpose at that time, of "promoting the . . . enjoyment" of the park "by the public".

The hon. Gentleman's second question was, "Who approved the kookaburra rule?" As I have explained, there is no kookaburra rule, so no one approved it. However, the exotic animals condition was imposed by the then planning authority in the planning permission given to the centre in 1983. The line that the planning authority took on exotic animals has since been confirmed on three occasions. The first was in 1994 when, in addressing a request to relax some conditions at the site, the then planning authority confirmed that exotic animals should not be kept there and set a 10-year deadline for their removal.

The second occasion was in 1999 when a planning inspector came to the same conclusion. Most recently, the Exmoor national park authority has again come to the view that exotic animals should not be kept at the site, but they have extended the deadline for their removal to cover the lifetimes of the existing stock.

Finally, the hon. Gentleman asked how we could stop all this nonsense in future. It is not for me to second-guess the merits of individual decisions taken by local planning authorities, especially when they date back 20 years, and I am also mindful of the need to avoid any comment that might prejudice a future decision of the park authority or a legal challenge. However, in respect of the whole process, it seems to me important that we have a planning system which, within an appropriate national framework, balances the interests of applicants and objectors and allows for local concerns to be reflected in local decisions. I hope that the hon. Gentleman agrees with that principle.

The hon. Gentleman touched on how an exotic species is defined, and posed the tantalising question, on which I do not offer a view, of whether a Scotsman on Exmoor might be thought exotic. As for animals and birds, it is self-evidently for the Exmoor national park authority, as the guardian of that planning condition, to specify its definition of exotic that is uses for that purpose. In practice, I understand that the species reported to the planning committee were a llama, two kookaburras, a group of mara, and a group of meerkats with their offspring, and that there have been other species in the past. For example, in the report of 1999, the planning inspector also recorded two pairs of wallabies and a pair of rhea.

One of the hon. Gentleman's conclusions seems to be that the Exmoor national park authority needs more local members. Perhaps it would be helpful if I sketched out briefly how national park authorities are appointed. Their members are drawn from three separate sources to give an appropriate mix of interest and expertise. The largest group consists of the councillors appointed by county, district or unitary authorities in the national park. The smallest group consists of the councillors, or chairmen of parish meetings, chosen by those parish councils with land in the park.

The third group consists of those members chosen by the Secretary of State. They are selected in full conformity with the Nolan principles, and in making their choices, Ministers try to augment or complement the range of knowledge, skills and expertise that is provided by councillor members. In many cases, the members chosen by the Secretary of State will have a local connection—indeed, that is a desirable trait—but they are primarily chosen to broaden the mix, not simply to replicate the local knowledge that is already strongly represented. In practice, five of the seven serving members on the Exmoor national park authority who were selected by the Secretary of State are based in either Somerset or Devon.

It is indeed true that the 2002 review of the English national park authorities recommended a rebalancing of the authorities so that Exmoor would in future have 10 seats for county or district councils, rather than 14 at present; five seats for parish councils, the same as at present; and 10 seats for the Secretary of State's choices, as opposed to seven at present, making a total of 25, as opposed to 26 at present. However, that is a proposal for the future and would require primary legislation. The only change that we would like in the short to medium term is a reduction in the overall membership proportionately to 22, and we shall consult on that more modest proposal in the coming months.

Question put and agreed to.

Adjourned accordingly at seven minutes past Six o'clock.

Deferred Division

VISITOR FACILITIES

Adjourned debate on Question [22 April].

Motion made, and Question proposed, that this House approves the First Joint Report of the Accommodation and Works Committee and the Administration Committee on Visitor Facilities: Access to Parliament (House of Commons Paper No. 324) and endorses the Committees' proposals for a new reception and security building at the north end of Cromwell Green.—(*Mr. Phil Woolas.*)

The House divided: Ayes 333, Noes 46.

Division No. 171]

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Atkinson, Peter *(Hexham)*
Austin, John
Bailey, Adrian
Baird, Vera
Baker, Norman
Barnes, Harry
Barrett, John
Beard, Nigel
Begg, Miss Anne
Beith, rh A. J.
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Bercow, John
Berry, Roger
Blackman, Liz
Blair, rh Tony
Blunt, Crispin
Borrow, David
Boswell, Tim
Bottomley, rh Virginia *(SW Surrey)*
Bradshaw, Ben
Brake, Tom *(Carshalton)*
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, Russell *(Dumfries)*
Browne, Desmond
Browning, Mrs Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burns, Simon
Burnside, David
Burt, Alistair
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Cameron, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cash, William
Caton, Martin
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Clark, Mrs Helen *(Peterborough)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Conway, Derek
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cotter, Brian
Cran, James *(Beverley)*
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curry, rh David
Darling, rh Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davies, rh Denzil *(Llanelli)*
Dhanda, Parmjit
Dismore, Andrew
Djanogly, Jonathan
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Duncan, Alan *(Rutland)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Evans, Nigel
Fabricant, Michael
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flight, Howard
Flint, Caroline
Flook, Adrian
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gummer, rh John
Hague, rh William
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harman, rh Ms Harriet
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Hawkins, Nick
Heald, Oliver
Henderson, Ivan *(Harwich)*
Heppell, John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Holmes, Paul
Hope, Phil *(Corby)*
Hopkins, Kelvin
Horam, John *(Orpington)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keen, Alan *(Feltham)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lansley, Andrew
Lawrence, Mrs Jackie
Laws, David *(Yeovil)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Liddell-Grainger, Ian
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
McFall, John
McIntosh, Miss Anne
McIsaac, Shona
McKenna, Rosemary
Maclean, rh David
McLoughlin, Patrick
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall, Jim *(Leicester S)*
Mates, Michael
Merron, Gillian
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Andrew *(Sutton Coldfield)*
Mole, Chris
Moran, Margaret
Morgan, Julie
Moss, Malcolm
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Oliner, Bill
Osborne, George *(Tatton)*
Owen, Albert
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pond, Chris *(Gravesham)*
Portillo, rh Michael
Prentice, Ms Bridget *(Lewisham E)*
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Rendel, David
Robertson, Hugh *(Faversham & M-Kent)*

Roche, Mrs Barbara
Roe, Mrs Marion
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sawford, Phil
Selous, Andrew
Sheerman, Barry
Shephard, rh Mrs Gillian
Sheridan, Jim
Simpson, Alan *(Nottingham S)*
Simpson, Keith *(M-Norfolk)*
Smith, rh Andrew *(Oxford E)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Spring, Richard
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Streeter, Gary
Stringer, Graham
Stunell, Andrew
Sutcliffe, Gerry
Swire, Hugo *(E Devon)*
Tami, Mark *(Alyn)*
Tapsell, Sir Peter
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Tonge, Dr. Jenny
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Walter, Robert
Ward, Claire
Waterson, Nigel
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
White, Brian
Wicks, Malcolm
Wilkinson, John
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Roger *(Brecon)*
Winnick, David
Winterton, Sir Nicholas *(Macclesfield)*
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Young, rh Sir George
Younger-Ross, Richard

NOES

Bellingham, Henry
Breed, Colin
Burnett, John
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Gregory *(E Lond'y)*
Carmichael, Alistair
Chope, Christopher
Clarke, Tony *(Northampton S)*
Davies, Quentin *(Grantham & Stamford)*
Dodds, Nigel
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Hayes, John *(S Holland)*
Heath, David
Heathcoat-Amory, rh David
Hoban, Mark *(Fareham)*
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Leigh, Edward
Lilley, rh Peter
Llwyd, Elfyn
Norman, Archie
Öpik, Lembit
Organ, Diana
Paterson, Owen
Price, Adam *(E Carmarthen & Dinefwr)*
Redwood, rh John
Robertson, Angus *(Moray)*
Shepherd, Richard
Skinner, Dennis
Smyth, Rev. Martin *(Belfast S)*
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Swayne, Desmond
Syms, Robert
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Turner, Andrew *(Isle of Wight)*
Weir, Michael
Wiggin, Bill
Williams, Hywel *(Caernarfon)*
Winterton, Ann *(Congleton)*

Question accordingly agreed to.

House of Commons

Thursday 13 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Ethiopia (Debt Relief)

1. **Mr. Laurence Robertson** (Tewkesbury) (Con): What recent discussions he has had with other Governments on debt relief to Ethiopia. [172709]

The Chancellor of the Exchequer (Mr. Gordon Brown): Last month, the Governments agreed debt relief of $1.9 billion to Ethiopia, and then an additional topping up of $1.4 billion. Ethiopia is now the 13th country to reach decision point for debt relief and the 27th to be receiving debt relief.

Mr. Robertson: I thank the Chancellor for that answer, and I thank him for the work that he has done in securing debt relief for Ethiopia, on which I congratulate him. I am sure that he is aware that that country still has some $3.7 billion in outstanding debt, particularly to Russia, from the days of the bad old regime. I know that that is causing a considerable problem to Ethiopia as it tries to move towards the eradication of poverty and an increase in education and health services. Will he redouble his efforts in that direction, to secure the relief of that debt as well?

Mr. Brown: I am grateful to the hon. Gentleman, who I know is secretary of the British Ethiopia parliamentary group and has visited Ethiopia on two occasions recently. He is absolutely right: Ethiopia is a very poor country, where the average income is less than $100. Some 82 per cent. of the population live on less than $1 a day. Half of its $5.5 billion debt is owed to multilateral institutions, so the situation is difficult. There is also a specific problem because of the size of the debt owed bilaterally to Russia.

However, I hope that the hon. Gentleman will agree that, despite the slowness of progress, Ethiopia has now received not only some debt relief, but topping up. I hope that he will also agree that the arrangements that are being made through NEPAD—the New Partnership for Africa's Development—and the Africa plan offer greater hope to Ethiopia that, if it continues to reform, tackles problems of corruption and secures stability, it can get both more debt relief and more financial help. It will be symbolic that, 20 years after Live Aid started in Ethiopia, when 7 million people still need food aid, we hope to go further and faster next year in providing resources to Africa. I may just add that that process would be helped if he could persuade his Front-Bench colleagues to support greater overseas development aid.

Ms Julia Drown (South Swindon) (Lab): I, too, congratulate the Chancellor on ensuring that Ethiopia and indeed Niger got their top-up debt relief. He has pointed out to the House the desperate poverty of Ethiopia and the fact that it still owes debts to many multilateral institutions. It has been calculated that it would cost UK taxpayers £3 each for the next 10 years to pay back our portion of the multilateral debt so that those in Ethiopia would not have to keep paying debts to the richer countries of the world. As Bob Geldof said in a recent meeting in this House, they cannot afford to pay it, but we can. Does the Chancellor think that that could be achieved by this country and by other countries?

Mr. Brown: I am grateful to my hon. Friend, who I know has been very prominent both at constituency and national level in fighting the case for debt relief not only for Ethiopia, but for countries around the world that are in need of it. A week on Friday at the G7 meeting in New York we will be discussing the possibility of deeper debt relief, which would certainly benefit countries such as Ethiopia. An extension of what is called the sunset clause would benefit countries that are still in conflict and are also desperate to be in a position to receive debt relief later.

My hon. Friend is absolutely right that Bob Geldof highlighted the position of the country to which he first drew attention 20 years ago. Some 7 million children there do not go to school, infant mortality is high—one in six young children die—and there is only 30 per cent. literacy. Those are huge problems that must be tackled. It is not simply debt relief that is needed, but a new arrangement by which, if such countries are prepared to make the reforms, we are prepared to help them with health, education and other resources. This is a major initiative of the United Kingdom over the next few months.

Mr. Quentin Davies (Grantham and Stamford) (Con): Does the Chancellor agree that however desirable and attractive debt relief is from the point of view of alleviating poverty, it is justified only if it is accompanied by strict conditionality and if it is made clear that it cannot be repeated, otherwise, a tremendous moral hazard is created and we find ourselves simply subsidising failure and perverse policies? Does he agree that, in the case of Ethiopia, part of that conditionality must be the observance of the arbitration award with Eritrea and the avoidance of further conflict, otherwise, we shall be encouraging the reconflagration of violence in that very damaged part of the world?

Mr. Brown: The debt relief and additional aid that I am talking about are certainly conditional, and I made it clear in my earlier answers that that was the

case. I think that the hon. Gentleman will agree that the signing of the memorandum of understanding with the Ethiopian Government, with clear target points for them to meet on transparency and other changes in the way in which they operate, as well as on the protection of human rights, is extremely important. That is why the additional aid that we are prepared to provide to Ethiopia is conditional on its meeting those benchmarks.

At the same time, in relation to Eritrea, I think that the hon. Gentleman knows that there was a boundary commission report and that there are still outstanding issues, but he can be assured that the Secretary of State for International Development is making it clear that that report should be observed. We must not forget, however, that the people who suffer as a result of what is happening have no control over these events and are starving or being denied education or health care. If we can make the conditions stick, it must be in all our interests to ensure that money is provided to those people, as I think was made clear to Prime Minister Meles Zenawi at the meeting of the Africa Commission in London only last week.

Tax Credits

2. **Claire Ward** (Watford) (Lab): How many families in Watford he estimates are receiving tax credits. [172710]

The Chancellor of the Exchequer (Mr. Gordon Brown): In January 2004, around 7,000 Watford families were receiving child or working tax credits, and I can confirm that in the UK as a whole, the figure for families benefiting from the new tax credits has now risen above 6 million, affecting 10 million children.

Given its responsibility for tax credits, I can also tell the House that the first executive chairman of the newly merged Inland Revenue and Customs and Excise will be David Varney, who is currently chairman of mmO_2, previously of Shell and British Gas and also chairman of Business in the Community. His remit will include implementing staff reductions of 8,000 at the Inland Revenue, of 3,000 at Customs and Excise and of 3,000 as a result of the merger. Her Majesty the Queen has approved the new department's name, which is the Inland Revenue and Customs service.

Claire Ward: Given the numbers that my right hon. Friend quoted, I am sure from my experiences in my constituency that many more families could benefit from tax credits. What can he do in his Department to encourage more families in Watford and in the rest of the country to take up their right to tax credits? Will he give an assurance that we have no plans to cut investment in tax credits, unlike Tory Front Benchers?

Mr. Brown: My hon. Friend reminds me that the shadow Secretary of State for Work and Pensions, the hon. Member for Havant (Mr. Willetts), said:

"The Government needs to face-up to the fact that tax credits are not reaching the people in need."

A record 6 million people now receive tax credits as a result of the Government's decisions. Take-up of tax credits is higher than take-up of any other benefit that the Government provide, both in Watford and across the United Kingdom. The Conservatives should think more about reversing their opposition to tax credits, which are popular across the country, including in Watford, and think less about trying to cut vital public services such as child care, Sure Start and other children's services, which are built around the successful introduction of tax credits.

Mr. George Osborne (Tatton) (Con): The Chancellor should stop misrepresenting the Conservative position: we are not opposed to tax credits and never have been. Has he read the damning Public Accounts Committee report, published three weeks ago, which found that the introduction of the new tax credits in Watford and elsewhere was nothing short of disastrous, that it caused hardship for thousands of people and that overpayments could still cost the taxpayer more than £700 million a year? What is his latest estimate of the number of low-income people in Watford and elsewhere who face clawback through no fault of their own, and how much is the taxpayer currently forking out in overpayments?

Mr. Brown: Conservative party policy has been to oppose tax credits. The shadow Secretary of State for Work and Pensions has said that they "will not work", and went on to say:

"It is a benefit paid through the tax system . . . There is no need for a new system."

The leader of the Conservative party said:

"They're putting money into schemes that don't work."

That is hardly a unanimous endorsement of the new scheme from the Conservative party.

As far as take-up is concerned, the Labour party does not need to take lectures about the administration of taxation from the Conservative party. The child tax credit is cheaper to administer than any other benefit, and it costs half as much to administer as the family credit did under the Conservatives. The poll tax—the great tax introduced with the inspiration of the shadow Chancellor—cost £1.5 billion to administer. We will think twice about any lectures on taxation and its administration from the Conservatives.

Unemployment (East Midlands)

3. **Judy Mallaber** (Amber Valley) (Lab): If he will make a statement on levels of unemployment in (a) Amber Valley and (b) the east midlands. [172711]

The Chancellor of the Exchequer (Mr. Gordon Brown): The claimant count in the United Kingdom has decreased by 50 per cent. since 1997. During that period, the claimant count in Amber Valley decreased by 1,087, which is a 53 per cent. fall; and in the east midlands as a whole, it decreased by 48,000, which is a 47 per cent. fall. The claimant count for Amber Valley now stands at 2.1 per cent., and for the east midlands it is 2.7 per cent.—the lowest figures for unemployment for 30 years.

Judy Mallaber: With 1.9 million more people in work since 1997, the latest east midlands business survey indicates that there are some problems in recruitment, especially for skilled workers, and that the available

labour pool includes many people who are severely disadvantaged. Will my right hon. Friend therefore confirm that instead of abolishing the new deal, as the Conservatives would, we will extend it to ensure that it overcomes those barriers, to enhance skills and qualifications, and in particular will he consider how we can extend the modern apprenticeships programme to ensure that it attracts women, who are often severely under-represented in some areas of skills shortage?

Mr. Brown: I am grateful to my hon. Friend. She has taken a major interest in the creation of jobs and the safeguarding of industry in her constituency, and I congratulate her on that. She will agree that even though in her constituency long-term unemployment is down by 85 per cent. and youth unemployment is down by 75 per cent., there are many people who the new deal wishes to get to and to help. The new initiatives from the Secretary of State for Work and Pensions are designed to help those people by giving them the chance to get jobs and to acquire the necessary skills. The future of my hon. Friend's constituency will be enhanced by the new deal for skills, more details of which will be announced next week by the Secretary of State for Work and Pensions.

I think that my hon. Friend will agree that abolishing the most successful employment programme in our history, which has already created 1 million jobs, and saying that it is a waste of money is a disastrous policy, but that is the policy of the Opposition. The shadow Chancellor should remember that unemployment in his constituency is now 0.9 per cent.

Mr. Mark Todd (South Derbyshire) (Lab): Does the Chancellor welcome the creation of additional jobs in South Derbyshire and the east midlands through the creation of a manufacturing plant for JCB engines in the Dove Valley business park just off the A50 as a further demonstration that manufacturing is far from dead in my constituency—it is alive and thriving? Has he witnessed also the growth in employment at Toyota, which is just down the road at Burnaston?

Mr. Brown: I am grateful to my hon. Friend, who has taken a big interest in the success and development of manufacturing in his constituency. Our aim is modern manufacturing strength. We have introduced research and development tax credits, which are available to the companies that he mentions; we have strengthened the Government's regional policy to make it possible for people to invest; and we are providing a manufacturing advisory service at a regional level. Unfortunately, every one of those services would be put at risk by the policies of the Opposition, who would not only cut the new deal but abolish all the help that we are rightly giving to manufacturing industry.

Pension Credit

4. **Mr. Michael Jabez Foster** (Hastings and Rye) (Lab): How many pensioners in Hastings and Rye are receiving pension credit. [172713]

The Financial Secretary to the Treasury (Ruth Kelly): At 31 March, 5,048 pensioners in Hastings and Rye were receiving the pension credit.

Mr. Foster: I am grateful to my hon. Friend for that reply. I congratulate her and the Government on the success of the pension credit in my constituency. It has made a great difference to many of my older constituents, many of whom are now more than £30 a week better off than they were under the Tory income support plan. However, does my hon. Friend share my concern that, should the Conservatives ever achieve office, their plans to abandon means-assessment would mean—

Mr. Speaker: Order. The hon. Gentleman is out of order and should please sit down. It is not for the Chancellor to answer those questions, but for the Opposition. The hon. Gentleman can write to the Opposition's party headquarters to find out about these matters.

Ruth Kelly: My hon. Friend is right to draw attention to the success of the pension credit in alleviating pensioner poverty. Indeed, if he compares the current average pensioner household with that in 1997, he will find that in real terms it is more than £1,350 better off as a result of the pension credit.

Gregory Barker (Bexhill and Battle) (Con): Help the Aged has described the pension credit as a "profoundly inefficient means-testing mechanism" that "is deeply flawed." How many pensioners in Hastings and Rye are entitled to that benefit but do not claim it for one reason or another? How many pensioners in Hastings and Rye have become subject to means-testing since the Government came to power in 1997? Is that why so many pensioners in Hastings and Rye feel profoundly let down by Labour?

Ruth Kelly: The hon. Gentleman's attitude is only too typical of the attitude of his party. I do not know how its Front-Bench spokesmen can claim that they are committed to tax credits while at the same time witnessing the hostility of individual Members. The proportion of pensioners now living in relative poverty is at its lowest since the mid-1980s, and is down by 0.5 million since 1996. Pensioners in Hastings and Rye, as across the country, are welcoming the introduction of the pension credit, and the poorest pensioners have benefited most.

Mr. Oliver Letwin (West Dorset) (Con): I hope that you will allow me to begin, Mr. Speaker, by telling you that it is now possible to reach Conservative central office on the web. There is no need to write.

The Financial Secretary is very proud that so many pensioners in Hastings and Rye are on pension credit. Does she realise that by making those pensioners depend on means-tested benefits, instead of giving them a proper basic pension linked to earnings, she is ensuring that people in Hastings and Rye have little incentive to save?

Ruth Kelly: The right hon. Gentleman is talking absolute nonsense. For the first time in history, under the pension credit, every single pensioner in this country has an incentive to save. Those with modest savings, and small occupational pensions, will be rewarded under the pension credit.

Mr. Letwin: I do not see how a pensioner in Hastings and Rye, who is losing between 40p and 85p in the

pound on savings income, has been given an incentive to save. Will the Financial Secretary tell us how many pensioners in Hastings and Rye have been affected by the Chancellor's £5 billion raid on pension funds, and how many pensioners in Hastings and Rye will suffer from his attack on the tax advantages of ISAs?

Ruth Kelly: Pensioners in Hastings and Rye are better off now than they have ever been. On average, pensioners in Hastings and Rye are £18.50 better off through the pension credit and other measures that this Government have introduced than if, for example, the basic pension had been connected to earnings. The right hon. Gentleman draws attention to the advance corporation tax reforms. He more than anyone should know that that was an example of this Government reducing corporation taxes and making sure that pensioners have resources targeted on them when they most need it.

Mr. Letwin: It is a sure sign of what is going on in the Treasury at the moment if the Financial Secretary does not have a briefing telling her the answers to simple questions about Hastings and Rye. Let us turn to another pensions disaster that will deter pensioners in Hastings and Rye from saving, putting them on pension credit: the wind-up of their occupational pension schemes. Pensioners in Hastings and Rye who are in that position will have noted the Chancellor's statement in the Red Book that unclaimed financial assets should be "reinvested in society". Would not using those unclaimed assets to compensate pensioners in Hastings and Rye whose pensions have been devastated by wind-ups be a true investment in society?

Ruth Kelly: I am not going to take lessons at the Dispatch Box from a party whose leader, when Minister with responsibility for financial services, presided over the biggest pensions mis-selling scandal in history. The Opposition talk about giving pensioners compensation when pension schemes have gone bust, yet they refused to support the Second Reading of the Pensions Bill, which for the first time in history will protect the pensioner promise awarded to pensioners. Yet again, they raise false hopes while being committed to savage cuts in public expenditure. I wonder how they would explain that to pensioners who are suffering.

Mr. Dennis Skinner (Bolsover) (Lab): Is it not pretty evident that, when the shadow Chancellor ran away during the election campaign, he must have gone to Hastings and Rye in a blanket? That was when he was missing longer than Maxine Carr.

Ruth Kelly: My hon. Friend makes an excellent point. Unfortunately, the right hon. Gentleman did not reappear in the Labour seat, Hasting and Rye, but somewhere else in the country, wearing a toga. My hon. Friend knows how much pensioners have benefited from the measures introduced by this Government, particularly the poorest third of pensioner households who are £1,700 a year better off in real terms, in Hastings and Rye, than they were in 1997.

Norman Lamb (North Norfolk) (LD) *rose—*

Mr. Speaker: Order. The hon. Gentleman must speak about Hastings and Rye in his supplementary question, not North Norfolk, which is too far away. Can he manage that?

Norman Lamb: Thank you for that guidance, Mr. Speaker. I intend to concentrate fully on pensioners in Hastings and Rye. Will the Financial Secretary respond to the clear evidence given to the Treasury Committee by experts who said that pensioners in Hastings and Rye and elsewhere will be faced with a positive disincentive to save because of the extent of the means-testing introduced by the pension credit? Worse than that, anyone providing financial advice will clearly face the problem of mis-selling if they advise someone who is on a low or middle income on a pension product, because of the risk of losing out by not gaining the pension credit once they reach retirement age.

Ruth Kelly: I do not accept that. I think that all Governments have a duty to protect the welfare of the poorest pensioners, and it is a duty that this Government have taken seriously. Moreover, for the first time in history we can say unambiguously to every pensioner that his or her money will not be withdrawn pound for pound, and that there is a clear benefit from saving.

Child Poverty

5. **Tony Lloyd** (Manchester Central) (Lab): What assessment he has made of the impact of Government policy on child poverty. [172714]

The Paymaster General (Dawn Primarolo): By 2002–03 there were around half a million fewer children in relatively low-income households than in 1998–99—4.2 million down to 3.6 million after housing costs, and 3.1 million down to 2.6 million before housing costs. Those data do not fully reflect the effect of increased support from the introduction of the new tax credits in April 2003, or the increase in the tax credits that took effect last month.

Tony Lloyd: There is no doubt that the various schemes introduced by the Government both to assist children in the poorest families and to help adults into work have had a real impact on child poverty, but I am sure my right hon. Friend accepts that we still have a long way to go if we are to help those 3.6 million children. Are the Government still committed to the eradication of child poverty in this generation? Is that still a priority, and does my right hon. Friend agree that the biggest single threat to its achievement is the lack of national consensus and, in particular, the failure of Opposition parties to support the Government's programmes?

Dawn Primarolo: Between 1979 and 1996–97, the proportion of children living in low-income households

more than doubled under the last Government. Following the introduction of this Government's policies, by 2002–03 the number of children in low-income households, in absolute terms, fell by 50 per cent.

The Government's historic commitment to eradicating child poverty means that we must tackle poverty on all fronts. We need to ensure that we get money to families, to ensure that people can be in work, and to ensure by means of active labour market policies that that work pays adequately. We need to support parents in their parenting role, and we need to deliver high-quality public services to improve children's lives in the short term and break the cycles of deprivation. All those policies are opposed by the Conservatives in their desire to cut the new deal and cut investment in public services. It is a tragedy for the nation that we cannot secure a consensus once and for all on tackling child poverty.

Dr. Vincent Cable (Twickenham) (LD): I acknowledge the priority that the Government have given to child poverty and the progress made towards reducing it, but in the light of the utterly chaotic introduction of the child tax credit last year, may we have an absolute guarantee that under the even more complex regime envisaged for this year—incorporating the child supplement to income support, for instance—hundreds of thousands of poor families will not once again find themselves plunged into poverty, either through non-payment or through demands for repayment of amounts that should not have been paid in the first place?

Dawn Primarolo: It is a shame that the hon. Gentleman did not take the opportunity to commit himself fully to the policies that the Government are pursuing to eradicate child poverty. He ought to look at the details of the introduction of the tax credit. It has proved a popular policy. The contribution made by the tax credit, and by the April increase, has been fundamental to lifting children out of poverty. As has been said outside the House,

"Following the increases in benefit and tax credit rates, severe hardship among in-work families almost vanished in two years"

—the two years to 2001.

That is to be celebrated. The hon. Gentleman should concentrate on ensuring that families know what they are entitled to and receive it, rather than trying to undermine their confidence in the system.

Mr. Tom Harris (Glasgow, Cathcart) (Lab): I stand here as a Member of Parliament who is proud to support a Government who maintain their commitment to eliminating child poverty within our lifetime, but has my right hon. Friend thought about the way in which we calculate child poverty levels? For example, if I win the national lottery on Saturday—as I fully intend to—the increase in my income will raise the threshold for the calculation, and more children below it will be deemed to be living in poverty. Is it possible for the Government to calculate in absolute rather than relative terms?

Dawn Primarolo: I congratulate my hon. Friend on the hard work that he undertakes in his constituency and in the House in drawing attention to the particular issues around child poverty. As he will know, the Government are well on course to achieving their target of reducing child poverty by a quarter by 2004, but he is quite right to identify the challenges for the medium and long term. To that end, the Government are introducing a series of three indicators, all of which will measure our progress on eradicating child poverty: an absolute low-income test, a relative low-income test and a test of material deprivation and relative low income. They will ensure that we have clarity and comprehensiveness in tackling the questions of child poverty. That means investment in tax credits, investment in public services, support for child care, support for training and a commitment to full employment—all policies that the Conservative Opposition do not support.

Trade Agreements (Poverty)

6. **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): What steps he is taking to reach further agreements on trade in order to tackle poverty in the world's poorest countries. [172715]

The Chancellor of the Exchequer (Mr. Gordon Brown): Following last year's setback at Cancun, Britain and the European Union are now considering new proposals to break the deadlock on trade negotiations, not least to tackle agricultural protectionism. I hope that our proposals will have the support of Members on both sides of the House.

Dr. Naysmith: I thank my right hon. Friend for that reply. He obviously agrees with me that a large part of the problem is due to agricultural protectionism around the world. That includes the common agricultural policy, for which we have at least some responsibility. What more can be done to effect change?

Mr. Brown: The Treasury, with the Department of Trade and Industry, will next week be publishing proposals on trade and a major study of the impact of trade on developing countries. My hon. Friend will, I think, be pleased that on 9 May the Commissioner in charge of trade, Pascal Lamy, published a letter outlining new proposals to deal with agricultural protectionism. He says in his letter that

"we have a historical opportunity for a breakthrough . . . it is clear that the objective of eliminating all forms of export support is one which is shared by the great majority of participants."

The European Union is moving to a position at which it will not only reduce agricultural subsidies that are trade distorting but, as part of the negotiations, remove export subsidies entirely. That is part of the pressure that the Secretary of State for Trade and Industry and others have been putting on the international community. I hope that everyone will welcome that.

Rev. Martin Smyth (Belfast, South) (UUP): Is the Chancellor prepared to say, apart from the advance on agricultural subsidies, whether there are any other areas in which we need to be more proactive to help world trade?

Mr. Brown: It is absolutely clear that there are two major areas on which resolution is needed in the trade

talks. The first is that which we have mentioned. The developing countries will not accept the continuation of a system of agricultural protectionism, by either Europe or America, which deprives people in Africa, for example—where three quarters of the population are on the land—of being able to sell their products or, indeed, survive on the land. The second area concerns what are called the Singapore conditions, and I am grateful to the hon. Gentleman for raising the question of how we must break the deadlock on those. It is clear that the four Singapore conditions cannot be accepted by all countries. I believe that the European Union will now withdraw at least three of those conditions, which should help to achieve a breakthrough.

It is in everyone's interest, when agricultural subsidies are $300 billion but overseas aid is only $50 billion, that we remove the worst of agricultural protectionism and, by changing the Singapore conditions, try to achieve a breakthrough on trade that is of the greatest benefit not to Europe and America—although they will benefit—but to the poorest countries in the world.

Mr. John McFall (Dumbarton) (Lab/Co-op): The Chancellor will be aware of last year's World Trade Organisation laws on intellectual property, which encouraged countries to relax their patenting laws on generic antiretroviral drugs, so as to tackle HIV/AIDS in the world's poorest countries. Will the United Kingdom Government follow Canada's sterling example by introducing legislation, thereby helping to attain our health and development goals while respecting the intellectual property rights of the pharmaceutical industry?

Mr. Brown: My hon. Friend takes a huge interest in these matters, and recently visited Africa, where he will have seen at first hand the problems arising from HIV/AIDS and the failure to tackle it. I met the Finance Minister of Canada and talked to him about the announcement that Canada made only a few weeks ago about intellectual property; we shall examine his proposals. At the same time, I was able to remind him that Canada might consider the proposal that we introduced in the Finance Bill—to give research and development tax credits for companies, even those outside the United Kingdom, that are developing and patenting drugs for conditions that are peculiar or specific to, or mainly found in, Africa and other such places. We are prepared to work with Canada on those issues. The most important thing to say is that the cost of the drugs is now coming down—but we must do more, through the global health fund, to get those costs down. Again, I hope that we can have all-party support on that matter, rather than suggestions for cuts in overseas development aid.

Miss Anne McIntosh (Vale of York) (Con): The Chancellor will be aware that many of the world's poorest countries are often riven with conflict; I am thinking of Afghanistan in particular. What progress is being made with his international partners in finding alternative crops to the traditional crop in such countries, the poppy?

Mr. Brown: It is clear—and we have discussed this with the Afghan Administration—that more of Afghanistan's income is coming from drugs and associated illegal activity than from any other commercial activity in the country. It is a condition of the support that we are giving that those in Afghanistan take action to destroy those crops. We shall continue to work with them to do so, but I think that the hon. Lady will understand that if we are to have any impact on the worldwide trafficking of drugs, that will demand action not simply in Afghanistan but right around the world. I know that there is all-party support for that.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I welcome the progress that seems to be being made at European level, but does the Chancellor agree that we need to work more internationally, particularly with the Americans, to ensure that the trade talks are a success? Can he give any indication of the timetable? As he rightly said earlier, some 6,000 children a day are dying in Africa, and the potential uplift from just 1 per cent. growth in world trade would far outweigh all the aid programmes, the international finance facility and much else. Can we move extremely quickly, because day by day, this is an urgent problem? Can he reassure us that even if the United States is dragging its feet, Europe can move forward?

Mr. Brown: I am grateful to my hon. Friend, who has chaired all-party committees on this subject in the House of Commons. At the last meeting of the International Monetary Fund only a few weeks ago, and at the G7 meeting, there was a declaration that there must be urgency in moving the trade talks forward. I can also tell my hon. Friend that Mr. Zoellick, the American negotiator, has been at meetings in Europe in the past few days, so that we can achieve that breakthrough. I believe that the significance of the Lamy letter on agricultural protectionism will be important in moving the talks forward, and we will do everything in our power, including the publication of our documentation next week, to move them forward. As for making more money available for Africa, I have drawn attention to what the Treasury has done to give extra support for drug research and development, and I should add that that will be carried forward by Her Majesty's Revenue and Customs, the new service, under its new chairman. Of course, the main hope is that, subject to all the conditions that have been laid down, we can persuade our partners that an international finance facility would not simply release just a few billions more in resources, but could front-load development aid by doubling the money available to halve poverty over the next few years.

Gershon Review

7. **Mr. Andrew Robathan** (Blaby) (Con): What discussions he has had with the Secretary of State for Health regarding the efficiency review being conducted by Sir Peter Gershon. [172716]

The Chief Secretary to the Treasury (Mr. Paul Boateng): Treasury Ministers meet their Department of Health counterparts frequently to discuss a range of issues, including the efficiency review. The Department

of Health is working closely with Sir Peter Gershon and his team to maximise the benefits of the efficiency review for front-line services.

Mr. Robathan: We have just heard a lot about the Government publishing things—but the Government commissioned this report. Why have they not published it, and when will they do so?

Mr. Boateng: The Government intend to ensure that in the course of the publication of the spending review, we see the results of the efficiency review in relation to each of the Departments concerned.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that Sir Peter Gershon's reports contain some hard targets that are difficult to meet, and will he look closely at the methods for calculating public sector efficiency and productivity? I am thinking in particular of the proposals of the Office for National Statistics, on which the Opposition have commented. Their perverse effect is such that, even if my right hon. Friend were to fan an epidemic throughout the country—I would not put such a task past his considerable powers—create a conflagration the size of the great fire of London, double class sizes and imprison half the population, he could show some remarkable increases in productivity on the basis of ONS procedures. Can we therefore hope that the reviews of Sir Peter Gershon and Sir Tony Atkinson will provide a much better basis for measuring efficiency and productivity, and put an end to the irresponsible exploitation of what are experimental figures—as the ONS itself describes them—by the Opposition?

Mr. Boateng: My hon. Friend makes a very good point—in his inimitable way. He is absolutely right: the current productivity measures give a distorted picture, which is why we welcome the decision of the national statistician and Registrar General to ask Tony Atkinson to develop better measures of public sector productivity. We look forward to the involvement of Front-Bench spokespersons from all parts of the House in ensuring that we get a productivity measure on which we can agree.

Mr. Howard Flight (Arundel and South Downs) (Con): No tangible efficiency savings have been announced in health or education; Home Office staff numbers have grown so much that they cannot fit into the new office; the Minister for Local and Regional Government is backtracking on Gershon procurement and back-office savings; Treasury administrative costs are up by 16 per cent.; and the Prime Minister was wrong about UK administrative costs, which are up by 8.5 per cent. as a percentage of total spending. Are the Government serious about Gershon, or is the £20 billion-worth of savings just smoke and mirrors?

Mr. Boateng: I recommend that the hon. Gentleman try the alternative remedy of some camomile tea. As he knows very well, there is no backtracking but an absolute commitment to maximising the benefits of the efficiency review to front-line services. That is why, not least in relation to the Department of Health, the concentration is on procurement, making better use of professionals' time and ensuring that the IT programme delivers real benefits to patients. But we all know what the hon. Gentleman really feels about public sector workers, because he shared that view with us in one of his occasional missives. He said:

> "The whole mentality in the public sector then and now is to do as little as you can."

That is how Opposition Members view the public sector. We seek efficiency and gains for the front line; they would undermine, cut and privatise.

International Aid

8. **Mr. David Stewart** (Inverness, East, Nairn and Lochaber) (Lab): What plans he has to increase expenditure on international aid in the coming spending round; and if he will make a statement. [172717]

The Chancellor of the Exchequer (Mr. Gordon Brown): UK development aid has doubled since 1997. It has risen from £2 billion to more than £4 billion, and will rise from 0.26 per cent. of gross domestic product to 0.4 per cent. by the end of the spending round. As I announced in the Budget, we will not cut aid in the new spending round, but will continue to increase the resources that we give to the poorest countries.

Mr. Stewart: Will my right hon. Friend reassure the 700 young constituents whom I recently met at Culloden academy, Inverness, and who called for an end to child poverty throughout the world, that this Government are committed to increasing international aid and to meeting their millennium goals?

Mr. Brown: I am grateful to my hon. Friend, whose interest in this issue has been shown not just in Parliament, but in the campaigns that he has run in his own constituency. I can assure him that our commitment is that every child be given the chance of primary education, and that that goal be achieved over the next 10 years, with 120 million children who do not receive education being given that education as a result of our proposals. Our commitment is to cut by two thirds child and maternal mortality, and to halve poverty over the next few years. We will do that best by the world coming together to make resources available. In our view, that will be best achieved through the international finance facility, and we are ready to talk with all our international partners about how we can tackle poverty in the poorest countries by increasing the resources that the richest countries give.

Mr. Mark Field (Cities of London and Westminster) (Con): In addition to increasing international aid, the Chancellor will surely appreciate that it is important to target it, particularly in sub-Saharan Africa. What steps has he taken to ensure that we root out corruption? Clearly, it is a major problem that much international aid goes to several war-torn sub-Saharan countries, so what steps has he taken to ensure that we target international aid money to best effect?

Mr. Brown: As I said just a few minutes ago, the protocol signed with Ethiopia made it a requirement that, before further aid would be given, the country had to sort out human rights issues, problems of corruption

and the misuse of resources. Also, under measures agreed with the IMF, two centres have been set up in Africa to advise on the proper preparations of fiscal and monetary policy, which the hon. Gentleman would accept is important. It is a condition of the international finance facility and, indeed, the Monterrey consensus, that countries receive the proposed development aid only if they show that they are tackling problems of corruption, lack of transparency and those associated with fiscal and monetary stability as well as opening up to trade and investment.

At the same time, we want to encourage the better use of aid. We should remember that aid to sub-Saharan Africa has been cut from the rate of $33 per person 20 years ago to only $20 per person today—a savage halving of aid at a time when needs have become even greater. We have not only untied aid, but, for the first time, $1 billion of aid is going directly to Africa and to the projects that the hon. Gentleman would support—in health and education.

Diana Organ (Forest of Dean) (Lab): If the Government are proposing to provide future aid through the international finance facility, does my right hon. Friend agree that, in order to prevent aid flows from falling after 2015, when the millennium development goals are due to be met, the Government must make a clear commitment to reach and maintain an aid budget of 0.7 per cent. of the UK's gross national income?

Mr. Brown: I know that my hon. Friend has taken a big interest in this matter. I can reassure her that we are committed to reaching that 0.7 per cent. target. We will announce in the next spending round what we can do in the next few years. I have to tell my hon. Friend, however, that even if we reached that 0.7 per cent. target tomorrow, the amount of resources created for the international community would be about £3 billion. The additional resources created by front-loading aid under our proposals could, if the whole international community came together, amount not to £3 billion, but $50 billion.

Given the scale of the problem and the ambition of our proposal, the best way forward is to persuade countries effectively to double their aid while at the same time subscribing to a long-term and predictable flow of aid. That is the best means by which we can encourage the poorer countries to invest where they should be investing—not in military arms, but in health, education and anti-poverty programmes.

Civil Servants (Relocation)

9. **Paul Farrelly** (Newcastle-under-Lyme) (Lab): What progress is being made in the transfer of Government jobs out of London and the south-east following the Lyons review. [172719]

The Chief Secretary to the Treasury (Mr. Paul Boateng): The Lyons report gives details of Departments' relocation plans, which are being taken forward and refined as part of the spending review. The Government will come forward with detailed proposals for implementing and monitoring the dispersal plans in the review.

Paul Farrelly: I thank my right hon. Friend for his reply and I thank the Chancellor for initiating the Lyons review. Years ago in north Staffordshire, pottery owners did not want new jobs or diversification, and they opposed the opening of a car factory because they did not want to pay car workers' wages. Does my right hon. Friend agree that moving Government jobs to the regions is not just about cost-cutting or taking advantage of what is already there, but about helping regeneration, diversification and assisting areas such as north Staffordshire to be ambitious for their future?

Mr. Boateng: I would certainly agree with my hon. Friend that Sir Michael Lyons's proposals and report contain real opportunities for the regeneration of his constituency, and, indeed, many others throughout the country. Sir Michael Lyons concluded that the concentration of national public sector activity in and around London was, in fact, not consistent with the objectives that my hon. Friend outlined. I am glad that he welcomes Sir Michael's report.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): As the Chief Secretary makes clear, this important report by my constituent Sir Michael Lyons presents an unanswerable case for moving decision-makers and decisions out of London. Will the right hon. Gentleman accept that there is an enormously strong geographical and cost case for moving them to Britain's second city, Birmingham?

Mr. Boateng: I am not getting into the business of selecting cities, although I might wish to assist the hon. Gentleman with his canvassing in that respect at least. However, I assure him that all Departments will put forward their proposals when making their spending review submissions. The criteria that Sir Michael Lyons's report provides will be borne in mind, and considered in the context of operational requirements. I can promise the hon. Gentleman, and all my hon. Friends, that, when we reflect on spending review submissions, we will look very hard for clear evidence that each Department has taken to heart the lessons that Sir Michael has taught us.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Will my right hon. Friend assure me that the relocation of jobs to Liverpool under the Lyons review will compensate for the threatened loss of current civil service jobs there, and that it will also address the north-south divide? How many new jobs will Liverpool receive under the plan by 2008, when it becomes European capital of culture?

Mr. Boateng: My hon. Friend knows that Liverpool is already receiving a number of new jobs, by way of foreign direct investment and, as she was kind enough to acknowledge, through the award to it of the status of European capital of culture, for which I know that she and other hon. Members with Liverpool constituencies fought very hard. My hon. Friend can therefore be sure that employment in Liverpool will continue to grow. Depending on departmental requirements, the city may also receive some additional extra jobs in this relocation.

Adam Price (East Carmarthen and Dinefwr) (PC): In his recommendations, Sir Michael says that Departments should implement their relocation plans

alongside efforts to introduce locally flexible pay in the public sector, and that any failure to do so would limit efficiency gains accruing from the dispersal of jobs. Does the Chief Secretary agree with that recommendation? How far advanced are plans to introduce local pay in the public sector?

Mr. Boateng: No, I do not agree with that recommendation—far from it. The Government support fair systems of pay that are backed up by tax credits and—above all—the minimum wage. The latter is something that many Opposition Members opposed tooth and nail.

Mr. Graham Stringer (Manchester, Blackley) (Lab): The White Paper "Your Region, Your Choice" contains a fascinating table that shows the regional distribution of civil servants around England during the first four years of this Government. In that period, 2,500 extra civil service jobs were created in London, but there was a decrease in such jobs in the north-west. I am not convinced that we needed the Lyons review: if it is possible to create extra jobs in London, it should be just as possible to move officials and civil servants out of the capital. We should do that as quickly as possible, as that would benefit the overheated economy in London and the structure of the economy in the regions. Will my right hon. Friend assure me that civil servants will be moved out of London, quickly and effectively, and that some of the jobs will go to Manchester?

Mr. Boateng: My hon. Friend has done more than anyone to ensure that Manchester is a magnet for jobs, in both public and private sectors. I can certainly assure him that the Lyons review provides a sound evidence base on which Departments can make the decision that we will require of them—that is, to relocate a number of their workers outside London and the south-east. That is something to which individual Secretaries of State, and the Government, are committed. I urge my hon. Friend to accept that the great value of the Lyons review is that it provides a sound evidence base for that policy.

Waste Management

10. **Norman Baker** (Lewes) (LD): When he expects to publish his analysis of use of economic instruments in relation to waste generation. [172720]

The Economic Secretary to the Treasury (John Healey): The first stage of the review of environmental and health effects of waste management was published last week. The second stage will be published shortly. Together these reports will help inform the development of policy and the much wider debate on the future of waste management. Any decisions on tax, however, will be made by the Chancellor in the usual Budget cycle.

Norman Baker: I am grateful to the Minister for his answer. I endorse the Government's waste hierarchy, with minimisation at the top, followed by reuse and recycling, and incineration and landfill beneath. Does he accept, however, that the economic signals in place do not deliver that hierarchy? Does he accept in particular that he needs to incentivise minimisation, reuse and recycling, because if he does not we will end up with a chain of incinerators up and down the country?

John Healey: No, I do not accept that the policies are not in place. They range from public spending to regulation, instruments of taxation and trading allowances, which come on stream next month. The polices are encouraging the very waste hierarchy that the hon. Gentleman talks about, which is essentially reducing the production of waste and increasing rates of recycling and reuse. Surely he must welcome the fact that the rates of recycling and composting from household waste are on target—we met the targets we set in 2002 and are expected to meet the targets we set in 2003. I would have thought that he and the whole House would welcome the efforts that are being made, especially by local authorities, which play such an important part in waste management.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My hon. Friend will know that his comments will be welcomed by hon. Members who care about the environment. He should also be aware, however, that most of us know that the landfill tax money is building up. The Government have a rather bureaucratic response to how they disburse those moneys. Is not it nonsense, when the Environment Agency is starved of funds and cannot fully carry out its functions as a regulator, that that money is locked up somewhere in the Treasury?

John Healey: I hesitate to reply because my hon. Friend is a recognised expert on the subject in the House and well connected outside with the industry, so he speaks with a great deal of authority. However, I do not accept his argument that the increasing resources that we are putting into waste management are locked up in bureaucracy. As he well knows, because we have discussed it, we altered the landfill tax credit scheme precisely so that the money from the increase in receipts from the landfill tax would be put to more strategic use in waste management. The evidence is that that is having an effect. I also remind him that the coffers from the landfill tax are not yet swelling in the way that he suggests, but it is true that we will raise the rate of landfill tax from April next year not by £1 a tonne, which we have done in the past, but by £3 a tonne. That will play an important part in helping us to meet our targets.

Football Supporters' Trusts

11. **Andy Burnham** (Leigh) (Lab): What progress he has made on developing fiscal incentives to aid the growth of football supporters' trusts. [172721]

The Paymaster General (Dawn Primarolo): As announced in the 2004 Budget, under the review into the Inland Revenue treatment of football supporters' trusts announced in the 2003 pre-Budget report, the Government are currently examining how best to assist trusts in their valuable work in the local community, by maximising the benefits they receive from the

contributions of their members. I know that my hon. Friend is very involved in the work of the trusts, and I thank him for his substantial contribution to the review.

Andy Burnham: I declare an interest as unpaid chair of Supporters Direct.

I thank the Paymaster General for her reply and for the commitment that she and the Chancellor have shown to helping supporters' trusts. Does she agree that in troubled times for football, one thing that has given cause for hope in recent years is the emergence of 112 supporters' trusts in England and Wales, which are not-for-profit and democratic? They have shown that there is a better way to run football clubs than the failed public limited companies and private models. In advance of the new season, will she give supporters renewed hope by creating the real incentive of an even playing field in football that is in favour of mutual ownership?

Dawn Primarolo: Football supporters' trusts play a very valuable role in giving football fans a voice in the running of their clubs within the community, especially when clubs find themselves in financial difficulties. My hon. Friend will know that the matter is complex; the issues need to be dealt with by the Inland Revenue review and all the possibilities considered. I understand that the all-party football group has also submitted evidence. Once we have considered all those issues, we need to take them forward. I certainly concur with my hon. Friend's view that it is important to ensure that football supporters' trusts are supported and enabled to contribute to their local communities, and that the Government address how we can assist them in that task.

Petrol Prices

12. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What assessment he has made of the impact of increasing petrol fuel prices on the economies of rural areas. [172722]

The Economic Secretary to the Treasury (John Healey): When making Budget decisions, all relevant economic, social and environmental factors are of course taken into account.

Mr. Carmichael: In my constituency, we are paying at least 10p per litre, and sometimes 15p per litre, more for our petrol than people in mainland communities and that is a major barrier to the competitiveness of local businesses. Does the Minister think that is fair and, if not, what does he propose to do about it?

John Healey: We take very seriously concerns about duty levels and we are also seriously concerned about world oil prices at present. We are working through the European Union—my right hon. Friend the Chancellor raised the matter this week—and through the G7 with the OPEC nations, as they seek to lower world oil prices in a controlled and stable way. The issue is much wider than simply UK duties, but we keep those closely under review. As the hon. Gentleman knows, the normal, annual revalorisation of fuel duty announced in the Budget has been approved by the House, and I remind him that since 2000 the main duty rate for motorists and hauliers has in fact fallen by 6½p per litre.

Business of the House

12.31 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Mr. Peter Hain): The business for next week will be as follows:

MONDAY 17 MAY—Opposition Day [11th Allotted Day]. There will be a debate on the security situation in Iraq, followed by a debate on local government finance. Both debates are on a motion in the name of the Liberal Democrats.

TUESDAY 18 MAY—Progress on remaining stages of the Pensions Bill (Day One).

WEDNESDAY 19 MAY—Progress on remaining stages of the Pensions Bill (Day Two).

THURSDAY 20 MAY—Conclusion of remaining stages of the Pensions Bill (Day Three).

FRIDAY 21 MAY—Private Members Bills.

The provisional business for the following week will be:

MONDAY 24 MAY—Remaining stages of the Civil Contingencies Bill.

TUESDAY 25 MAY—Remaining stages of the Gender Recognition Bill *[Lords]*.

WEDNESDAY 26 MAY—Opposition Day [12th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 27 MAY—Motion on the Whitsun recess Adjournment.

Mr. Heald: I thank the Leader of the House for the business and I should like to raise two issues.

Next week, the main business is the Pensions Bill. The all-party new clause 3 would compensate the 60,000 workers who lost their pensions after their companies went bust, and the Leader of the House knows the distress that those people have suffered. He will also know that I, my hon. Friend the Member for Eastbourne (Mr. Waterson) and Members on both sides of the House have campaigned on the issue. In fact, I led a debate on it in January 2003. According to *The Times* today, the Prime Minister intends to offer compensation. Can we expect a full oral statement? Will the Leader of the House comment on the very careful words that the Prime Minister used yesterday about people who had no choice about joining occupational schemes? It would be disappointing if that compensation applied only to those who had joined schemes before 1988.

I have some further questions on the Pensions Bill. We have three days next week to consider more than 100 Government amendments to the Bill and many new clauses. Why have they not yet been tabled? How are Members to consider them properly with so little time to prepare? When will they be tabled? Tomorrow? What about all the organisations outside this place which take a particular interest in pensions issues?

On Iraq, although it is welcome that the Liberal Democrats have half a day on the security situation, surely we need a full-day debate urgently in Government time. There are many questions unanswered. Did the Government make representations to the Americans about the rules of detention and interrogation, and if not, why not? Why was the Red Cross report with the Government for two months, but no Minister admits to being shown it? Surely, systems should be in place to ensure that an important document reaches the top, and if not, why not? Why was there no full communication between the Prime Minister, his envoy's office, the Foreign Office and the Ministry of Defence?

There are now only 48 days left before the handover of power. We want to know whether there will be further British troop deployments. To whom will the handover be made? What powers will the Iraqis have over coalition forces? Does the Leader of the House accept that there is a lack of confidence in the Government's approach, partly because of a seeming lack of planning for the peace, partly because of the appalling revelations about the mistreatment of detainees, and also because people question the basic competence of the Government? It is important that the Government explain their position. In fact, the Foreign Secretary said as much on Tuesday:

"I am happy . . . for there to be a debate on Iraq . . . it is important that I should come to the House and that the Government's position should be properly explained."—[*Official Report*, 11 May 2004; Vol. 421, c. 150.]

When can we have a full-day debate, in Government time, on Iraq?

Mr. Hain: First, on pensions, the hon. Gentleman knows that three days have been allocated to the Pensions Bill, which is a lot of time. I agree with him in respect of the ASW workers and many others like them—they have been robbed of their pensions. That is absolutely disgraceful and unacceptable. Indeed, when I was talking to many of them on Monday in Cardiff, on a visit as Secretary of State for Wales, I made it clear that I thought it was a scandal and that it ought to be dealt with.

The Government are well aware that there is all-party concern. The relevant Cardiff MPs in respect of ASW have been campaigning consistently, and my hon. Friend the Member for Cardiff, West (Kevin Brennan) deserves a great deal of credit for that. The Government are determined to resolve the issue in a way that does not provide a read-across to possibly billions of pounds falling on the taxpayer from other claims that do not fall into that category, where workers have been robbed of their pensions, to which they had contributed over many years—perhaps 28 years, as one worker told me on Monday. That is just unacceptable—after all, pensions are deferred wages—so we are determined to resolve the issue, and when we are ready to do so an announcement will be made. As for the hon. Gentleman's request for a full oral statement, there will be three days of debate on the Pensions Bill. There will be plenty of time in which the Secretary of State for Work and Pensions and Ministers can explain how the Government are proceeding on this matter.

I understand the hon. Gentleman's point about 100 Government amendments. The Government are always anxious to provide proper time for Government amendments to be considered. This is a hugely complex issue and I am sure that he will agree that the priority is

[Mr. Hain]

to get it absolutely right. We are responding to a number of issues that were quite properly raised in Committee, to ensure that the Bill is sound and improved.

On Iraq, the hon. Gentleman asks for a full-day debate in Government time. There will be a half-day debate, provided by the Liberal Democrats, as I have announced, on Monday. I should have thought that that would take us further. The Secretary of State for Defence made a statement on Monday, the Minister with responsibility for the armed forces is appearing immediately after these business questions. There has also been plenty of opportunity to question Ministers on Iraq for many months.

The hon. Gentleman refers to the handover. I am sure that he will want to support the Government and the coalition in ensuring that the handover goes as smoothly as possible, because it is absolutely critical that the Iraqi governing council is able to take whatever steps it can to establish Iraqi control and Iraqi rule over the whole of Iraq, which will lead to elections and a proper Government being established. It would be far more important and far more legitimate if the hon. Gentleman and his colleagues, instead of trying to score all sorts of points, backed British forces in Iraq and backed the very difficult job that the Government are doing with our coalition partners to establish stability and security in Iraq, and to enable the Iraqis, for the very first time for a generation at least, to govern themselves free from fear and insecurity, with their democratic rights underpinned.

Mr. Brian Jenkins (Tamworth) (Lab): Does my right hon. Friend share with many other people and me a slight suspicion that the oil companies may be operating like a cartel? The price of crude oil has risen and the price at petrol stations is a multiple of that. How can the oil companies justify their actions, as last year they enjoyed excessive profits? The only reason I can think of for increasing the price is the increased cost of transporting fuel to petrol stations. Could we have a short debate to allow the relevant Department to assess the oil companies' position and allay the suspicions that they are ripping off the British motorist?

Mr. Hain: My hon. Friend has expressed concerns that are probably shared across the House. For all our constituents it is imperative that the global pressures to raise oil prices, which originate from various sources, including the enormous quantities of oil sucked in by China, do not impinge on motorists in a discriminatory way. That is the key thing. If excess profits are made as a result of that sudden hike, it is important that motorists do not bear the cost.

Mr. Paul Tyler (North Cornwall) (LD): Reverting to Iraq, can the Leader of the House confirm that it will be a Cabinet Minister who responds to our debate on Monday so that, at long last, we can clear up the many confusions that have arisen in the House over the past few days, not least responses in Prime Minister's questions yesterday to questions from my right hon. and hon. Friends? Can we be sure that the Foreign Secretary or the Defence Secretary will respond to that debate on Monday?

Will the Leader of the House make a statement and publish guidance on the most appropriate way of making Government announcements, a subject which you, Mr. Speaker, hold dear? It is outrageous that ministerial attitudes towards statements are becoming increasingly sloppy. For example, last night there was a tiny written statement by a junior Home Office Minister on the control of firearms and gun crime—an extremely important issue, as I am sure all Members agree. At the same time however, there was an extensive media briefing, which was not made available to Members of Parliament and could not be questioned or challenged. Indeed, that media briefing, by ruling out the possibility of a ban on imitation and replica firearms, contradicted the consultation paper, which left that as an open question to which we require answers.

The Leader of the House may have seen comments in the press about those issues, but we have not been asked to comment and have not been given a chance to challenge Ministers. Can he give us an absolute undertaking that he will look at the issue and see whether there should be better guidance to his Government colleagues about the appropriate way of making statements to the House? Surely, we need a proper opportunity to challenge Ministers. Would he look at that again and make a statement? He is, after all, our only representative in Government, standing up for Members of Parliament, particularly Back Benchers, on such issues.

Mr. Hain: I appreciate the point made by the hon. Gentleman. My ministerial role as Leader of the House is to represent the whole Commons, not just the Cabinet. I discharge that duty, as he knows, very diligently. On the question of Government announcements and guidelines that may or may not be published, we all share concern that information, particularly new information indicating a change of policy, is heard by the House before anybody else. In today's 24-hour news agenda, that is often difficult, but we try our best.

As for the worrying issue of gun crime—on which we are seeking to bear down—the hon. Gentleman may inadvertently have misrepresented the position of Home Office Ministers. We have issued a consultation document, which has been made available to Members and others so that they can express their point of view. This is a highly complex matter—firearms legislation needs to be modernised, and the consultation document provides an opportunity to ensure that the regulatory framework is robust and prevents guns from getting into the wrong hands, while at the same time allowing legitimate shooters to pursue their sport without danger to public safety. That is what we are grappling with. The hon. Gentleman's views would be welcome, as would be those of other hon. Members.

On Iraq, I learned only today the topic of the motion that the Liberal Democrats are tabling on Iraq, so the hon. Gentleman will not be surprised to know that we have not managed to allocate ministerial responsibilities, but I shall bear his point in mind.

David Winnick (Walsall, North) (Lab): It looks as though it will be a good week for our constituents with regard to pensions. Will my right hon. Friend bear in mind the deep unease that continues to exist over the

sickening abuses of detainees in Iraq? For someone who has not the slightest intention of apologising for supporting action to destroy Saddam's tyranny, it is alarming not only that the abuses continued to occur, but that we had little or no knowledge of them. Therefore, despite the statement earlier this week from the Defence Secretary and the debate on Monday, will my right hon. Friend please make sure that as much information as possible is given about how it was possible for such abuses to occur? I refer particularly to those committed by the Americans, who are the most guilty of all—but apparently, whether the photographs in the *Daily Mirror* were fake or not, abuses by British soldiers did occur. We want to know the truth, and we want to know what is being done to bring the culprits to justice.

Mr. Hain: That question, coming from my hon. Friend especially, who has maintained a steadfast position in support of the Government on Iraq, deserves to be listened to closely. He makes his point well and I agree with him. Some of the reports of abuses, especially by American forces, have been not just sickening, but disgraceful and unacceptable, and in defiance of the Geneva convention and other international rules of behaviour. It is right that those abuses have been condemned by Government Ministers on both sides of the Atlantic. We are working to make sure that they do not happen on the British side, and I am sure the American Government are doing likewise in respect of their troops. On BBC television last night, I saw some reports from senators, coming out of the hearings, about the new photographs that they had seen. They are horrifying and it is a total stain on the coalition. The sooner the abuses are brought under control and eradicated, the better. Then we can move forward, as my hon. Friend said.

Mr. Roger Gale (North Thanet) (Con): The shambles that passes for the Government's asylum and immigration policy was exacerbated on 1 May when a significant number of people—asylum claimants from countries that are now members of the European Union—found themselves citizens of the EU. The Home Office wrote to those people in April and told them that, with effect from 1 May, their benefits would stop, their housing benefit would stop, they would have to give up their flats or houses, and they would either have to return home or seek work. What is not clear is how they are to do that if the Home Office immigration and nationality department still has their passports. How are they to prove who they are? Could the Leader of the House prevail upon the Home Secretary to come to the House and clarify the position?

Mr. Hain: There is a serious point here—the problem of the worldwide movement of people on a massive and unprecedented scale, from which other countries across the rest of Europe are suffering, just as we are. We have put legislation in place—often, I might say, opposed by Conservative Members—in order to make sure that we tackle the problem. As a result, asylum applications have been halved and the number of returnees has doubled. We have got a grip on the situation. The hon. Gentleman says there is a shambles of a policy. As he uses that language, I can refer to the shambles of a policy that we inherited from the Conservative Government, which was virtually an open door to illegal asylum seeking. We have got a grip on that, we are driving it down and, in the face of the most massive movement of people across the globe, we are putting in place the measures to stop that happening. We are ensuring that only legal migration can occur.

Mrs. Ann Cryer (Keighley) (Lab): May we have a short debate to give publicity to the fact that Bradford district, including my constituency, is piloting the extended school scheme, which will give parents, particularly single parents, the ability to work, safe in the knowledge that their children are receiving high quality child care before school, after school and during the school holidays? Those are issues that deter parents from working. The scheme will reduce child poverty in the Bradford district and it will also almost certainly be opposed by the Conservative party.

Mr. Hain: I am sure that the Conservatives will oppose the scheme, not least because they could not afford it if their spending cuts plan was implemented. *[Interruption.]* They would have to oppose it as a result of the cuts that they plan to make immediately on coming into office—if, indeed, they ever do.

On the substance of the question, it is important that such extended school schemes are implemented because they give parents the opportunity to work—especially those on low incomes or those going into jobs on low incomes—knowing that their children are safe and secure and continuing their studies. I was heckled on the subject of cuts; it is the shadow Chancellor's expressed programme to cut non-school budgets in education and skills.

Sir George Young (North-West Hampshire) (Con): I invite the Leader of the House to reflect on his rather dismissive response to my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), who asked for a full-day's debate in Government time on Iraq. Of course we welcome a half-day Opposition debate on Monday, when two or three Opposition Back Benchers might get called, and of course we welcome the statements that have been made. But does he agree that these are no substitute for a balanced, measured full-day debate in Government time on an issue that is dominating political discussion at the moment? Will he give an undertaking that, before the end of June, the Government will provide a one-day debate in Government time on Iraq?

Mr. Hain: I will certainly look at that point because I understand the concerns expressed by the right hon. Gentleman, which are probably shared across the House. The shadow Leader of the House said much the same thing on Iraq. If we judge that such a debate is the right thing to do, we will have no hesitation in having it, and his request will be noted carefully. You will agree, Mr. Speaker, that, on a variety of occasions over the past year, the Government have come forward with statements and opportunities for debate. If we judge that another is needed, we will arrange it.

Mr. Dennis Skinner (Bolsover) (Lab): Is my right hon. Friend aware that if we get the proper amendment to the Pensions Bill next week, not only will it affect workers at

[Mr. Dennis Skinner]

ASW in Wales and Kent and at other places—including Anglo United in Bolsover—but he will not need to worry about getting additional support from the Tories in the Lobby? He can rest assured that there are enough of us on this side of the House who will give a great welcome to such an amendment because we have been fighting for one for so long, unlike the Johnny-come-latelies in the Conservative party who, were they in power, would not be able to pay for the amendment because of their cuts?

Mr. Hain: I agree with my hon. Friend. The Opposition cannot have it both ways. They cannot plan for cuts in public spending while expecting to fund every particular need that exists. My hon. Friend is right; the plight of the ASW workers is disgraceful—

Mr. Skinner: And the others?

Mr. Hain: I think that 60,000 are affected. Everyone in the House, including the Government, wants to deal with the problem and my hon. Friend's point has been noted. We in the Cabinet are only too well aware that there is an amendment that has a lot of support and we want to proceed on an all-party basis. To deal with the point made by the hon. Member for North-East Hertfordshire (Mr. Heald), a series of Government amendments are being tabled to the Pensions Bill today and I hope that his request will be satisfied in full.

Mr. Edward Garnier (Harborough) (Con): My constituents who worked for British United Shoe Machinery will have listened with interest to the exchange that the Leader of the House has just had with the hon. Member for Bolsover (Mr. Skinner), because they know that £500 million a year was taken out of the pensions system, thanks to the work of his right hon. Friend the Chancellor of the Exchequer.

May we have an opportunity, in Government time, to debate the aviation White Paper? This matter has been mentioned before, and it affects my constituents because of the uncontrolled expansion of East Midlands airport. The Government seem to be demonstrating a reckless complacency about the activities of the airport, which seems to be attempting to increase by many hundredfold the numbers of flights going into and out of it. We learn about the increases by stealth. A Government Minister ought to get a grip on the issue and I urge the Leader—he has responded sympathetically to me in the past about this, for which I am grateful—to invite his colleagues from the Department for Transport to get a grip on the stealth-like expansion of East Midlands airport.

Mr. Hain: I acknowledge that the hon. and learned Gentleman has raised the issue before, as he was kind enough to remind us, and he is concerned about it. The Secretary of State for Transport is well aware of his concerns, and when there is an opportunity to take forward the Government's policy on the aviation White Paper and the response to it—we are collating the responses to it, including, I hope, a response from the hon. and learned Gentleman—we will be in a position to do as he says and have a debate. On pensions, there is cross-party desire—Government and Opposition—to do something about the workers in this difficult position. [HON. MEMBERS: "When?"] I am getting another heckle from the Back Benches. It will be done when it can be done in a way that gives proper protection to the workers, but does not expose the taxpayer to potentially billions of pounds of claims from all sorts of schemes across the board. That is the issue, and a responsible Chancellor and Government are approaching it in a responsible way, while wishing all the time to protect the rights of the workers involved.

Llew Smith (Blaenau Gwent) (Lab): I am sure that the Leader of the House, in his other role as Secretary of State for Wales, will have read early-day motion 1170 regarding the financing of further education in Wales.

[That this House welcomes the record-breaking monies provided by the UK Labour Government to the Welsh Assembly; notes with concern that Welsh further education colleges are facing an estimated deficit of more than £3 million this financial year, including £660,000 for Coleg Gwent which cannot protect jobs without extra money; further notes that 45 lecturers and technicians at Coleg Gwent will be made redundant and that college departments in some of the most deprived areas will be closed and transferred to other campuses; recognises that the poor state of public transport in the area will make it difficult for students to be able to attend at other college campuses; further recognises that the situation will get much worse unless Education and Learning Wales (ELWa), which has frozen core funding provision for further education in Wales, reviews next year's budget with the aim to fund for growth in student numbers; believes that in this context the threat to access to further education in Wales is created by the Assembly and the quango, ELWa; recalls the commitment to make a bonfire of these bodies in Wales; demand the Assembly carry out this commitment; believes that the management structure of the further education colleges be reviewed and that decisions over the functions and funding of further education in Wales be taken by directly-elected representatives; and calls on the First Minister, the Secretary for Education and Lifelong Learning in the National Assembly for Wales and the Secretary of State for Wales to intervene to protect jobs, courses and campuses.]

Further education colleges are now facing a debt of £3.5 million, and my own, Coleg Gwent, has been left with a debt of £660,000 by the previous chief executive. The Leader of the House will be aware that redundancies at Coleg Gwent have just been announced and that departments have been closed and transferred to other parts of the old county of Gwent. Is it possible to have a debate on this issue? My community has the highest levels of unemployment and the most deprivation, and has lost a significant proportion of its manufacturing base in the last couple of years. It is now faced with the closure of the engineering department at its main further education college. That is unacceptable, as is the closure and transfer of other departments, such as catering, and other courses.

Mr. Hain: My hon. Friend is right to raise an issue of importance to his constituency and to the whole of Gwent. He raised it with me yesterday and, as a result, I have been in touch with the National Assembly. I am

astonished that the situation has occurred because the Government have been injecting hundreds of millions of pounds into further education colleges, not just in Wales but across the country. That ought to enable colleges to expand, as many are doing. In my constituency on Friday, I opened a new £6.5 million electronic learning centre, and such things are going on right across the country as we raise skills levels. It is surprising that the predicament that my hon. Friend describes has occurred.

Pete Wishart (North Tayside) (SNP): Could we have a statement about the claims made by Martin Sixsmith in last Sunday's *The Sunday Times*, namely, that the Government changed the competition policy to save the Govan shipyard because they were running scared of the SNP? Is not the lesson from this that if new Labour is only prepared to take action to protect Scottish interests because of the SNP, the Scottish people should crank that pressure right up in the June European election?

Mr. Hain: I understand that Mr. Sixsmith has written a novel.

Mr. Skinner: He's bought a big new house as well.

Mr. Hain: I do not know about the big new house.

I am advised that regulatory scrutiny was carried out as normal for this case and that competition policy was not reversed, as has been alleged. Remedies to competition concerns identified were obtained before the decision was made by the Secretary of State and announced in the normal way.

David Wright (Telford) (Lab): Can we have a major debate in the House on Sure Start? It has recently been announced that Telford will get £8.9 million of investment in Sure Start between 2004 and 2006, but there is deep concern that the Conservatives do not support the programme and that it would be cut if they were returned to power.

Mr. Hain: Sure Start programmes play a vital role, including in my hon. Friend's communities and across the country. Not only do we not want to them to be cut, which would be the result of the Opposition's policy: we want them to expand. Surely the most deprived people in the country, many of them young children in vulnerable families, should be given more and more support and investment.

Mr. Andrew Rosindell (Romford) (Con): Will the Leader of the House ask the Secretary of State for Transport to give an urgent statement to clarify the Government's policy on the proposed Crossrail project, which is likely to have a big impact on Romford, and particularly on the people living in the Crowlands and Rush Green areas, who will be blighted by a huge depot that will be erected very close to residential areas? He will not be aware of it, but yesterday evening, the central Romford community area committee held a very large meeting, which 300 people attended. They were very angry about what is going to happen, and we hope that the Government will make a clear statement on the matter at the earliest opportunity, so that the people of my constituency know exactly where they stand.

Mr. Hain: The people of the hon. Gentleman's constituency are entitled to know where they stand. Obviously, the fact that a public meeting on such a scale was held last night is an important development. My right hon. Friend the Secretary of State for Transport will want to note the hon. Gentleman's concerns very carefully, and his raising them in the House will ensure that that happens.

Keith Vaz (Leicester, East) (Lab): Could we have a debate as soon as possible in Government time on the Government's proposals for a new equality and human rights commission? Does my right hon. Friend share my concern that the Secretary of State for Trade and Industry—a Minister whom I admire greatly—chose to announce the proposals at a press conference yesterday rather than by way of a statement to the House? Is he also aware of the concerns of groups such as the 1990 Trust, which believes that the abolition of the Commission for Racial Equality, which is inherent in the proposals, will marginalise the race issue?

Mr. Hain: I am aware of those concerns, and my hon. Friend is certainly aware of them, but he will also understand that the objective is to mainstream equality issues, whether they are about women's equality, racial equality or equality for people with disabilities, rather than separate them. That is the objective. I understand that such change is always difficult and that when old institutions are abolished and new ones are introduced, there will always be a process of churning and uncertainty. None the less, I think that he would support the objective of getting equality and human rights mainstreamed across society, which we must all share.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Now that we have winkled out of the Leader of the House the fact that the mysterious 100 amendments to the Pensions Bill are finally going to be tabled today—I suppose he thinks we are going to be cringingly grateful, but I should think we are all appalled—will he consider the impact that my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) mentioned earlier? The many groups with a legitimate interest in this complex and important matter now have barely two or three days, even including the weekend, to consider their proper response to what the Government are saying, and hon. Members may also want to respond with other amendments, yet the Leader of the House is telling us that the House will be forced to consider the measure as early as next Tuesday. Will he consider postponing consideration of the Pensions Bill altogether, so that Members of Parliament and interest groups can have a proper amount of time to consider what is going on, instead of seeing it railroaded through by an obviously ashamed Government?

Mr. Hain: I miss the right hon. Gentleman's rhetoric from the Front Bench, although it is enjoyable from the Back Benches. He said that the information had been "winkled out", but I was asked a question by the shadow Leader of the House and I answered it, telling him that the amendments would be tabled today. As to the claim

[Mr. Hain]

that there is not enough time, three days have been allocated, which is a pretty well unprecedented amount for a Report stage.

The Deputy Leader of the House of Commons (Mr. Phil Woolas): They asked for two days.

Mr. Hain: As my hon. Friend reminds us, the Opposition only asked for two days, but we have given them three. That does not sound like winkling out to me; it sounds like being on the front foot. I hope, by the way, that the right hon. Gentleman will support the Bill and the new pension protection fund—*[Interruption.]* We are asked to wait and see. Are the Opposition going to protect the pensions of workers, which were so shamefully neglected in the 1980s and 1990s? We are introducing legislation to provide that extra protection.

Mr. David Borrow (South Ribble) (Lab): Will my right hon. Friend find time for a debate on the Sir Nigel Crisp report on the NHS? The NHS remains very near the top of the public's agenda, and while they often praise local NHS services, they also often have a perception that the NHS generally is not doing very well. The report produced by Sir Nigel demonstrates the opposite and suggests that the NHS is doing very well indeed. Surely, such a debate would be a great advantage.

Mr. Hain: Indeed. It is extremely important that Sir Nigel, who is the chief executive of the NHS, is not a politician, but a public servant—*[Interruption.]* He is telling it as it is, and he says clearly that things are improving and that the maximum waiting time for an operation is down to nine months—*[Interruption.]* That is half the level under the Conservatives, who are now heckling me. He says that things are improving all the time, with more nurses and doctors, and 167,000 more elective operations in hospital this year than last. *[Interruption.]* There have been year-on-year improvements, all because of record investment from this Government to improve our national health service, which was left in such a disgraceful state by the Conservatives who are now heckling me.

Angela Watkinson (Upminster) (Con): In the light of today's news that a 14-year-old child was helped to have an abortion without the knowledge of her parents, will the Leader of the House make time for an urgent debate on the respective roles of parents, schools, health professionals and organisations such as the Family Planning Association in giving advice on sexual health to minors?

Mr. Hain: I was very concerned to hear about that report. Obviously, it is for the authorities to act within the framework of the law and for Ministers to maintain a watchful eye on the matter, to ensure that it is resolved to the satisfaction of everybody concerned.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): Will my right hon. Friend look back at the early-day motion, then—numbered 308—that was tabled on 23 June 1992? Will my right hon. Friend also look back at the speech that I made from the Opposition Benches on 12 March 1997, and then contrast what he has seen with the statement made yesterday that pension problems have arisen under this Government? Does he agree with me, and indeed with the shadow Leader of the House, that the Prime Minister should be here to make a statement on these matters—so that we can see the Leader of the Opposition squirm?

Mr. Hain: I thought that the right hon. and learned Gentleman did that every Wednesday at Prime Minister's questions, but my hon. Friend's point is obviously very important, and it will repay further study.

Mr. Mark Francois (Rayleigh) (Con): Can we have a debate in Government time on the chaos in the postal system? Many of our constituents are now receiving their mail late in the afternoon or even in the evening, and many are now receiving other people's mail rather than their own. We have had a number of debates about post office closures in recent months, but we now need to talk about this matter as well. The Post Office is owned by the Government; there are serious problems within it; and this House needs to address those problems. Will the Government now give us an opportunity to debate it?

Mr. Hain: The Post Office is being turned around under this Government. Indeed, record investment is going in. I concede that the problems to which the hon. Gentleman refers are occurring on too great a scale, but I point out that Post Office staff are dedicated to improving the situation and that the Government are working with Royal Mail and supporting it in order to drive up quality. I know that the staff, including our local postmen and women, who support us all in our constituencies, want to see the problems resolved, as they are proud of the service that they offer to all of us.

John Cryer (Hornchurch) (Lab): Has my right hon. Friend seen early-day motion 1148, which stands in the name of my hon. Friend the Member for Dartford (Dr. Stoate) and is about the welcome progress that is being made in implementing the national service framework on the treatment of diabetes?

[That this House welcomes progress being made in implementing the National Service Framework on diabetes and achieving the goal of improved patient outcomes and its recognition that optimal control of blood sugar, as measured by a blood test called HbAlc, can reduce the incidence of serious and costly long-term complications, and its aim that HbAlc should be maintained at or below a target level of 7 per cent.; and calls on the Government to take steps to ensure that people with diabetes are made aware of the importance of treating to target for optimal and cost-effective diabetes management.]

Although the illness is very widespread, it is often hidden, so we need debate not only to give a voice to people who are suffering from diabetes, but to press the health service to ensure that such progress is continued and prosecuted.

Mr. Hain: Indeed. My hon. Friend can obviously apply to secure a debate, and I am glad that he has

drawn the House's attention to the matter. Progress towards the implementation of the national service framework for diabetes is gratifying.

Mr. Bill Wiggin (Leominster): Will the Leader of the House tell us why the sitting of the Welsh Grand Committee has been moved and now coincides with Welsh questions? Why is it acceptable and good management that the Pensions Bill will be debated for three days, after which time ASW workers will still not know what the future holds?

Mr. Hain: The Welsh Grand Committee does not coincide with Welsh questions and will be on a different day—it was moved from the original day at the request of the leader of Plaid Cymru. *[Interruption.]* We will debate the Pensions Bill, which is very important, for three days. We are rescuing pensioners from the shambles into which the Conservative Government plunged them during the 1980s and 1990s. I hope that the hon. Member for Leominster (Mr. Wiggin) supports the Government's new protection policies for pensioners, because pensioners deserve protection given that pensions are uncertain, right across the globe.

David Cairns (Greenock and Inverclyde) (Lab): May I draw my right hon. Friend's attention to early-day motion 1070, which outlines the dismal failings of Inverclyde council in the first 12 months of Liberal Democrat control?

[That this House notes that 1st May marks the first anniversary of the election of a Liberal Democrat Council in Inverclyde; further notes that in the past 12 months the council has systematically broken most of its election pledges, including those to keep open Wellington Academy, to find alternative funding for new schools, to deny tenants a vote on the future of council housing and to oppose salary increases for council officers; condemns their decision to cut school clothing grants to poor families, reduce funding to vital community groups and close public toilets; expresses astonishment that Liberal councillors now publicly admit that they did not think through the implications of their decisions to cut services while stashing millions of pounds away in a war chest; and regrets the combination of incompetence and arrogance that have become the hallmark of the council leadership, while letting down the people of Inverclyde.]

Since I tabled early-day motion 1070, the leader of the council has said that it is "ludicrous" to bring the issue to the House of Commons. Will the Leader of the House confirm that it is not only the right of Members of Parliament to raise such issues, but their duty? I would fail in my duty to my constituents if I did not point out the broken promises, incompetence and haemorrhaging of senior officers that has taken place in Inverclyde since the Liberal Democrats took over.

Mr. Hain: As Leader of the House, I can confirm that my hon. Friend is quite within his rights to raise those matters. Indeed, most hon. Members would agree that it is probably his duty to raise them, because we are all entitled to raise local constituency matters, if, like him, we are on the Back Benches. From what he has said, the leader of the council is out of order in seeking to muzzle him. I would have thought that his constituents want him to speak up for them, which he is doing.

Mr. Adrian Flook (Taunton) (Con): The Royal Marines of 40 Commando based in Taunton are currently preparing to return to Iraq—the last time they were there, they bravely liberated Basra. The Leader of the House may not know—although the Secretary of State for Defence will—that the return is earlier than planned. Will he ask the Secretary of State for Defence to come to this House sooner rather than later to confirm whether the Marines are replacing or supplementing existing troops?

Mr. Hain: The Royal Marines of 40 Commando have, as the hon. Gentleman says, given distinguished service, and we are grateful to them given the difficult circumstances in Iraq. My right hon. Friend the Minister of State, Ministry of Defence, will address the House after me, when the hon. Gentleman will have an opportunity to raise the matter.

Julie Morgan (Cardiff, North) (Lab): Will my right hon. Friend urge the Government to make a statement as soon as possible about ASW pensions? Many ASW workers are from Cardiff, and I was pleased when he spoke to them earlier in the week. Does he agree that next week's announcement of a pension protection fund is a result of the campaign by ASW workers and others, including my hon. Friend the Member for Cardiff, West (Kevin Brennan), who has led the campaign in this House? All those who have paid into a pension fund should benefit from the Government proposals. Will my right hon. Friend do his utmost to see that that happens?

Mr. Hain: First, I should make it clear that we have an hour of other business before the Minister of State, Ministry of Defence gets to his feet.

I applaud the campaign by the ASW workers in Cardiff, and the role that my hon. Friends the Members for Cardiff, North (Julie Morgan) and for Cardiff, West (Kevin Brennan) have played in championing their cause. Their persistence has ensured that we have left no stone unturned in seeking to resolve the problem satisfactorily, which we are determined to do if we can.

Rev. Martin Smyth (Belfast, South) (UUP): Will the Leader of the House have a chat with the Minister for Pensions on behalf of workers at Richardsons Fertilisers? When the Richardsons Fertilisers pension scheme was transferred, it was fully funded. The Dublin Government will fund the pensions of workers for firms in the Republic of Ireland that were linked to Richardsons Fertilisers, which leaves the Richardsons Fertilisers workers completely isolated. Will the Leader of the House examine the situation to see whether equity can prevail?

Mr. Hain: We all want equity to prevail, and the hon. Gentleman is right to call for it. The Minister concerned will want to study what the hon. Gentleman said very carefully.

Dr. Brian Iddon (Bolton, South-East) (Lab): I declare an interest as the unremunerated patron of the Society

[Dr. Brian Iddon]

of Registration Officers. Following last year's publication of "Civil Registration: Delivering Vital Change", which received a massive 3,400 responses, the Government are about to lay two regulatory reform orders before Parliament, which will result in the most radical changes to civil registration services since the 1830s. About a year ago, I asked my right hon. Friend to arrange a debate on civil registration services. That request was unsuccessful, so I repeat it today.

Mr. Hain: I am aware of my hon. Friend's role and that he secured a debate on the subject last June—he has been successful in securing debates on the subject since 1997, which it is proper for him to do. I note his request, but the Financial Secretary announced at the end of March that the Government will introduce the regulatory reform orders this side of the recess. When the orders have been laid, the Regulatory Reform Committee will consider them, and my hon. Friend might like to make representations to the Chairman of the Committee.

Mr. Desmond Swayne (New Forest, West) (Con): Can we have a debate on the Amnesty International report? I remember the tragic events on 21 August last year, when a young girl was killed, presumably by a stray round fired by one of our soldiers as a warning shot over the heads of rioting villagers. We are now being asked to believe that three of our soldiers got out of a Warrior vehicle, stood around until a crowd of children gathered, and then wantonly and deliberately killed one of them. That sort of nonsense must be exposed, and I suggest that a full debate is the way to do it. And notwithstanding what the Leader of the House said to my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) earlier and what the Prime Minister said yesterday, Conservative Members do not need lectures about supporting our troops in Iraq.

Mr. Hain: Nobody has given more support to our troops in Iraq than the hon. Gentleman, since he was one of them. On the incident that he describes, I tend to share his view. Two Ministers, the Minister of State, Ministry of Defence and the Secretary of State for Defence, have already made statements on the Red Cross report. This afternoon's debate is an opportunity to question the Minister of State, and the hon. Gentleman can undoubtedly take advantage of it.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): On Tuesday, the Housing Bill was on Report, where I raised the point that, given that the Government are regulating the buying and selling of houses through the home information pack, it is illogical not to regulate the people who are central to that process, namely estate agents. My right hon. Friend the Minister for Housing and Planning said that the Government are considering an Office of Fair Trading report and will deal with the potential licensing of estate agents. Will the Leader of the House assure me that when the Government have considered the OFT report, they will bring that important matter back to the House for full debate, consideration and decision? Buying and selling homes is one of the most important activities that millions of people perform each year, and many of those people will have been alarmed and concerned by the exposure of the worst estate agents' practices undertaken by the Consumers Association and the BBC. The matter is important, and I hope that the Leader of the House will bring it back to the House for full consideration.

Mr. Hain: My hon. Friend's points will certainly be considered, because they are important, and he is right that the buying and selling of homes affects millions of families across the country. Those families want to know that their rights are being protected, which is precisely what the Government seek to do, and we will draw on the OFT report in order to do that.

Mr. David Cameron (Witney) (Con): May I join the calls from both sides of the House for a full day's debate in Government time on Iraq and the Red Cross report? We now know for certain that no Minister saw the report for almost three months, which makes the matter even more important. Given the passionate and, I believe, entirely correct answer that the Leader of the House gave to the hon. Member for Walsall, North (David Winnick), does he think that Ministers should have seen the report earlier?

Mr. Hain: This matter has been dealt with by the Defence Secretary, by the Prime Minister and by others. I can only repeat what I have already said to the shadow Leader of the House and others: if there is a case and an opportunity for a full day's debate, there will be one. We have not been shy in coming to the Dispatch Box to answer questions on Iraq; indeed, the Defence Secretary did so on Monday and the Prime Minister did so yesterday. We are fully accountable on these matters, as we will continue to be.

Mr. Tom Harris (Glasgow, Cathcart) (Lab): Can my right hon. Friend tell the House how easy he finds it to locate a reliable, well trained plumber; and can we have a debate on the Floor of the House that will contrast this Government's support for the modern apprenticeship scheme with the failure of the previous Government adequately to train up a new generation of plumbers, joiners and electricians?

Mr. Hain: I find it relatively straightforward to find a good, well qualified plumber in Neath, but much more difficult in London. I imagine that that has been my hon. Friend's experience. That is one of the many reasons why we have massively increased the number of apprenticeships from the 75,800 that there were under the Conservative Government when we came into power in 1997 to 255,500—the most ever. We are creating on-the-job learning at school through the young apprentice scheme, which combines traditional school studies with up to two days per week learning on the job alongside skilled workers, including plumbers. I am sure that many more plumbers will come through that scheme. Our abolition of the 25-years-old age cap for apprenticeships should provide further encouragement.

I remember being told last year by a woman involved in training schemes that she found it impossible to encourage young girls to become plumbers, because they all wanted to be hairdressers, even though they

could earn perhaps four times as much while training for plumbing and have a much more flexible and well remunerated career afterwards. We want to see not only more men plumbers, but more women plumbers.

Mr. Mark Field (Cities of London and Westminster) (Con): Sport is very close to the hearts of many millions of our fellow countrymen. Will the Leader of the House give serious consideration to ensuring that the Secretary of State for Culture, Media and Sport comes to the House to lead a debate in Government time on sporting strategy? I am particularly concerned about two issues. First, we should consider the strategy for the London Olympics, assuming that we make the shortlist following next week's decision by the International Olympic Committee. Secondly, there are grave concerns about the English cricket team's proposed tour in Zimbabwe in the autumn. I know that that matter is close to the right hon. Gentleman's heart, given his record as an erstwhile agitator some 34 years ago, and I should be interested to hear his views.

Mr. Hain: I have made my views very clear. In the unlikely event that I were an English cricketer, I would not go. Since the Zimbabwe cricket authorities now stand charged with discriminating in the selection of the team, this becomes a sporting matter as well as a question of the oppression under Robert Mugabe in Zimbabwe.

I agree with the hon. Gentleman about the importance of sport. I am a sports fan myself—a Chelsea supporter and a Neath rugby supporter, among other things—and if there is an opportunity for a debate, I am sure that we will get one.

Points of Order

1.23 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. I understand that the Department for Environment, Food and Rural Affairs is currently making an announcement about the fallen stock scheme, which is a major scheme for farmers. There is no written or oral statement on the Order Paper, yet this is a matter of great importance. I understand that it might be a bit embarrassing for the Government, because 180 out of 250 collection centres for fallen stock will be at hunt kennels. Would you be prepared to investigate how it is that this discourtesy to the House has occurred?

Mr. Speaker: That is not a matter for the Chair. The hon. Gentleman should get involved in some correspondence with the appropriate Minister.

Mr. David Wilshire (Spelthorne) (Con): On a point of order, Mr. Speaker. I apologise for not discussing this with you earlier, but it took until a few minutes ago to double-check the facts that I want to raise.

During yesterday's Second Reading debate on the Age-Related Payments Bill, I pointed out that Spelthorne borough council's council tax payers had to meet part of the cost of operating the Government's council tax benefit scheme. The details of what I said are at column 388 of *Hansard*. During his winding-up speech, the Under-Secretary of State for Work and Pensions, the hon. Member for Gravesham (Mr. Pond) said this about my claim of underfunding:

> "I must ask my officials to contact his council because he appears to believe that the local authority meets part of the cost of council tax benefit when the central Government subsidy finances all properly made payments of such benefit."—[*Official Report*, 12 May 2004; Vol. 421, c. 408.]

Clearly, that is contrary to the information that was given to me by Spelthorne borough council. It follows, Mr. Speaker, that either I or the Minister misled the House. I therefore double-checked the council's claim this morning. It insists that it is telling the truth and has confirmed in writing the figures that I gave the House yesterday—namely, that the administration grant from the Government for 2003–04 was £144,762, while the actual cost of administration, using the Government's system for calculating it, was £313,276.

It would therefore appear, Mr. Speaker, that what the Minister said in yesterday's debate was incorrect. Can you confirm that he should now come to this House to apologise for making that incorrect statement?

Mr. Speaker: I am grateful to the hon. Gentleman for giving me notice of his point of order. I am sure that he is not seeking to accuse a Minister of deliberately misleading the House. If he were, that would be a matter of privilege that should be raised with me in writing. As it is, it seems to be a disagreement about a matter of fact, which is not for me to resolve. The hon. Gentleman should pursue the point directly with the Minister, either by correspondence or by tabling a question.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to the point of order made by my hon. Friend

[Mr. Eric Forth]

the Member for North-East Hertfordshire (Mr. Heald), Mr. Speaker. As you know, you have frequently deprecated the habit of Ministers making statements and giving press conferences outside this House on matters that we, and I think you, judge would be much more appropriately dealt with here, where the Minister could be properly questioned by Members of Parliament. You have rightly said that that is not directly a matter for you, but could you confirm that were we to become aware in the early part of the day that a Minister was planning to issue a statement or to hold a press conference outside the House, procedures are available—SO24s and Urgent Questions occur to me immediately—whereby we, through you principally, could insist that the Minister came to the House and stated or repeated here what he had said outside the House so that he could be properly questioned?

In other words, Mr. Speaker, Ministers should not assume that they can get away with this, and that, although you deprecate it, they can flout what you say. Procedures are available whereby they could be brought to the House in order to emphasise the fact that this is where their first responsibility lies.

Mr. Speaker: The right hon. Gentleman is quite right. From time to time, I have had to bring Ministers here to the Dispatch Box, and I have enjoyed doing it. Of course, I keep this matter under review. The House is sitting tomorrow and, as the right hon. Gentleman points out, there are procedures to deal with these matters.

Child Trust Funds Bill (Programme) (No. 3)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the following provisions shall apply to the Child Trust Funds Bill for the purpose of supplementing the Order of 15th December 2003 (Child Trust Funds Bill (Programme))—

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

Subsequent stages

2. Any further message from the Lords may be considered forthwith without any Question put.

3. The proceedings on any further message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Mr. Ainger.]*

The House divided: Ayes 247, Noes 120.

Division No. 173] **[1:28 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blunkett, rh David
Borrow, David
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cox, Tom *(Tooting)*
Cranston, Ross
Crausby, David
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Tony *(Workington)*
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
Davies, Geraint *(Croydon C)*
Dismore, Andrew
Donohoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gerrard, Neil
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Hendrick, Mark
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan

Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Milburn, rh Alan
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morgan, Julie
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Owen, Albert
Perham, Linda
Picking, Anne
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Skinner, Dennis
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stoate, Dr. Howard
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dr. Richard *(Wyre F)*
Thomas, Simon *(Ceredigion)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watts, David
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Wishart, Pete
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, David *(Telford)*
Wright, Tony *(Cannock)*

Tellers for the Ayes:
Mr. Jim Murphy and Gillian Merron

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bercow, John
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Browning, Mrs Angela
Burnett, John
Burns, Simon
Burstow, Paul
Butterfill, Sir John
Cameron, David
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James *(Beverley)*
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Doughty, Sue
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Fox, Dr. Liam
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Hammond, Philip
Harvey, Nick
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Horam, John *(Orpington)*
Jack, rh Michael
Jenkin, Bernard
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lidington, David
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Marsden, Paul *(Shrewsbury & Atcham)*
May, Mrs Theresa
Mercer, Patrick
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Page, Richard
Paterson, Owen
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Ruffley, David
Selous, Andrew
Shephard, rh Mrs Gillian
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Streeter, Gary
Swayne, Desmond
Taylor, Ian *(Esher)*
Teather, Sarah
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willis, Phil
Wilshire, David
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Mark Francois and Mr. Hugo Swire

Question accordingly agreed to.

Orders of the Day

Child Trust Funds Bill

Lords amendments considered.

Mr. Deputy Speaker (Sir Alan Haselhurst): I inform the House that privilege is involved in Lords amendment No. 7. If the House agrees to the amendment, I will arrange for the necessary entry to be made in the Journal.

Clause 1

CHILD TRUST FUNDS

Lords amendment: No. 1.

1.39 pm

The Financial Secretary to the Treasury (Ruth Kelly): I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker: With this, we may take Lords amendment No. 2.

Ruth Kelly: Looked-after children include some of the most disadvantaged children in our society, and we are committed to ensuring that they are fully included in the child trust fund arrangements. Although the majority of looked-after children have someone with parental responsibility, some have no one with such responsibility who can give instructions on their behalf for their child trust fund accounts—for example, orphans with no legal guardians. There are also some circumstances in which it would be inappropriate for someone with parental responsibility to give instructions for the management of a child trust fund account of a looked-after child—for instance, when contact between a child and a parent had been terminated because of serious abuse.

I said in Committee in January that we were exploring the possibility of involving the Official Solicitor. The amendments are the result of that work. Without them, there would be no one to give new instructions to the account provider for child trust fund accounts until the children reached the age of 16, when they would be able to give instructions themselves. There are a number of good reasons why it is desirable to have someone who could do that, and could make relevant decisions. For example, a child's religious or ethical beliefs may not accord with the type of child trust fund account that he or she has, or with the type of investments used in the account. Alternatively, an account provider may be underperforming in investment terms compared with other providers, so a move to a different provider may be called for.

The amendments would allow the Official Solicitor to be appointed to manage the child trust fund accounts of such children. I urge the House to support them.

Mr. George Osborne (Tatton) (Con): It is good to be back at the Dispatch Box talking about this Bill—it brings back memories of cold, dark January days in Committee.

Before I deal with the detail of the amendments, I want to say something about timing, in which I think the Official Solicitor would also be interested. I hope that today will mark the Bill's last legislative hurdle—we must wait and see—but one major piece of the jigsaw is missing: a piece that is relevant to the Official Solicitor, and the new responsibilities that the Government want to give him or perhaps, in the future, her. It is, however, of greater interest to the providers. I have spoken to some of them in the past week, including the chief executive of one of the largest likely providers. What concerns them, and may concern the Official Solicitor, is the sales regime for child trust funds. That is the last major piece of the jigsaw.

We, and the providers, were told that the Financial Services Authority's consultation paper on the sales regime was due to be published by the end of April. This is the second delayed deadline since the end of last year. We are almost halfway through May, and there is still no sign of the paper. When does the Financial Secretary expect it to emerge? Will it have to go to her before being published? I am not sure what procedure will apply in her office.

Will the Financial Secretary confirm that when the paper is published, there will be a mandatory three-month consultation period in which people, perhaps including the Official Solicitor, will be able to make representations? If so, even if the paper were published this week, the consultation period would run until mid-August. That makes it extremely unlikely—and I am being generous here—that a decision on the sales regime would be made until the end of September. We are therefore very close to the deadline for getting the scheme up and running. The providers must start registering with the Inland Revenue by October or November, and from January they need to be in a position to accept applications from children born between September 2002 and April 2005.

1.45 pm

That is a tight deadline. It was tight when we were discussing this in Committee and on Report, but it is even tighter now, and we still do not have the sales regime. That is causing considerable concern in the industry, and is relevant to the Official Solicitor's responsibilities. When I spoke to the Association of British Insurers this week, I was told:

"The lack of information on the sales regime hinders providers' ability to take an informed decision on market entry—for example, we don't know if the CTF will be covered by the Sandler sales process or not. Early announcement of the charge cap which will apply to the CTF was welcome, but without the details of the sales regime providers will have an incomplete picture with which to consider offering the CTF . . . the timing of the publication of information on the sales regime is, at the very least, unfortunate."

The ABI is one of the most important groups representing the financial services industry, and is obviously important to the success of child trust funds. Unlike the Liberal Democrats, the official Opposition have supported the Bill throughout its passage so far, and we want child trust funds to work; but we are becoming increasingly concerned about the tightness of the timetable. When we read in the press that large providers such as the Pru and Legal and General have decided not to offer child trust funds, it is clear that we must do all we can to make them as attractive as possible

to other providers, given the Government's restrictive decisions on such matters as the charge cap. The sales regime will be crucial to that. Will it be complicated or straightforward? I hope the Financial Secretary will say something about it, because I think it will be of broader interest.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Gentleman, but we must try to keep the debate within the confines of the amendments. I hope he will not seek to persuade the Financial Secretary to respond to a broad Second Reading-type debate.

Mr. Osborne: I would not dream of doing so, Mr. Deputy Speaker.

I am sure that the Official Solicitor, Mr Laurence Oates, will follow our proceedings, because he will have to make some of these decisions. The Financial Secretary talked about his role in Committee, or at least hinted at it. In fact, it was a bit confusing at the time. As the Financial Secretary knows, I have a great deal of time for her. We have just been sparring against the big beasts of the political jungle together during Treasury questions—her against my right hon. Friend the Member for West Dorset (Mr. Letwin), the shadow Chancellor, and me against the Chancellor of the Exchequer. In Committee, however, she kept referring to the Solicitor-General rather than the Official Solicitor. Mr. Laurence Oates is not, as far as I am aware, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), and I doubt that either he or she would have been too impressed. But I shall put that slip to one side.

In Committee, the Financial Secretary said she was considering giving the Official Solicitor some kind of role to act on behalf of children in care. Will she expand on that a little? In her speech today, she did no more touch on what may be a very significant issue, with which I shall deal in a moment.

Will the Official Solicitor be able to act in the circumstances suggested by the hon. Member for Yeovil (Mr. Laws) in the debate in Committee? Those of us who served on the Committee will remember his rather lengthy dissertation on the performance of the Japanese equity market.

Mr. David Laws (Yeovil) (LD): It was concise.

Mr. Osborne: That depends on the definition of "lengthy" and "concise". It might have been concise by the hon. Gentleman's standards, but it was lengthy by everyone else's.

The hon. Gentleman made the serious point that in future equities could seriously underperform because of a crisis or prolonged slump in the equity market. Under the Bill as drafted, some children in care for whom the Official Solicitor will be acting will be forced into having an equity-based child trust fund account—a stakeholder account. We also discussed that in Committee. The hon. Member for Yeovil asked who, in circumstances in which there had been a prolonged equity slump, would decide on behalf of those children in care that it would be a mistake to go on using equity accounts. At a time when every other child in the country would be going into other accounts, such as cash accounts, because their parents would be sensibly making the decision not to put their child's future nest egg into the equity market, children in care, who, as the Financial Secretary said, are among the most vulnerable in our society and often have the smallest financial assets, would continue to be pumped into those equity accounts.

Will the Official Solicitor be able to make a broad decision that, at some future point, all the children in care whom he is looking after will no longer have to have an equity-based child trust fund? That will be a huge decision for him to take, and that raises the question of whether Mr. Laurence Oates is qualified to make it. He is no doubt an extremely well qualified lawyer, but he is not a financial adviser. On what grounds is he qualified to make an investment decision on whether the account of a child in care is best invested in the equity market or the bond market? The Official Solicitor is not in a position to make a qualified judgment on that.

That brings me to a point that the Financial Secretary made in her brief remarks. She put to the House the possibility that there might be an underperforming account provider and that children would not therefore have their child trust fund accounts placed with that provider. Again, I am not sure whether the Official Solicitor is in a position to make a judgment on whether an account provider is underperforming. Who will decide that? Will it be the Official Solicitor's responsibility to gather information from all the various financial providers and then decide that because a certain provider is underperforming, he will not allow any child trust funds of children in care to be placed with it? On what grounds can he take that decision? He is not a financial adviser and does not have financial expertise. Will the Inland Revenue take the decision and make a recommendation to the Official Solicitor? Will the Official Solicitor then be required to accept that recommendation, or will he make a judgment on the Revenue's advice? The issues are complex, and if we are going to give the Official Solicitor this important role, we need more clarification than we have so far had on exactly what role he will have in those decisions.

Will the Official Solicitor have the power to remove accounts, or to decide not to place child trust funds with a particular provider? I remember from our discussions in Committee that the child trust funds for children in care will be allocated to providers on a rota basis. If a provider is underperforming, will it be taken off the rota, or will it still be awarded the account, only for the Official Solicitor almost immediately to remove the account from the provider?

Those are important decisions, and I do not think that the Government have offered a convincing explanation on them. When I looked at the House of Lords *Hansard*, I read that Lord MacIntosh of Haringey was even briefer than the Financial Secretary in his explanation. He merely said that the Official Solicitor could

"give instructions . . . regarding a child's trust fund account"—[*Official Report, House of Lords*, 18 March 2004; Vol. 659, c. GC176.]

in situations where it was deemed "necessary or desirable". There was no explanation of what exactly necessary or desirable meant.

Amendment No. 2 says that the Official Solicitor can act only for children under 16. Of course, the fact that children aged 16 and 17 are going to be able to manage

[Mr. Osborne]

their accounts is my single biggest achievement since becoming a Member of Parliament. I persuaded the Government to change their mind on that, so I am not going to suggest that they undo their fine work. I will go to my grave knowing that I have changed the course of our nation. However, many children in care are there because they have, unfortunately, disabilities—some physical, but others mental. It is not clear to me that every child of 16 with mental disabilities will be able to manage their child trust fund account, and that is more likely to be the case for some of the young people whom the Official Solicitor represents. What will be the position of such 16 and 17-year-olds, where the person acting for them is not a parent or relative, but the Official Solicitor? Will there be circumstances in which he will continue to manage the account when a child is 16 and 17, to make sure that they get the benefit of a child trust fund account at 18?

It seems strange that that age has been written into the legislation, with no explanation of what will happen. I suppose that that also applies to some children who are not being looked after by the Official Solicitor. Since the Government changed their mind on reducing the age from 18 to 16 in England, Wales and Northern Ireland, I have not seen what they propose to do with 16 and 17-year-olds who are not capable of managing their own accounts, or who they intend will act on behalf of those young people. However, that is of particular relevance to this debate because of the role of the Official Solicitor in the matter.

Mr. Laws: I share the pleasure of the hon. Member for Tatton (Mr. Osborne) at getting back to the details of the Child Trust Funds Bill, which are almost fun in comparison with the Finance Bill that we are dealing with in Committee.

Of all the groups of amendments that we are debating today, this is the most important. I hope that you will therefore bear with me, Mr. Deputy Speaker, while I set out some of our concerns about the Government's amendments and their legislation in this area.

As the hon. Member for Tatton made clear, this was a major issue for debate in Committee. It was clear that the Government wanted, correctly and understandably, to ensure that children in care had access to child trust fund accounts and the Minister wanted to ensure that the accounts of children in care had as much upside potential in terms of asset growth as those of individuals not in care. However, we raised in Committee the question of what would happen if the moneys invested by the Government in the accounts of children in care were put into equity-based products, as appears to be their intention. What would happen if the equity market was performing extremely poorly, in a way to which parents might respond by withdrawing money from equity-based accounts and putting it into cash or bond accounts? Children who have their accounts managed by the Government acting in loco parentis might lose out and, in future, hold the Government to account for the poor performance of their investment.

2 pm

The hon. Member for Tatton mentioned what I thought was rather a concise summary that I gave in Committee of the experience in other countries, including Japan, that have had long-term bear markets. It may be difficult to anticipate that happening in the current circumstances in the United Kingdom, where we are used to the stock market and equity prices rising over a long time, but even several months after we debated this issue, the stock indices in Japan are still around the 10,000 mark—almost as little as 25 per cent. of what they were. In other words, there has been a 70 to 75 per cent. decline in the Japanese stock market since 1987–88, when I left university, and that could happen in the United Kingdom.

No doubt the Minister could not envisage that happening on her watch, or that of the Chancellor of the Exchequer, but I imagine that even she could envisage it happening if a Conservative Government came back to power. Perhaps she can imagine a long-term bear market at that stage that would raise exactly the concerns that the hon. Member for Tatton described, with the Government merrily putting money into equity-based child trust fund accounts on behalf of children in care, but then discovering that those accounts were going down dramatically in value.

The question, therefore—

Mr. Deputy Speaker: Order. The hon. Gentleman sought my indulgence while he sketched the background to his remarks, but I have to tell him that, based on what I am now hearing, my indulgence is beginning to drain away.

Mr. Laws: Then I have come to exactly the right point in my comments, Mr. Deputy Speaker, because I am now going to talk about the way in which the Government have sought to deal with the problem.

Initially, the Financial Secretary was unwilling to acknowledge that there was a problem. We had some fun in Committee, perhaps at my expense, with some of the points that I have just made. However, on 13 January she showed that she might be beginning to understand our concerns. She said:

"There are some quite difficult issues to resolve. We have been in consultation across Government about the best way to provide for children in care. I am determined to ensure that children in care have the maximum opportunity that we can offer them through this policy." —[*Official Report, Standing Committee A*, 13 January 2004; c. 100.]

She also undertook later in the debate to engage with the Official Solicitor and others to seek to clarify the Government's policy and deal with the risk of children in care being disadvantaged.

There was a further modest development of the policy on the Floor of the House on 3 February when the Financial Secretary said:

"We have not yet finalised the possible role of the Official Solicitor, with whom we are still negotiating, but I can confirm that we have discussed the need for the Official Solicitor to consider whether the account was performing poorly".

That was a major breakthrough in the Government's policy. She went on to say:

"The hon. Gentleman's concerns about an equity market slump or liquidity crisis that have driven him to make his many and varied comments would be the sorts of concerns that the Official Solicitor, if they were to accept that role, should consider".—[*Official Report*, 3 February 2004; Vol. 417, c. 713.]

The hon. Member for Tatton went on to refer to comments made in another place on 18 March, when Lord McIntosh spent what looks like less than a minute explaining the policy that led to the Lords amendments being tabled. He summed up by saying:

"I hope the Committee will feel that this is an uncontroversial addition to the existing provisions".—[*Official Report, House of Lords*, 18 March 2004; Vol. 659, c. GC176.]

There seemed to be no debate on the issue, which is a pity.

This may be an uncontroversial move by the Government in the sense that they are trying to deal with the problems that we discussed in Committee, but as the hon. Member for Tatton said, there are some major questions about whether their well-meaning intentions in tabling the amendments have been properly thought through. We need answers to a number of questions from the Financial Secretary and I hope that she will be able to give them today.

I shall run through some of the major questions that arise from the suggestion that the Official Solicitor—who, so far as I am aware, has no particular market expertise—will act as some kind of investment adviser, presumably unpaid, to children in care for whom the Government act in loco parentis.

First, will the Official Solicitor have the option of opening accounts that are not equity-based, such as cash-based accounts? The Minister has said in Committee and elsewhere that she wants all the accounts for children in care to be equity-based stakeholder accounts. I understand her desire to ensure that children in care can benefit from any buoyancy in the stock market compared with cash-based accounts or bond-based markets, but does she acknowledge that, in some circumstances, the Official Solicitor might not want to open equity-based stakeholder accounts, but cash or bond-based accounts instead? Will that be possible?

Secondly, will the Official Solicitor be able to move money out of equity-based accounts that have been opened for children and put it in cash accounts if he thinks that that would be sensible in the prevailing market conditions? Will he be able to do that the other way round and turn a cash-based account into an equity-based one?

How will the Official Solicitor make those judgments? In my earlier career, I worked in the financial markets for quite a long time. I can tell the Minister that, when markets go down a long way, it is easy for people to panic and, having believed that markets were about to reverse themselves, eventually change their minds—often at the lowest point of the market—and switch into other assets, only to discover that the market then goes back up.

How will the Official Solicitor make judgments about market conditions and investment rates and how will he assess the performance of the accounts that he is considering switching in and out of? Will he be advised by some other body within Government, the Financial Services Authority, the Treasury, or some other organisation, before making those important decisions?

What legal recourse will there be for children whose accounts are managed in that way if the Official Solicitor gets it wrong? What will happen at the age of 18, or even 16, when a child looks back on the experience of having his or her account managed by the Official Solicitor, only to discover that, every time the equity markets plunged, he had worried terribly that he would be criticised for inactivity and had switched all the money out of equity into bonds at the low point in the market, that the market had then rallied, the Official Solicitor had switched into gilts and that gilts then declined? The Official Solicitor is not necessarily financially trained and one can imagine that he could make an utter hash of the job. What would stop the children involved seeking legal recourse for the losses that they had sustained?

Will there be any restriction on the Official Solicitor's freedom to move money in and out of accounts, or will his powers be as strong or as weak as those of a parent managing their own children's trust fund accounts? In other words, will the Official Solicitor act fully in loco parentis or will he be restricted in comparison with parents? Is there a memorandum of understanding between the Official Solicitor and the Treasury, setting out the terms on which the Official Solicitor will take such difficult decisions? If so, will it be published so that we can see the terms and put pressure on the Government to change them if they are wrong?

Finally, as the hon. Member for Tatton asked, what are the implications of the fact that the Official Solicitor can, essentially, pull the plug on a financial provider that appears to be doing a bad job with its investment accounts? What are the implications of the Official Solicitor moving—presumably all—the accounts in the name of that financial provider out of the provider's name and into that of another? Presumably, if there were concerns about how a particular provider was managing such accounts, the Official Solicitor might move a whole swathe of accounts at the same time. What signal would that send to the financial markets about that provider's competence? In those circumstances, would it not be very difficult for the Official Solicitor to take such action? He or she would be regarded as almost censuring a financial market body as a consequence of its incompetence. Essentially, that would amount to a vote of no confidence in that provider.

Mr. George Osborne: The hon. Gentleman is developing a crucial point. Has he considered the possibility whereby the Inland Revenue thinks that the provider is up to the job and continues to award child trust funds to it, but the Official Solicitor takes the view that it is not up to the job? That would lead to real confusion.

Mr. Laws: The hon. Gentleman is right and highlights another risk that needs to be debated and considered carefully, in the Government's own interests, before such legislation and regulations are finalised.

I hope that the Financial Secretary does not feel that I am being ungrateful. I appreciate that the amendments are a step towards addressing the concerns that we raised in Committee, but we are sceptical as to whether the Official Solicitor can do the job alone. The Government are placing too much responsibility on the Official Solicitor in respect of areas in which he or she might not be competent. We want to be reassured that the Official Solicitor will not be expected to do this job alone. At the very least, the FSA, Her Majesty's

[Mr. Laws]

Treasury or some other part of government must surely have a role to play in advising the Official Solicitor. I hope that we hear from the Government on that point and that we can engage constructively with them in the months to come to ensure that we get this right. Although they now understand the problems and have introduced amendments in an effort to address them, they have yet to find the right solutions.

Mr. Michael Weir (Angus) (SNP): I have a strange feeling of déjà vu, in that this debate sounds very much like the one that took place in Committee on this very issue. As I recall, the exposition of the hon. Member for Yeovil (Mr. Laws) at one point touched on William of Orange and the Glorious Revolution, although that may have been part of some horrible nightmare.

Mr. George Osborne: Does the hon. Gentleman agree that the big difference between today's debate and that in Committee is that the Government now agree with what the hon. Member for Yeovil (Mr. Laws) is saying? When we discussed this issue in Committee, the Financial Secretary did not agree.

Mr. Weir: That is a fair point; indeed, there has been considerable movement on the part of the Government.

Despite what I said about the similarity of the two debates, I do agree with many of the observations made by the hon. Member for Yeovil. I should point out that I have no experience whatever of the work of the Official Solicitor, but before being elected to this place I was a practising solicitor, so I have had some experience of the accountant of court in Scotland. I have grave reservations about whether the accountant of court will be able to deal with child trust funds in Scotland. In my experience, the accountant of court has an overseeing role rather than a proactive one, looking at estates that are being dealt with by curators and the like. Frankly, and at the risk of getting into trouble with the legal establishment in Scotland, dealing with the accountant of court was a somewhat bureaucratic experience.

We need to deal with child trust funds in an intrinsically different way. So far as children in care are concerned, for the most part, the sums involved will be relatively small. Regular payments might have been made in some cases, but my guess is that the majority of funds will consist of the basic trust fund. There could be quite a lot of relatively small funds and I question whether the accountant of court or the Official Solicitor—as I said, I do not know whether the Official Solicitor performs a similar function—would have the staff or expertise to deal with such matters proactively. In my experience, the accountant of court's organisation is very conservative. There is a danger that such trust funds will simply be left sitting and that no one will look at how individual funds are performing and whether they are in the best interests of the children in question.

2.15 pm

I was intrigued to hear the Financial Secretary say that the Official Solicitor will react to the religious or ethical views of the child. How will that be done? Will the child phone the Official Solicitor and say, "I don't want the money in my trust fund put into arms companies, tobacco companies or companies that experiment on animals." I have no objection to people having ethical funds—many do, and rightly so—but this will create an entirely new problem with which the Official Solicitor must deal. Given the number of children who might be in care at a given time, I suspect that a considerable burden will be placed on the Official Solicitor, who will not have the resources to deal properly with the problem.

Mr. Osborne: The hon. Gentleman has hit on an excellent point, on which I did not touch. Does he agree that there is a question about whether the Official Solicitor is required to find out the child's religious and ethical concerns? Will he be required to write to the child or will the child have to find out the Official Solicitor's address and write to him?

Mr. Weir: That is an excellent point, because the situation has not been made clear. This issue needs to be addressed if such a requirement is to be part of the Official Solicitor's remit. Interestingly, a parent who is operating the account on the child's behalf might not necessarily have to take into account the child's religious or ethical views, which might differ from those of the parent. Such accounts would be intrinsically different.

There are various objections to the proposal and they have been noted. I have tried hard to think of an alternative, but I admit to failure. I cannot think of an easy solution, unless we are to set up a completely new department. The hon. Member for Yeovil suggested that the FSA and the Treasury provide advice, but there is an intrinsic problem with that idea. To a large extent, they are regulatory organisations, and if such organisations were to advise another part of government about investment opportunities for young citizens, that could lead to extreme difficulties and create a legal minefield. By comparison, the prospect of a child suing the Official Solicitor or accountant of court pales into insignificance.

I am not entirely clear about what will happen when a child is taken into care. If there is an order putting a child into care—I do not know what happens in England, but in Scotland the matter is dealt with through a children's panel or a court—will the child trust fund automatically be transferred to the Official Solicitor or accountant of court, or will a separate function be required for the transfer? Presumably, if the trust fund is already up and running when the child is taken into care, it is controlled at that point by a parent, or by someone with parental responsibility. I assume that that matter will be dealt with in the regulations, but I should be obliged if the Financial Secretary would address that point.

Ruth Kelly: A lot of interest has been expressed in the role—

Mr. Deputy Speaker: Order. The Financial Secretary should say "With the leave of the House."

Ruth Kelly: With the leave of the House, Mr. Deputy Speaker. I am very grateful for that advice. A lot of interest has been expressed in the role of the Official Solicitor, and I hope to be able to address some of the

concerns raised by Opposition Members. The hon. Member for Tatton (Mr. Osborne) described the sales regime as the missing piece of the jigsaw. He is correct to say that that was initially expected in November, but the Financial Services Authority decided to do a second round of market testing to ensure that the sales regime was appropriate and adequate to sell stakeholder products across the full range—not just the child trust fund. It is important that that is done correctly and appropriately, and that those decisions are not rushed. We are in close contact with providers who either intend to or are thinking about entering the market for the CTF. Most providers say that they intend to offer child trust funds directly to people, so they would be unaffected by the precise nature of the sales regime on that account.

Turning to the role of the Official Solicitor, I would first like to point out that the number of children involved is not very great. It is certainly not the total number of children in care. I know that the hon. Member for Angus (Mr. Weir) is interested in the circumstances in which children have their trust fund managed by the Official Solicitor. I can tell him and other hon. Members in their places today that the Official Solicitor takes charge of an account where there is absolutely no one with parental responsibility for that child.

It applies where a child does not have face-to-face contact with their parents and when it is part of the care plan that the child will live permanently away from home. It applies where a child has had contact with their parents terminated, where a child's parents are mentally incapacitated, where a child's only parent is in prison for a significant period of time or where a child is looked after because they have been abandoned by both parents and there is no prospect of reunification with the parents for the foreseeable future. The vast majority of children in care will have someone with parental responsibility to manage their accounts.

Mr. Laws: Has it been possible for the Financial Secretary to make any assessment of the number of cases in which the Official Solicitor would act in loco parentis?

Ruth Kelly: It is extremely difficult to produce an accurate assessment of the numbers involved, but I think that we are talking of about 2,000 cases rather than the total number of children in care. The Official Solicitor is very clear about the appropriateness of undertaking this role. He already has responsibility for looking after the funds of children in different categories and the provisions fit neatly into that current role.

To answer some of the questions raised by the hon. Members for Yeovil (Mr. Laws) and for Tatton, the responsibilities of the Official Solicitor will include: monitoring the performance and suitability of the CTF account; moving the account to a different provider or a different type of account, if appropriate; keeping the child informed of any movements made; engaging with the child, as necessary; and relinquishing the management role either when someone appropriate with parental responsibility for the child becomes available or when the child reaches the age of 16. The hon. Member for Tatton asked about the position applicable to a child who may be mentally incapacitated at the age of 16, but I urge him to wait for the mental incapacity Bill—shortly to be debated in the House—which will answer his question.

Mr. Laws: I must say that, the longer the Financial Secretary explains the job, the more difficult and undesirable it sounds. What guidance has she given to the Official Solicitor about how active he should be in managing these accounts in circumstances where markets are very volatile? Is it envisaged that the Official Solicitor is likely to be involved in managing these accounts, or would he or she do so only under crisis conditions?

Ruth Kelly: I am afraid that I cannot answer the hon. Gentleman's question in full at this stage. We are currently involved in detailed negotiations with the Official Solicitor regarding the precise criteria that he will have to consider in monitoring the performance and deciding whether to switch providers for CTF accounts. I should point out that the Inland Revenue would open a child in care's account and at that point the Official Solicitor would take over the management of it. That is when the Official Solicitor would have to decide whether to continue with the existing provider or switch to a different one. As I am sure the hon. Gentleman would agree, monitoring the performance of the fund is a vital role.

Mr. Weir: The Financial Secretary has talked a great deal about the Official Solicitor, but can she tell us what discussions she has had with the accountant of court? Although that seems to be Scotland's nearest equivalent to the Official Solicitor, I know from experience that the accountant of court does not normally undertake this sort of work. Has the Financial Secretary discussed these issues with the accountant of court's department?

Ruth Kelly: I can certainly assure the hon. Gentleman that we have had discussions on similar lines with the accountant of court in Scotland. Indeed, the Scottish Executive recommended the accountant of court as the office with the closest relationship to the Official Solicitor in England. However, those discussions are still ongoing. Given that the regulations are currently being drawn up, I can undertake that, when they are published shortly after the full recommendations are set out to the House—probably towards the end of this month or perhaps the beginning of June—I will provide a full commentary on the Official Solicitor's role in these matters. That will describe the circumstances under which the Official Solicitor would take advice and deal with the sort of concerns mentioned by the hon. Member for Yeovil.

I urge the House to support the amendment. It is important that looked-after children in care, where there is no one with parental responsibility, have an individual to take care of and manage their account and ensure that it is operated in the best interests of the individual child.

Lords amendment agreed to.

Lords amendment No. 2 agreed to.

Clause 4

INALIENABILITY

Lords amendment: No. 3.

Ruth Kelly: I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to consider Lords amendments Nos. 4 to 6 and Nos. 8 to 11.

Ruth Kelly: These are purely technical and minor drafting amendments. Unless hon. Members want me to explain them further, I am happy just to present them and ask the House to agree to them.

Lords amendment agreed to.

Lords amendments Nos. 4 to 6 agreed to.

Clause 10

FURTHER CONTRIBUTIONS BY INLAND REVENUE

Lords amendment: No. 7.

Mr. George Osborne: I beg to move amendment (a) thereto.

Lords amendment No. 7 is rather curious and a little troubling. It gives the Government the power to make payments to children in custody. Those children would, as I understand it, otherwise be excluded because no one is in receipt of child benefit on their behalf.

The amendment is curious for two reasons. First, it amends clause 10, which deals with further payments rather than initial payments. As I understand it, in some rare cases, children of 14, 15 or 16 may have a child trust fund opened for them for the first time. Such children may be in custody and, under the current legislation, I am unsure whether they would receive an initial contribution or whether they could have a CTF. The Government may want to correct that omission later.

Secondly, the amendment is curious because, in all the consultation documents and in Committee debates, the Government said that they were planning to make further payments into CTF accounts only when the child reaches the age of seven.

Even in the Home Secretary's Britain there are not many newborn babies in custody. I do not imagine that there are any seven-year olds there either. On the face of it, therefore, the amendment is pointless, as it is about paying money to children aged seven who are in custody, even though there are no such children. However, I suppose that the Government want to have the option of making further payments to children aged over 12, which is when children can be in custody.

2.30 pm

I hope that the Financial Secretary will say whether there are plans to make a further payment into CTFs at the age of 14 or 16. In the initial consultation document, it was envisaged that payments would be made at three different ages. I cannot remember whether those ages were five, 11 and 16 or five, 11 and 14, but the proposal was something along those lines. Perhaps the Government are reverting to their original plan. I suspect that all will depend on the electoral timetable prevailing at the time the children reach the relevant ages.

However, amendment (a) addresses a more serious point. The Home Secretary has stoked up an endless debate about whether more children should be in custody. Children who commit what most of us would regard as fairly serious crimes are not put in prison, but are given community service orders and so on. By definition, children who are in prison have committed very serious crimes, and the House needs to pause and consider whether it is really a good idea to give them an unconditional cash windfall at some future date. What sort of message will that send to such children about punishment and reward in our society, and about what society thinks of their behaviour?

I do not say that such children should be excluded totally from receiving payments. I also recognise that the Financial Secretary might contend that my amendment could lead to some rough justice. For example, a child who is not in prison on his or her 16th birthday might have been in prison for three years before that, whereas a child might happen to be in prison for three or four days just when his or her 16th birthday comes around. That child would therefore lose out. I agree that that would not be fair, and so amendment (a) is conditional in two respects.

First, the amendment would merely give the Government a conditional power to introduce regulations. That means that they could choose to take up the power, or not. Secondly, it simply suggests that, before money is paid to a child in custody, there needs to be a report from the person who is legally responsible for the child—the prison governor, or someone of that ilk—that attests to the child's good conduct over the previous year.

The amendment would mean that bad behaviour was not rewarded, and that the Government would not be sending out mixed messages. The prison authorities could use the provision as an incentive to encourage good conduct, and as a way of steering troubled children on to a more responsible path.

That seems a matter of common sense. The House should consider the alternative. A child who commits a crime that is serious enough to cause him or her to be sent to prison might be so poorly behaved in custody that the person legally responsible is unable to attest to his or her good conduct. That child might also have had various privileges withdrawn in custody, or been subject to disciplinary action. However, he or she will suddenly get a letter from the Inland Revenue saying, "Congratulations on reaching the age of 16, here's a cheque for £100."

That would undermine the work of the prison authorities, and make life much more difficult for them. In some ways, such a letter could cut across what they are trying to achieve, and I can imagine prison governors getting extremely frustrated. Just when a governor wants to insist on a certain form of behaviour from a child in custody, that would be undermined by the Inland Revenue unknowingly sending a cheque. The child would pick up the cheque, wave it in the governor's

face and say, "I've just got a cheque for £100. Obviously, some people in the Government do not think that I am behaving badly."

Amendment (a) is a perfectly reasonable and conditional provision. It would give the Government the option to take regulatory powers, but would not insist on that. It merely says that children in custody should receive a Government handout from the taxpayer only if they behave well.

I think that that is a pretty new Labour idea. It fits in with what the Home Secretary is doing—with parenting orders, child curfews and so on—to encourage good behaviour in children. Moreover, I emphasise that the amendment refers to children who have ended up in custody.

I hope that the Financial Secretary will accept the amendment. If not, I shall press it to a Division.

Mr. Laws: We support amendment No. 7, which deals with an anomaly in the original Bill, but we are not tempted by amendment (a), proposed by the hon. Member for Tatton (Mr. Osborne). He invited us to believe that it would unite new Labour and the Conservative party, and that is good enough reason for Liberal Democrat Members to be suspicious of it.

There are various practical problems with amendment (a). First, how likely is it that a young child who had committed enough crimes to be in prison would be deterred from similar behaviour by the fact that a payment would not be made to his or her CTF account—especially given that children cannot access those accounts until they are 18? I think that it is very unlikely that that would influence behaviour in any way.

Secondly, the amendment would be an enormously administratively complex and bureaucratic measure to enforce. For that reason, I am surprised that the Conservative party have proposed it. It could also create further anomalies between those young people who had committed crimes and been given custodial sentences, and those who had been given non-custodial sentences. Moreover, as Lord McIntosh explained in another place, it could create anomalies in respect of young people who had committed a crime but who were not in prison at the time of the reporting period, which is when the sanction proposed in the amendment would be implemented.

On top of that, the amendment could add a further penalty to the sentence being served by a young person. That does not seem sensible. Also, the Government's policy on CTF accounts is designed to give assets to children to help them, when they reach adulthood, to settle down, find employment and so on. To take that money away from children who—whether or not they have committed offences—are almost by definition the most vulnerable does not seem especially sensible.

For all those reasons, I am afraid that Liberal Democrat Members support the Government's position on this matter, and not the amendment tabled by the hon. Member for Tatton.

Ruth Kelly: I am grateful to the hon. Member for Tatton (Mr. Osborne) for explaining the reasoning behind his amendment, and to the hon. Member for Yeovil (Mr. Laws) for answering his points so eloquently. He has almost saved me the need to respond to the amendment myself.

As originally drafted, the Bill would have prevented payments being made to the CTF accounts of children held in legal custody. Child benefit is not paid for those children and the award of child benefit is the key eligibility requirement for CTF payments. As the hon. Member for Tatton pointed out, we have left ourselves the flexibility to decide whether there should be age-related payments above the age of seven in future. Should a Government decide to make payments to children at any age over 12, those children who are held in custody on the relevant birthday would not receive the payments.

We amended the Bill in the Lords to treat children in custody as entitled to child benefit purely for the purposes of the child trust fund. The amendment supports the view that children in custody should not receive those payments unless a responsible person informs the Inland Revenue that the child has been well behaved for the year prior to the relevant birthday.

Mr. George Osborne: Will the Minister deal with my point about the initial contribution to a child who opens a child trust fund when he or she is 14?

Ruth Kelly: I do not envisage any circumstances in which that scenario will apply. Children who move to the United Kingdom after the age of 12 will either get child benefit if eligible, and therefore access to the child trust fund, or, if they go straight into custody, the child benefit will not be awarded and a child trust fund account will not be available to them until they have left custody. That is an extremely unusual case and I cannot envisage a situation in which we would want to open a child trust fund for the first time for a child who is in custody.

The hon. Member for Yeovil explained the practical, bureaucratic and administrative problems with the proposal. The argument touches on the principle of the matter. Only a small number of teenagers are held in custody—

It being one hour after the commencement of proceedings, MR. DEPUTY SPEAKER *put the Question, pursuant to Order [this day].*

Question put, That the amendment be made—

The House divided: Ayes 92, Noes 263.

Division No. 174] **[2:40 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baron, John *(Billericay)*
Beresford, Sir Paul
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burns, Simon
Butterfill, Sir John
Cameron, David
Chapman, Sir Sydney *(Chipping Barnet)*
Clifton-Brown, Geoffrey
Collins, Tim
Davies, Quentin *(Grantham & Stamford)*
Djanogly, Jonathan
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Fox, Dr. Liam
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Green, Damian *(Ashford)*
Gummer, rh John
Hammond, Philip
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*

Horam, John *(Orpington)*
Jack, rh Michael
Jenkin, Bernard
Key, Robert *(Salisbury)*
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
Malins, Humfrey
May, Mrs Theresa
Mercer, Patrick
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paterson, Owen
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Redwood, rh John
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Ruffley, David
Selous, Andrew
Shephard, rh Mrs Gillian
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Taylor, Ian *(Esher)*
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, David
Young, rh Sir George

Tellers for the Ayes:
Mr. Mark Francois and Gregory Barker

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Atkins, Charlotte
Austin, John
Baker, Norman
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Beith, rh A. J.
Bell, Sir Stuart
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Borrow, David
Brake, Tom *(Carshalton)*
Breed, Colin
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnett, John
Burnham, Andy
Burstow, Paul
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Cox, Tom *(Tooting)*
Cranston, Ross
Crausby, David
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dismore, Andrew
Dobson, rh Frank
Donohoe, Brian H.
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drown, Ms Julia
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Fitzpatrick, Jim
Flint, Caroline
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Heath, David
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Ingram, rh Adam
Irranca-Davies, Huw
Jamieson, David
Jenkins, Brian
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Kaufman, rh Gerald
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Lamb, Norman
Lammy, David
Lawrence, Mrs Jackie
Laws, David *(Yeovil)*
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McFall, John
McIsaac, Shona
McKenna, Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Meacher, rh Michael
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Morgan, Julie
Mountford, Kali
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Opik, Lembit
Organ, Diana
Osborne, Sandra *(Ayr)*
Perham, Linda
Picking, Anne
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Price, Adam *(E Carmarthen & Dinefwr)*
Primarolo, rh Dawn
Pugh, Dr. John
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Skinner, Dennis
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Tami, Mark *(Alyn)*

Taylor, rh Ann *(Dewsbury)*
Teather, Sarah
Thomas, Gareth *(Harrow W)*
Thurso, John
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watts, David
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Roger *(Brecon)*
Wills, Michael
Winnick, David
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Younger-Ross, Richard

Tellers for the Noes:
Gillian Merron and
Mr. Jim Murphy

Question accordingly negatived.

MR. DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour. Lords amendment No. 7 agreed to [Special Entry].*

Lords amendments Nos. 8 to 13 agreed to.

Armed Forces Personnel

Motion made, and Question proposed, That this House do now adjourn.—*[Derek Twigg.]*

2.55 pm

The Minister of State, Ministry of Defence (Mr. Adam Ingram): This debate is about armed forces personnel issues. When we talk about personnel, we should always remember that it is not an abstract: we are considering the remarkable men and women who make up our armed forces. They are sons and daughters, husbands and wives, mothers and fathers; they are the people who are prepared to put their lives on the line in defence of this country and to give other nations the freedom to enjoy the human rights that have been denied them by repressive regimes—regimes which have been tolerated for too long because there are those who argue that it is always better to talk and never to act; to prevaricate while millions perish. It is into such cauldrons that we place our armed forces.

As we have seen in Kosovo, Bosnia, Sierra Leone, Afghanistan and now Iraq, our armed forces consistently deliver as a force for good. It is against that backcloth and in that context that I want to open today's debate.

I suggest that there is a vast difference between what we do in this place and what our armed forces are doing in troubled parts of the world in the most difficult circumstances. Our armed forces are not automatons—unthinking and uncaring. They have the same standards and values upon which this nation built its reputation. Some of them make mistakes, just like the rest of us. A very few of them do things that might not make us proud: after all, the men and women of Her Majesty's armed forces are human. At all times we must ask them to achieve the very highest of standards, knowing that they can never be perfect.

It is deeply disturbing that there are those who are prepared casually to vilify our armed forces without first establishing the facts. It is one thing to have a go at Ministers; we know the business we are about. We have been asked by the Prime Minister to perform our public duties, and we try to do that to the best of our abilities. We are judged in the public spotlight. Ministers at least have the chance to answer back. Our servicemen and women do not.

The childhood adage has it that words will never hurt. But I think we must reconsider that, because the words that some have been using about our armed forces hurt them. The public debate has been unbalanced by some individuals who lay claim to sole ownership of human rights; who convert any allegation, true or otherwise, into fact; and who judge and condemn our armed forces without giving them the benefit of explaining events.

We have laws. Our armed forces are subject to the rule of law, and it is within that system that their behaviour should, and will, be dealt with. As my right hon. Friend the Secretary of State for Defence has said, two cases are at an advanced stage. In those cases and in any others that may follow, justice will be done and will be seen to be done, because one fundamental principle of human rights is that people are innocent until proven guilty.

[Mr. Adam Ingram]

Whatever demands we place upon our personnel, above and beyond those of civilian life, we do not deprive them of that right.

Joan Ruddock (Lewisham, Deptford) (Lab): My right hon. Friend will know that the report of the International Committee of the Red Cross referred not just to the treatment of detainees; it also talked about the brutality of some arrests and about a defective administration system that did not allow for proper notification of the families of those who had "disappeared". Can my right hon. Friend give us some comfort as to whether those matters have been rectified, in the interests both of the human rights of Iraqi citizens and of the safety and security of our armed forces?

Mr. Ingram: As my hon. Friend will be aware, I cannot talk about the detail of the ICRC report and I shall come to the reasons for that later on. However, she raises a matter of general concern, which I shall also touch on later in my speech. It goes without saying that wherever alleged wrongdoing is identified, appropriate action will be taken, whether that involves the need for renewed instructions or specific instructions, or for criminal prosecution. I can give my hon. Friend those assurances. The ICRC is currently carrying out a subsequent investigation, and we are awaiting a report on that subsequent examination of all that we do. I will mention more about that report in passing further on in my speech, but we await the outcome of the ICRC inquiry.

Several hon. Members *rose—*

Mr. Ingram: Hold on a moment.

But I will not discuss that report in detail. I want to talk about the background to it, and I will come to that. I suggest to hon. Members who may want to intervene on the subject of the ICRC report that they let me explain the position on that, and perhaps they can then intervene. I want to make a bit of progress.

Before I turn to the main elements of the way in which we seek within the Ministry of Defence to honour our responsibilities to our armed forces personnel, I should like to deal with the issues that have been raised concerning what I said, and what I meant by what I said, when I gave my statement to the House on 4 May.

Mr. John Redwood (Wokingham) (Con): Will the Minister give way?

Mr. Ingram: No, not at present.

Much has been made of my statement that I had not, at the time of speaking to the House, received a report by the International Committee of the Red Cross in which it expressed concerns about coalition treatment of detainees. Some have construed that to be a denial that I had seen any communication whatsoever about alleged wrongdoings by British troops.

The word "report" has a specific meaning to me. A report is something that is properly researched, properly constructed and properly presented. The interim ICRC report of 10 February satisfied those criteria, and when I said I had not received it, that was a correct and honest answer. That does not mean to say that I was unaware of the issues and the actions being taken.

Let me make it clear that we co-operate fully with the ICRC. It is offered full access to the detention facilities that we operate and each concern that it brings to the attention of the Government is treated very seriously and investigated fully.

A second report from the ICRC, a working paper—this is what I was referring to earlier—specific to UK detention facilities has also now been received. It, too, will be examined very closely, and where it makes recommendations, we will deal with them. However, I should tell the House that the report describes UK detention facilities as "fairly good" and notes that we have responded to the earlier concerns. I hope that that deals with the point made by my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock). That, I suggest, contrasts with some of the lurid statements of recent days.

I should also comment on the suggestions that we should publish ICRC reports. We will not do so without the express permission of the ICRC. I would have hoped that right hon. and hon. Members appreciated that the valuable work of the ICRC depends upon the confidentiality of its work. It is more than a matter of bad reports or good reports. Without the principle of confidentiality, the ICRC might lose access to detainees in countries where they are most at risk—and not only that: it could put ICRC personnel in danger.

Several hon. Members *rose—*

Mr. Ingram: I may be dealing with the point about which hon. Members are concerned.

The deaths mentioned by Amnesty International in letters to me fall into a different category. Amnesty does not have access to UK detention facilities, but it has commented on a number of issues. I understand from press and media reports that Amnesty has said that it submitted a dossier to me in October last year. Some may call them reports. I received only one document from Amnesty last October. It is hardly a dossier. *[Interruption.]* It is a letter just over a page in length, dealing with one incident. In my reply of 11 November, I set out the details of the investigation that was already under way into the death in custody of Baha Mousa, also known as Baha al-Maliki. I do not know whether the House would like to me read out that letter, but let me say that it is not a dossier, as some have alleged, nor is it a report.

Mr. Redwood: When, last September, the Government rightly decided to ban the hooding of prisoners, what else did they consider by way of maltreatment of prisoners, and what evidence did they have before them at that point on the basis of which to make that very sensible decision?

Mr. Ingram: The right hon. Gentleman should be aware—if he has followed this with due interest, rather than for the sake of party political point scoring—that these are very serious matters. As we know, the operational chain of command identified that the ICRC report was received by permanent joint headquarters

and appropriate action was then taken once those matters were brought to the attention of the operational command in theatre. So a decision was taken to cease immediately. Three issues were raised in the ICRC report—that is in the public domain—and we were already acting on them before we received that report so many months later.

Adam Price (East Carmarthen and Dinefwr) (PC): Will the Minister give way?

Mr. Ingram: Hold on a moment. It is interesting that no one is particularly interested in me reading out this particular report.

So the central charge is that I received reports about abuse in detention and did nothing about it. That simply does not stack up.

Richard Younger-Ross (Teignbridge) (LD): I wonder whether the Minister can clarify a point. Yesterday, in response to the question from my hon. Friend the Member for Somerton and Frome (Mr. Heath), the Prime Minister was asked whether he had seen a copy of the report. He answered that he had not needed to see a copy of it because it related to British troops and that that was being dealt with. The Minister has said that he is aware of the details of these reports, although he had not seen the report itself. Was he therefore aware of the abuses that have been alleged in American detention centres? If so, has he raised those issues with the US authorities? Will he confirm that the impact of what is happening in America has a direct bearing on the security of our forces on the ground in Iraq?

Mr. Ingram: I would have hoped for a better intervention than that, but the hon. Gentleman should read exactly what the Prime Minister said. He said that the allegations that had been made and the issues that had been raised had been dealt with. That is exactly the position. The three issues raised by the ICRC—*[Interruption.]* Does the hon. Gentleman want an answer? The ICRC had reported in February about matters that already had been taken on board within theatre, and the Royal Military Police had immediately commenced an investigation into one of the issues raised.

The hon. Gentleman asks whether I should be concerned about what other coalition forces do. We are each concerned about what the other does in those circumstances, but it is not my job to answer for any other of the 30 nations that are there. I am here to answer, on behalf of Her Majesty's armed forces, about what they have done, what they have allegedly done and how we then conduct our business in those theatres of operation in which we are operating.

Several hon. Members *rose—*

Mr. Ingram: I do not know whether hon. Members want me to read out the letter from Amnesty International.

Mr. Edward Garnier (Harborough) (Con): On a point of order, Mr. Deputy Speaker. Is it in order for the Minister to taunt us with this report? If he thinks that it is appropriate to read the thing out, he will read it out, but it is not for him to impose on us the burden—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. and learned Gentleman knows that that is a point of debate, not a point of order for the occupant of the Chair.

Gregory Barker (Bexhill and Battle) (Con): On a point of order, Mr. Deputy Speaker. Would it not be usual in these circumstances for the Minister to place the document in the Library?

Mr. Deputy Speaker: Again, that is not a matter for the occupant of the Chair.

May I tell the House that these are serious matters, which should be discussed in an orderly manner, without sedentary sniping from either side? Not only does the House wish to understand fully and clearly what has happened, but there is great anxiety outside in the country.

Mr. Ingram: Before the points of order, I was about to give way to the hon. Member for Westbury (Dr. Murrison). He intervened on me on 4 May, and I am only too happy to give way to him again.

Dr. Andrew Murrison (Westbury) (Con): The Minister will be aware that British forces have been used to transport Iraqi detainees to American interrogators. Does he not believe, given the contents of this and other reports, that we have a duty to make sure that the facilities and treatment in those centres are reasonable? If he does, at what point did he stop the use of British personnel for transporting Iraqi detainees into the clutches of the Americans?

Mr. Ingram: The reality is that we established our own facility, which was subject to further examination by the ICRC. As we have our own facility for that purpose, the use of British personnel stopped at the time it was established. That is an important aspect of the way in which we take responsibility for detainees and the way in which we interact with the community in Iraq.

Several hon. Members *rose—*

Mr. Ingram: I think that I should first deal with some of the central charges.

Matters have been raised outside the House by Amnesty International, which has claimed that it passed a dossier to me. All the allegations that I have seen are about that, and I repeat that I have dealt with that case. It was not a dossier—it was one case and it is still under investigation.

I suggested that the central charge that we had received reports about abuse in detention and done nothing about them does not stack up. There can be no more graphic illustration of those dangers than the photographs published in the *Daily Mirror* on 1 May 2004 purporting, and claimed by the *Daily Mirror*, to show the physical abuse of an Iraqi at the hands of two British soldiers. Right hon. and hon. Members will understand that the investigation is a matter entirely for

[Mr. Ingram]

the Royal Military Police special investigations branch. Ministers cannot, do not, and should not interfere. As the investigation continues into the very serious allegations made, it would be inappropriate for the details of the evidence that emerges to be disclosed.

Mr. Gordon Prentice (Pendle) (Lab): Will the Minister give way?

Mr. Ingram: Once I have finished my explanation I shall certainly give way to my hon. Friend.

If the investigation results in criminal proceedings, the evidence will become public at that stage, just as would be the case in criminal proceedings in the ordinary UK courts. Whether any prior disclosure of evidence is made is quite properly a matter for the RMP, which acts with the benefit of legal advice. My right hon. Friend the Secretary of State for Defence said in his statement to the House of Commons on Monday that the special investigation branch believe that there are strong indications to suggest that these photographs are not genuine. I said on 4 May that we had to treat the photographs at face value. That value has changed. Investigations are now proceeding on this basis: these pictures were categorically not taken in Iraq. Moreover, I can tell the House not only that that is the opinion of the SIB investigators but that it has been independently corroborated. The truck in which the photographs were taken was never in Iraq. I know that right hon. and hon. Members would like to hear more detail about the evidence, but I hope that they appreciate that those involved may have committed criminal offences under military law, which are the proper subject of ongoing investigations by the RMP. Accordingly, right hon. and hon. Members will understand why it would be inappropriate to say anything more about the emerging evidence.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): I have an interest in this matter, as the Cheshire Regiment is currently in Iraq and, as a result of the publication of those photographs, is at risk. Does the investigation go so far as to allow for a possible prosecution of those involved in the chain between the Army personnel alleged to be involved and the newspaper? Indeed, could it bring about the possible prosecution of the editor of the newspaper?

Mr. Ingram: That is not part of my ministerial responsibility for the armed forces. I am certain that the editor is not subject to military law—*[Interruption.]* Some may think that he should be. Given my hon. Friend's concern about the way in which the prestigious name of the Queen's Lancashire Regiment has been dragged through the mud by the *Daily Mirror*, the concerns he has just expressed will be well understood in the area he represents.

Mr. Keith Simpson (Mid-Norfolk) (Con): Can the Minister confirm one thing? He stated categorically that the photographs were effectively fakes. Nevertheless, it was intimated by the *Daily Mirror* that they could be a re-enactment. *[Interruption.]* I am trying to be helpful so that the Minister can clarify whether there is investigation into whether or not there was a re-enactment.

Mr. Ingram: I shall come on in more detail to the way in which we can progress the investigation.

Chris Bryant (Rhondda) (Lab): If, as the Minister says, the photographs were re-enactions or faked, is not the shocking thing that they seem to suggest that there has been systematic abuse? Nobody has yet advanced any evidence of systematic abuse by British soldiers of any kind.

Mr. Ingram: My hon. Friend makes a good point. They may not have advanced any evidence, but I am sure that he appreciates that some people have inferred that systematic abuse has taken place. Unquestionably, that is not the case. There is no question but that we are dealing with individual incidents, all of which are under investigation. If any new incidents come to light they will be subject to the same intense investigation.

The special investigation branch's priority continues to be identifying the individuals referred to by the *Daily Mirror* as soldiers A and B. When breaking the story on 1 May, the *Daily Mirror* claimed that those soldiers had witnessed mistreatment of prisoners in Iraq. Indeed, it even said that one of them took part in such mistreatment. We have consistently said that allegations will be investigated and that, if justified, appropriate action will be taken. There has been an extensive and intensive operation by the RMP in respect of the *Daily Mirror*'s claims involving many investigators. SIB resources inevitably have had to be diverted from other tasks.

Mr. David Borrow (South Ribble) (Lab): It is reported that the *Daily Mirror* is co-operating fully with the Ministry of Defence. As part of that full co-operation has it given details of names, places and times in the incidents that form the basis of the allegations? Can my right hon. Friend tell us how much officer time been wasted on that wild goose chase?

Mr. Ingram: That is a very good question, and I hope that the *Daily Mirror* can see its sense. No, it has not co-operated to the extent that my hon. Friend suggested. The investigation has not yet been completed and a substantial amount of officer time has been allocated to it. Because of the nature of the public controversy and the scrutiny involved we have had to put considerable resources into it, diverting essential resources from elsewhere.

Dr. Howard Stoate (Dartford) (Lab): Given that the photographs appear to be fakes, can my right hon. Friend quantify the extra risk at which they put our service personnel? Fraudulent photographs in the newspapers must cause significant extra risk to the brave men and women who are serving our country in Iraq.

Mr. Ingram: That is another very good point. It was a matter to which I referred in my statement to the House on 4 May. Investigating officers in Iraq are conducting their investigations in a sometimes

extremely dangerous environment, and we are putting those officers at risk, as well as others. I want to deal with the impact of the photographs.

Mr. Prentice: Will my right hon. Friend finally allow me?

Mr. Ingram: If my hon. Friend would let me finish a sentence and deal with the issues—I understand that he may want to defend the good name of the Queen's Lancashire Regiment, and I am happy to allow him to do so.

Mr. Prentice: I am grateful to my right hon. Friend. My question is a simple one. I have always believed that the photographs were fakes. What redress does the Queen's Lancashire Regiment have, because Piers Morgan has traduced its good name? Can the QLR sue the *Daily Mirror* for the fake photographs?

Mr. Ingram: I recognise my hon. Friend's concern for the good name of the QLR and I hope his concern extends across Her Majesty's armed forces. We need to see the end of the process before people judge what legal action they can take. It is not for me to direct them, but I fully appreciate how angry the officers and men and women of the Queen's Lancashire Regiment, and their extended families across the country, are about the allegations.

The priority is to get to the bottom of the allegations and, if wrongdoing has occurred, to take appropriate action. That is why I call again on the editor of the *Daily Mirror* to assist fully in the inquiry. From the start of this episode the *Daily Mirror* has demanded that the MOD and the Army operate under the highest standards of honesty, openness and professionalism. I challenge the *Daily Mirror* to do the same.

It is appropriate that we should debate these matters today, because they bear directly on the morale and, indeed, on the safety of the men and women—regulars, reserves and civilians—whom we ask to perform difficult and dangerous work: men such as the crew of a Warrior armoured vehicle from the Princess of Wales's Royal Regiment who, only few days ago, were injured by a petrol bomb thrown through the commander's hatch. Their assailants were children, so the crew did not respond to the attack.

Two days before that, in al-Amarah, the same regiment did not return fire against militiamen who were cynically making use of women and children as cover. Two days before that, a grenade was thrown at a UK patrol boat in Basra. The assailant was seen, but the Royal Engineers used no force owing to the presence of civilians. Those are only three examples of the sensitivity, forbearance, skill, self-restraint and courage shown by our armed forces in the conduct of their duties, and we would be right to think that such examples occur every day.

Let us consider the scale of the shadow cast over the QLR by the present furore. The hon. Members who have raised the good name of the regiment have every right to do so. I take the opportunity to compliment the regiment's considerable contribution during its tour of duty last year in Iraq. Members of the regiment helped to pacify Basra during an undoubtedly turbulent summer. It is in no small measure due to their efforts and the efforts of others that progress continues to be made in Iraq.

Iraq now has almost 80,000 Iraqi police. More than 20,000 reconstruction projects have been completed—mostly by Iraqi companies employing Iraqi workers—and that is helping to get the economy going. The capacity of Iraqi ministries is building fast and many have been passed formally to Iraqi control. After years of neglect, Iraq's infrastructure is slowly modernising, with bridges, pylons, railways and water pipelines appearing across the country. British forces are playing a full part in the reconstruction effort. They have been involved in 2,700 projects. Their efforts will help ensure that by the end of the summer the quality and volume of water in Basra will surpass pre-war levels, and the production of electricity in the south-east will have greatly increased.

Mr. Gordon Marsden (Blackpool, South) (Lab): Does my right hon. Friend agree that the catalogue of activities and achievements that he is giving is not a flash in the pan, but builds on what British troops have done over the past 10 years in other peacekeeping operations? Does that not strengthen the argument that the current allegations are far more likely to come as a result of isolated incidents than as a result of a failure to understand the necessary process of peacekeeping in countries such as Iraq?

Mr. Ingram: I agree entirely. That is why the British armed forces are renowned for all they do. I was in Afghanistan a few weeks ago. Everywhere I went, I heard only good words about the work being done in that country by a very small number of British armed forces personnel, and I heard it from senior officers from other countries and from Afghans themselves. That is mirrored in the Balkans, in Kosovo and wherever else our people serve.

Mr. George Osborne (Tatton) (Con): The Minister was speaking about the progress in Iraq. When sovereignty is handed over on 30 June, will the new Iraqi Government have exclusive responsibility for Iraqi detainees, for whatever reason they are picked up?

Mr. Ingram: Those matters are under consideration as part of the ongoing process at the United Nations to work out what the framework of law and structure will be following that date. It is a matter that has still to be fully determined, together with the circumstances under which it would occur. The hon. Gentleman should wait to see what emerges. If he wants to pass judgement thereafter, he may do so.

Several hon. Members *rose—*

Mr. Ingram: I give way to my hon. Friend the Member for North-East Derbyshire (Mr. Barnes).

Mr. Harry Barnes (North-East Derbyshire) (Lab): Is my right hon. Friend aware that the law of administration for the state of Iraq for the transitional period, which has been adopted, refers to the setting up of a national commission for human rights in accordance with the Paris principles issued by the

[Mr. Harry Barnes]

United Nations, and that the commission should include an office of ombudsman to inquire into complaints? If that is the procedure to be established once there is a transitional Government or in the period leading up to that in the near future, should we not have been doing something like that ourselves, in order to set the procedures in motion for the future?

Mr. Ingram: Instinctively, I would say no to that, although I notice other hon. Members are nodding in agreement. The implication that can be taken from the question is that there is so much wrongdoing, and potential for so much wrongdoing, that we need some form of independent scrutiny of Her Majesty's armed forces. Our people operate under military and UK domestic law. We have an open and democratic structure; Ministers are answerable for the armed forces and have to answer accordingly to this House. The example that my hon. Friend used has been considered in relation to another matter with which I will deal. I will not touch on the specifics, but I will refer briefly to it later because it relates to some of these issues. I hope that my hon. Friend will have a chance later to raise that suggestion.

Inevitably, as we make progress, there will be those who oppose us and the transfer of power to an elected, representative Government—Saddam loyalists, terrorists and others intent on violence for personal gain. These are the thugs who desecrate society. The coalition is committed to helping the Iraqi people to ensure that their prospects are not held hostage. Of course, the UK will play its part.

Mr. Edward Leigh (Gainsborough) (Con): Will the Minister give way?

Mr. Ingram: No, I will not.

I turn now to the issue of events at Deepcut barracks. As hon. Members are well aware, soldiers died at Deepcut as a result of gunshot wounds between 1995 and 2002: Private Sean Benton, Private Cheryl James, Private Geoff Gray and Private James Collinson. Each of the deaths was a tragedy. I offer my sincere sympathies to their families and friends.

I am sorry that official business in Afghanistan kept me from attending the Adjournment debate on this important subject that was secured by the hon. Member for Montgomeryshire (Lembit Öpik) on 27 April. However, I echo the words of my right hon. Friend the Secretary of State, who accepted that, in some respects, the families had not been looked after to the high standards that we now expect. I have met two of the four families involved and I have listened carefully to what they have had to say.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Madam Deputy Speaker. The Minister has moved on to a different subject but he referred earlier to a dossier from Amnesty International. Page 441 of "Erskine May" suggests that a Minister of the Crown may not cite a document without placing it upon the Table of the House. Will the Minister indicate whether he intends to do that?

Madam Deputy Speaker (Sylvia Heal): The document is not a state paper, so the Minister may not be required to do so. Obviously if he wishes to do so, it is entirely up to him.

Mr. Heald: Further to that point of order, Madam Deputy Speaker. "Erskine May" says that

"it has been accepted that a document which has been cited by a Minister ought to be laid upon the Table of the House, if it can be done without injury to the public interest."

The Minister offered to read it out. Perhaps he will agree to do as "Erskine May" would suggest.

Madam Deputy Speaker: Order. My ruling was that, as it was not a state paper, it was entirely up to the Minister whether he chose to do so.

Mr. Ingram: I am dealing with the deaths of four young people, and what do we get? We get a point of order from Opposition Front Benchers. Families are outside listening, but the hon. Gentleman is interested only in procedural wrangling from the Dispatch Box. I will deal as best I can with that matter after the debate, but the hon. Gentleman shames his party in what he seeks to do. *[Interruption.]* If he listened to what I was saying about Deepcut instead of shouting, he might regain some dignity.

I had hoped to be able to respond formally today to Surrey police's fifth report into issues arising from the tragic deaths at the Princess Royal barracks, Deepcut, but right hon. and hon. Members will recognise that it would not be appropriate to do so, given the other serious matters that we have had to address today. That is not to say that those deaths are not a serious matter; they are. I therefore intend to return to the issue at an early date. I feel I owe it to the families to ensure that the matter receives the prominence and public scrutiny it deserves. *[Interruption.]* I hear another quip from the Opposition Front Bench. I hoped that I had explained myself to the hon. Member for Mid-Norfolk (Mr. Simpson). I said that I was not going to refer to the matter in detail, but would mention it in passing. If that has been misunderstood or if I have not explained myself properly, I apologise to him. But I suggest that he reconsider what I said to him instead of sitting and interjecting while we discuss an important matter. He can intervene if he wishes.

Lembit Öpik (Montgomeryshire) (LD): I thank the Minister for his clarification of how he intends to handle the very serious question of the four deaths at Deepcut. Does he accept my view, and that of the hon. Member for Perth (Annabelle Ewing), that it is better to handle such an important matter separately from the debate today? Will he accept my gratitude for the fact that the Secretary of State has now written a letter of apology to Des and Doreen James about the poor treatment they received at the time? Finally, will he assure me that the Government have not at this stage ruled out the prospect of a full, independent public inquiry? Will he

assure me that they are at least considering the benefits of such an inquiry, which, as we all know, is what the parents would request?

Mr. Ingram: I do not want to enter the debate because, by indicating my thought processes, we would begin to deal with the way in which I would have reported today to the House. As the hon. Gentleman knows, I have met two of the families and may meet another one. If that gives me further matters to think about, this extra time may assist in the process. I want to give the matter due prominence and proper public scrutiny because it is right for the families. I am grateful to the hon. Gentleman for his comments.

As Minister of State with responsibility for the armed forces, it is my privilege to spend time with our forces in the field and to witness at first hand their endeavours, tribulations and successes. Despite the formidable challenges that our people have endured over the past year and the corrosive effect of the media, they remain in good heart. We owe them and the civilians who work alongside them a great debt.

The global security climate today is complicated, uncertain and challenging. Both now and in the future, we will need flexible, agile and responsive armed forces. They will need to be interoperable with our allies and coalition partners. They must also be able to operate in fluid, concurrent operations. We will also need to maintain the ability to deploy on large-scale operations when the need arises.

That means that we will continue to need our people to be of the highest quality. We accordingly need to have in place the policies to attract and retain high-calibre people and to support them and their families throughout their careers in the armed forces. We will also need to provide them with the training and education to fit them for their role and prepare them for their subsequent careers when they leave.We should never forget that people are the key component of capability, and we must look after them. Operations in Iraq and Afghanistan have taught us lessons.

Miss Anne McIntosh (Vale of York) (Con): As the Minister is aware, a number of servicemen and women from the Vale of York have served in Iraq and are currently still in situ. How has he addressed the problem of their morale and the concern of the families who will be separated from them for some considerable time, against the background of his earlier comments?

Mr. Ingram: That is an issue that we have to address; obviously, it does not rest only with Ministers. We have a valuable role to play, which is why my ministerial colleagues and I visit as often as we can the various areas in which we are involved, to hear what our people have to say. We pick up issues about morale, and I know just how angry our forces are about the allegations that have appeared in the *Daily Mirror*. I hope that I have expressed my anger on their behalf, but it is probably a very low level of anger compared with what they feel. We must make sure that we stand by them and speak for them. All the criticisms that some people, even in this House, are prepared to level at our forces should be expressed with great caution, as they do damage.

Our lessons learned process and the reports by the National Audit Office and the Select Committee on Defence have been very useful in helping us to recognise where we must improve. We consulted widely during a review of the way in which we dealt with the bereaved. In particular, we listened carefully to what the widows associations told us. We have concluded that we need simpler practices in many areas, including repatriation and casualty reporting. Changes are in hand, and we are keeping this whole area under constant review. We have also reviewed the operational welfare package for our personnel. As a result, we have introduced a family element to the package and are now providing welfare communications for early entry and manoeuvre forces.

There have been wider lessons as well. The Department fully acknowledges that there were shortages of certain items of personal equipment during Operation Telic and that that was bad for morale. The key difficulty was our inability to track assets once they were delivered to theatre. For example, although some 38,000 sets of enhanced combat body armour were sent to Iraq, which was sufficient to equip those who needed it, not all troops received the ECBA before the commencement of hostilities. A package of improvements for logistics material management has been introduced to provide incremental improvements to logistic tracking and visibility.

Mr. Leigh: Will the Minister give way?

Mr. Ingram: I am going to try to make progress. I have taken a lot of interventions, and there are many issues. We are dealing with morale, and I want to touch on some important issues. I hope that my remarks will be heard elsewhere.

We recognise the pressure that we place on our personnel and the potential impact on their families. That is why we seek to ensure that commitments do not become unsustainable. From a deployed operational peak at this time last year, we have managed to reduce the number of our service personnel on operations outside the UK and the Falkland Islands from 48,500 to 11,700.

I shall move on to the policies that we have in place to sustain our people, and the current manning position. Recruiting and retaining the right numbers of the right quality personnel remains critical to achieving operational success. In part, that means getting pay and conditions right, and the Armed Forces Pay Review Body is key. I shall take the opportunity to pay tribute to the work of Baroness Dean, who retired after five years sterling effort as chair of the body. I would also like to welcome her successor, Professor David Greenaway. Under his guidance, I am confident that the Armed Forces Pay Review Body will continue rigorously to scrutinise service pay and to draw careful conclusions. This year, the Government have again accepted in full the Armed Forces Pay Review Body's recommendations, and we look forward to receiving its report early next year.

Beyond pay, we must reassure our people that they can expect a good pension when they retire, and we must also provide adequate compensation for those who are injured in the course of their service. The House will be aware of our plans to introduce a new armed forces pensions and compensation scheme, and the Armed Forces (Pensions and Compensation) Bill completed its Commons stages on 6 May. Subject to successful

[Mr. Ingram]

completion of the necessary legislation, the schemes should be implemented in April 2005. Independent review has confirmed that both schemes will offer high quality benefits.

Mr. Julian Brazier (Canterbury) (Con): I am grateful to the Minister of State for giving way. Will he comment on the remarks of the Royal British Legion, which assists in large numbers of compensation cases? Up to three fifths of people who would get compensation for suspected war injuries under current arrangements will no longer get them because of the Government's plan to make such injuries more difficult to prove.

Mr. Ingram: I am aware of the views expressed by the Royal British Legion. My hon. Friend the Under-Secretary, who has been dealing with the Bill, advises me that we do not necessarily accept the methodology used to reach those conclusions, and that we continue to discuss the matter with the Royal British Legion and other bodies that have raised it. Many of the issues have already been discussed, although the matter will be considered in another place, and we will return to the Bill at a future stage, when the hon. Gentleman might have more information or have been satisfied by our explanations.

Pay and pensions is only one part of the package. We must provide our people with the training and education that they require to get the job done and to facilitate their personal development. Their performance in Iraq is a remarkable tribute to their dedication, determination, training and preparation. The 2001 defence training review made more than 200 recommendations for improving individual training and education for both service personnel and civilians within the defence field, three quarters of which have already been implemented.

Alongside training is the need for education. The Ministry of Defence is the largest provider of post-16 education in the UK. Individuals can gain transferable skills and qualifications that enhance both their careers and their future employment prospects. Across the armed forces, more than 40,000 personnel are registered for nationally recognised qualifications. Defence makes a vital contribution to wider national training and educational priorities.

Before I close, I should like to highlight some of the wider work that we have in hand for our people. We have long recognised that the armed forces must truly reflect the society that they protect and are drawn from, and again the figures show sustained progress. At 1 February 2004, women represented more than 8.8 per cent. of the overall strength of the armed forces. At 1 January 2004, the figure for representation of ethnic minorities in the armed forces was 4.8 per cent., compared with 1.1 per cent. in 1999, and we are working hard to improve the position. All three services have specialist teams aimed at promoting careers in the armed forces to ethnic minority communities. Over the past year, the armed forces have increased their dialogue with the Muslim Council of Britain, and other spiritual leaders, to address how to encourage more people from those communities to take up a career in the armed forces.

Finally, I would like to turn to families. We ask so much of our people's families that we owe them the right support. We have undertaken work to improve our handling of inquiries and investigations into death and serious injury of our servicemen and women. We want to reduce the time taken to conduct such inquiries, whenever possible, and keep families better informed of progress.

A wide range of important work is in hand to address the concerns of service families. I should like to highlight in particular the service families taskforce. We have established a joint working group with the Department for Education and Skills to resolve the issues facing schools providing education for service children. The taskforce's contribution is also vital to ensure that Departments are informed of the impact of proposed legislation on service families. Finally, the taskforce has rightly identified housing provision as key in supporting our families. There is much that we can do to improve matters in this area.

We are wholly committed to the provision of good quality accommodation for service personnel. The defence housing strategy outlined in the defence White Paper aims to meet those aspirations through a mixture of high-quality service family accommodation in the right locations to support mobility and choice for those individuals who choose greater stability. We aim to give personnel and their families more opportunities if they choose to settle or to buy their own house. That should help to improve continuity in health care, education and spouses' careers. Ultimately, all living accommodation, both for service families and for our single personnel, will be managed and delivered with a single vision in mind—quality and choice.

I am sure that many of those issues will be raised in the debate, and I know that my hon. Friend the Under-Secretary will return to some of them when he winds up.

As at 1 March 2004, the full-time trained strength of the armed forces stood at 190,240—an increase of some 2,000 on last year's figures. That is the result of sustained hard work across the three services. There remain pinch points where shortages of skilled personnel remain a concern, but even here there is good news to report. I should like to highlight in particular the Defence Medical Services. In January this year, we had nearly 350 more fully trained medical personnel than in 1999, and over 500 more are in the training pipeline. That represents real progress.

Mr. Peter Viggers (Gosport) (Con): What effect will the cancellation of the Royal College of Defence Medicine at Selly Oak have on recruitment and retention in the Defence Medical Services?

Mr. Ingram: I do not have an answer to that, because such matters have to be judged over time. The same question could be asked about any developments that may affect retention. They must be watched and studied, and we do so very carefully. That is why the Armed Forces Pay Review Body will return to areas where there are significant problems, then perhaps recommend certain payments—golden hellos and other incentives—that will attract people or retain them. We must take account of any detrimental impact that works against the trends that I have described.

Our people are working, as we speak, in many places—the Gulf, Africa, the Balkans, Afghanistan and Northern Ireland—to bring peace and stability to a very turbulent world. By dint of their efforts, and sustained by their core values of decency, respect for human rights and professionalism, they are working hard to make the world a more secure place for us all. We can rightly be proud of their efforts on our behalf. This House should speak with one voice and let them know that we give them our full support.

3.48 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I begin by turning the attention of the House back to the points raised by the Minister at the beginning of his speech, particularly his mini statement on what now appear to be the faked photographs produced by the *Daily Mail*. [HON. MEMBERS: "*Daily Mirror*."] I mean the *Daily Mirror*. I think that the whole House recognises that those who connived with their production and those who published them did a great wrong. As the Minister said, they tainted the reputation, abiding humanity and decency of the British armed forces and their families that has been so successfully sustained over many years. Their good name and, as the Minister said, possibly their lives have been traded for what now appear to be cheap news headlines. As my hon. Friend the shadow Secretary of State for Defence said in the House on 4 May, the allegations made by the *Daily Mirror* must of course be thoroughly investigated. We look to the *Daily Mirror* board to take appropriate action.

Chris Bryant: Does the hon. Gentleman also believe that the Press Complaints Commission should act in this case?

Mr. Simpson: I hope that it will do so and that it will examine all the details and evidence brought forward. That is not to say that all of us in the House do not recognise the right of a free press to put pressure on Ministers and the Opposition and if necessary, to reveal anything that they think is seriously wrong with the armed forces. This incident proves, however, that in this case one newspaper has probably gone beyond what most people would recognise as the right line.

Bob Spink (Castle Point) (Con): Following the revelations on prisoner treatment, my hon. Friend will be aware of the barbaric murder of the American civilian reconstruction worker in Iraq. Does he believe that the British Government should now consider the protection of any civilian reconstruction workers and aid deliverers in Iraq and of our service personnel?

Mr. Simpson: Clearly, that is a question of which the Minister will be only too well aware. I imagine that extra measures have been taken in respect of our service personnel. Clearly, volunteer contractors—I believe that some 5,000 UK citizens are working in Iraq—will accept advice from the British Government and the military forces out there, while recognising that they are taking an increasing risk. Of course, that is a matter that they must decide.

Mr. Garnier: I listened with care to what my hon. Friend said about the *Daily Mirror*. No matter how blameworthy it may be, and it appears to be that, it does not absolve the Government for strategic and policy failures. Was he satisfied that he received an answer to the apparent confusion that was left following the Minister of State's answer to my hon. Friend the Member for Westbury (Dr. Murrison) on 4 May and the statement made by the Secretary of State on Monday? It seems that there remains a hiatus and the Minister failed to fill it. Was my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) similarly confused by the Minister's recent remarks?

Mr. Simpson: My hon. and learned Friend leads me nicely on to the second part of my comments about the Minister's mini statement.

The whole House agrees that the contemptible behaviour of a few British soldiers, who, it is alleged, might have carried out such treatment of civilians or prisoners of war, does not represent the professionalism and dedication of the majority of our servicemen and women in Iraq. That is not under question. We all agree that there are no circumstances under which the brutal and disgusting humiliation of disarmed and helpless prisoners can be excused, even when one is at war on operations. However, the crisis, which is a crisis for the coalition, strikes at the very heart of the coalition's moral case, which we need to consider.

The damage has already been done. It is not only the damage caused by the continuing revelations about atrocities carried out by certain elements of the United States armed forces. As the commander of 42 Commando Royal Marines, who was interviewed this morning, said, the damage has been done and has affected all of us. It will be incredibly difficult now to turn round opinion in Iraq and in the Arab world, as well as opinion in the United Kingdom.

Mr. Borrow: Does the hon. Gentleman agree that had the *Daily Mirror* not published those photographs, it would be more likely that the Iraqi population would distinguish between the good conduct of our troops in southern Iraq as against the slightly different approach of the US troops in the Baghdad area?

Mr. Simpson: The hon. Gentleman may well be right, but the problem now is that the coalition brand has been tainted across the board. Certainly, the actions of the *Daily Mirror* will not have helped. I do not think that many people in Iraq now make much distinction between ourselves and the Americans in relation to the question of who abused prisoners and, of course, the visual image has the biggest impact.

Mr. Kevan Jones (North Durham) (Lab): Does the hon. Gentleman agree that the allegations and photographs have not just made things difficult for our armed forces and the coalition in Iraq, but made it difficult for the voice of moderate Muslims in the region to be heard? Does he agree that that damage will take a long time to repair?

Mr. Simpson: I think that it will. It is now almost impossible to put the genie back in the bottle. As I have said, it is not just a question of the *Daily Mirror* but of what we see on our screens and of what is coming from Washington. Defence Secretary Rumsfeld has said that

[Mr. Simpson]

we must prepare ourselves for even more and even worse. I think that that undermines the whole coalition effort.

Mr. Redwood: Ministers now tell us that policy on the treatment of prisoners was reviewed last September and a sensible decision was made about hooding. Would my hon. Friend expect Ministers to have been aware of that? Would he expect them to have called for papers and discussed issues? Would he expect them at that point to have reviewed the whole question of conduct towards prisoners to ensure that they were being dealt with in the right way everywhere?

Mr. Simpson: I hope that my right hon. Friend will forgive me if I do not respond to his point immediately. I am about to list a series of questions for Ministers to answer.

Along with my colleagues and, I suspect, some Labour Members, I have been dismayed by the way in which the Government, and the Ministry of Defence in particular, have responded to what has, in effect, been a crisis. At times, as we have seen this week, they have given an impression of muddle and incompetence. Cursory reading of a newspaper or attendance in the Chamber would have revealed the contradictory statements of the Foreign Secretary, the Secretary of State for Defence and the Prime Minister. That can only encourage those who wish to see the coalition defeated and undermine the morale of our troops.

What I and others are criticising is not our armed forces, but the muddle and incompetence of Ministers. That is the point at issue. Notwithstanding the numerous questions asked and the two statements made in the House, a number of questions remain unanswered. They should be cleared up now, because we will face further crises like this over the next few weeks that will put our troops in even greater danger. I shall be happy to give way to the Minister of State if he wishes to answer any of the questions that I put to him.

There is a crucial question about the ICRC report. Until I read it, I did not realise that it put together allegations about both American forces and our own forces. The report was passed on and we understand from the Foreign Secretary's statement that it eventually reached the permanent joint headquarters. I gather that it was decided there not to pass it on to the Ministry of Defence. Is that correct? It is not a rhetorical question. Does the Minister wish to answer it? Perhaps he does not know the answer. I believe, on the basis of my experience of working at the Ministry of Defence—some years ago, admittedly—that the political secretary at the permanent joint headquarters would certainly pass such a report to the policy-making centre at the Ministry. Either it stopped there, or Ministers were never informed. This is not some pedantic point. It is crucial in terms of policy and the Government's ability to respond to the kind of accusations that have been made.

Given the report's reference to the coalition forces, both the American forces and ours, did the Foreign Office, the Ministry of Defence or the Cabinet Office make representations to their United States counterparts at any point since its publication? Was the Secretary of State for Defence, for instance, totally unaware of the allegations against the Americans? Might it not have been in the interests of the coalition for him to speak to Defence Secretary Rumsfeld to point out that these were serious allegations and to recognise the damage that they would do to the coalition?

According to *The Observer* on 9 May, the MOD confirmed that three British military personnel were stationed at Abu Ghraib prison. Who were they? To whom did they report? Were they aware of the mistreatment and abuses going on? Did those British servicemen at any point make complaints about maltreatment and irregularities at the prison to their superiors? Were Ministers made aware of that? I should be happy to take an intervention from the Minister on that—but no, he does not want to come back to me on it.

It is my understanding that Umm Qasr prison camp, as mentioned by my hon. Friend the Member for Westbury (Dr. Murrison), was initially operated by the British armed forces. On 7 April 2003, its administration was handed over to the United States, only for it to be handed back to the British forces on 25 September. On 1 April, the ICRC orally informed the political adviser of the commander of the British armed forces at coalition forces Central Command in Doha about methods of ill treatment used by United States military personnel at the camp. Did the British Army continue to hand over Iraqi prisoners to the United States forces despite the warnings about that ill treatment or was that handing-over procedure stopped? If the answer is yes, who made the decision and were Ministers informed of it? I do not know whether the Minister wants to come back on that—no, he does not.

My final point concerns the letter, report or document—call it what we will—of Amnesty International that has got the Minister into so much trouble and produced what could best be described as the Clinton defence on a point of detail over the word "contract". Because the Minister is an honourable man, I sincerely hope that he will put into the public domain the Amnesty International document that he showed us at the Dispatch Box.

Mr. Ingram: May I ask the hon. Gentleman whether he got in touch with Amnesty International and asked it to produce the dossier that it sent to me, and if not, why not? It is Amnesty that has said that it is a dossier.

Mr. Simpson: No. I have to say to the Minister that I would love to be the Minister for the Armed Forces, but it is he, not me, who has to answer for the Government. It seems that what we have seen today is a lot of legalistic semantics from a Minister who has been unable or unwilling to answer the even more substantial questions that I have just put to him. I am sure that members of the armed forces and the press will notice that.

Both the US and the UK have been steadily losing the confidence of the public over Iraq. To my mind, that is a tragedy. As one who firmly supported the Government in their operations in Iraq, I sincerely hope that, through the good efforts of the United States and our Government, we will be able to hand over to an Iraqi Government on 30 June. However, our Government have created a series of blunders. The

Ministry of Defence appears not to know what is going on with major allegations, which seems to replicate what has happened in other Departments. For example, we saw what happened in the Home Office over its asylum policy, when Ministers appeared to blame civil servants and said that things were not going correctly but that they did not know what was going on. So far, as we have seen, the Minister here has been unable to answer any of my questions.

Mr. Leigh: There is one point that has not yet been made in this interesting debate. If we are talking about the morale of our troops and the need to win over public support, does my hon. Friend think that it would be useful for the Government to share with the House their future strategy for Iraq? No one expects the Government to give us exact details on when we might withdraw, but we want some kind of intimation of what their exit strategy is, what sort of guidelines are being laid down and when our troops might be coming home—or at least when we might start to reduce their numbers.

Mr. Simpson: My hon. Friend has raised a series of points that others have raised with the Prime Minister. The date of 30 June is less than two months away, and we assume that the Prime Minister will consult our senior coalition partner to establish a strategy that is credible and that will somehow manage to reverse the dangerous situation that our troops now see themselves in. There must be security and a diplomatic and military strategy for Iraq, and I look forward to Ministers producing that.

The Minister has not answered a number of crucial questions. Either he just did not know or was not told or there is a degree of incompetence that I cannot believe exists in the Ministry of Defence, which I always thought was well run. It is not that I or other Opposition Members—or, indeed, Labour Back Benchers—are critical of the actions of British troops. We are not; but we are critical of what appears to be the stumblebum activity of Ministers.

Mr. James Gray (North Wiltshire) (Con): Before my hon. Friend leaves the handling of prisoners in Iraq, may I ask if he is aware of an exchange between our noble Friend the late and much lamented Lord Vincent and Lord Bach in the House of Lords last July, some six months before the Red Cross report? Lord Vincent asked about the handling of Iraqi prisoners. Lord Bach said that that was a matter of grave concern, that he would look into it and that he would pay it every possible attention. Is it conceivable that the Red Cross report was then ignored?

Mr. Simpson: I think that my hon. Friend made a slip of the tongue; that was in fact the late Lord Vivian.

What concerns many hon. Members, and many people in the armed forces, some of whom are probably watching the debate, is the fact that those issues were raised. They were raised on a large scale in Washington, yet they seem to have come as a great surprise to Ministers. Why?

I shall try to keep the rest of my remarks relatively short, because many hon. Members wish to speak—

Mr. Ingram: The hon. Gentleman wanted me to respond to his questions, so, just for the record, three issues directly relating to our armed forces were raised in the ICRC report. All of those were known about and were being addressed. Reports were being made. We knew about the Baha Mousa investigation; we knew about the hooding, which had been stopped in September; and of course, the other issue relating to a vehicle and the compensation relating to it was also known about. All the matters that the ICRC report eventually dealt with had already been acted on. As my noble Friend Lord Bach said, we all take these matters seriously, and we acted on them. I am interested to know whether the hon. Gentleman thinks that there are any other issues that we have not acted on in this context?

Mr. Simpson: I refer the Minister back to the series of questions that I asked him and invite him to answer them. Can he confirm that there were three British military personnel at Abu Ghraib prison? Did they report back what was going on there, to him or to any senior military commander, or not?

Mr. Ingram: The answer is yes and yes.

Mr. Simpson: What action did the Minister then take? Did he contact his United States military counterpart—

Mr. Ingram: The hon. Gentleman is missing the point here. He asked whether there were three people there and whether they reported back. They always report back on the work that they are doing. He is assuming that there were adverse reports.

Mr. Simpson: That is the whole question that I asked: were they adverse? Does the Minister want to reply to that?

Mr. Ingram: They make reports, and those matters are then acted on—*[Interruption.]* They report on all matters that are brought to their attention, and to the best of my information, as this question has been asked, no, the reports were not adverse.

Mr. Simpson: The Minister is saying that those people did report back, but he has not said whether he knows whether they reported on the adverse conditions. Does he, to the best of his ability, know whether he or the Secretary of State raised the matter with Defence Secretary Rumsfeld or other Ministers in Washington? This is crucial, in terms of the reputation of the British armed forces, and of what Ministers knew about. The obvious conclusion is that either Ministers did not know about it, or they knew about it but decided not to report. Ah, a note has arrived from the Box: "You're on your own."

Mr. Ingram *rose—*

Mr. Simpson: Aha!

Mr. Ingram: Actually, the note does not say that. I was reflecting on it because it gives the same answer as that which I have already given. These people were always told to report back, and they saw nothing of the kind that the hon. Gentleman suggests. They did not observe what he is alluding to.

Mr. Simpson: I am grateful to the Minister for that response. It has taken five minutes of questions to

[Mr. Simpson]

establish that there were British military personnel in Abu Ghraib when some of these activities took place but that, as far as he knows, they did not see, observe, witness or hear about such atrocities. I am grateful to the Minister for putting that on the record—I only wish that he had done so five minutes ago. It has been rather like getting an undergraduate to answer questions in a university viva.

Mr. Leigh: A very important point has emerged in the last 10 minutes. We now know that we had our own people in that prison, in which there was widespread abuse, but apparently they told their superiors nothing of what was going on. That beggars belief. What were they doing there? Was there some form of—dare I use a phrase that is often used by Labour Members?—cover-up in their minds? We need to know more and to see the reports.

Mr. Simpson: My hon. Friend makes an important point. If there are such reports, perhaps the Minister might be willing to publish them, to prove not only that British military personnel were there, but that they did not see any atrocities taking place and, of course, that they were not directly involved in such things themselves. I genuinely believe that what we have experienced this afternoon does no credit to the Ministry of Defence, and it must be deeply worrying to members of our armed forces. If only Ministers would come clean and put on the record what actually happened, instead of putting up more smoke, tabloid newspapers would not have to pick up and make up stories. I hope that the Minister will be better prepared to deal with these issues in time for Monday's Defence questions.

I turn finally and briefly to the other issues that the Minister touched on, the first of which is the pattern of operations and their impact on our armed forces. Deployments in the past seven years have included continuous operations in the Balkans, and additional operations in Sierra Leone, Kosovo, Afghanistan and Iraq. Army commitments have fluctuated from a peak of 44 per cent. in 1999 to 22 per cent. in April 2001. In November 2001, there was a 31 per cent. commitment to operations, and a 40 per cent. commitment at the height of the Iraq conflict.

Of course, we all recognise the professionalism and dedication of our armed forces, but reductions in the Army, Navy and Air Force are taking place between tour intervals, placing an increasing demand on all ranks. As many serving officers tell us, eventually, that begins to wear down the professionalism of the armed forces, and it begins to persuade many—particularly those who are married and under pressure from their husbands or wives—that they should think again about military service. I accept that Ministers have tried to address this issue, but they have yet to get it right.

There is also the dreadful business of overstretch, as a result of which the armed forces frequently have to carry out concurrent military operations. Despite the best efforts of the strategic defence review, the armed forces are getting very close to being unable to do more than one big operation, perhaps alongside one small one. Indeed, it was the firemen's strike that put the biggest strain on our armed forces. We need to know what solution Ministers propose, given that, according to the defence White Paper, our armed forces will be involved in even more such operations, which will impose even greater stresses and strains.

David Wright (Telford) (Lab): I spent some time with the forces through the parliamentary scheme over the last year, and I discovered that they are incredibly professional in their outlook. I am interested in the hon. Gentleman's comments about overstretch, which is highly important. Does he have any proposals to deal with the problem? Is he proposing to increase funding for the armed forces?

Mr. Simpson: Sometimes, just occasionally, a Back Bencher can provide the opening that one has been looking for. If the hon. Gentleman wants to discuss the defence budget, I would refer him to the permanent secretary's evidence before the Select Committee yesterday. The Treasury said that the Ministry of Defence had, in fact, been incompetent in its handling of the defence budget. We are starting from such an appalling baseline that Sir Kevin Tebbit admitted that it would be wrong for him to say that the Ministry had enough money. The Labour Chairman of the Select Committee, the right hon. Member for Walsall, South (Mr. George), urged the MOD to stand up to the Treasury, saying:

"It may not be a crisis to you, but it looks like a crisis to us".

The hon. Member for Telford (David Wright) is absolutely right, and an incoming Conservative Government will have to look at the books—

Vernon Coaker (Gedling) (Lab): Pathetic.

Mr. Simpson: I hear an old lag on the Front Bench shouting "Pathetic" from a sedentary position, so I suggest that he looks at the MOD's resource accounting and budgeting report, which the National Audit Office has not been able to sign off yet. We have written to the Secretary of State on countless occasions, but he has been unable to provide any answers.

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin) *rose—*

Mr. Simpson: I see the Under-Secretary wants to come to the rescue.

Mr. Caplin: As the hon. Gentleman is dealing with the financial position, is he aware that his colleague, the hon. Member for Aldershot (Mr. Howarth), last week committed his party from the Dispatch Box to £661 million of extra public spending in year one of any—highly unlikely—future Conservative Government?

Mr. Simpson: If we look up there, we can see a line of new Labour pigs flying past. I was here, which the Under-Secretary appears to have forgotten. Supposedly, one figure was produced and then, literally on the back of a fag packet, another. Please, let us get real about this. The armed forces are now facing a £1

billion budget deficit, so it is up to Ministers, who so far this afternoon have failed to answer most of the questions put to them, to come up with some answers.

Chris Bryant *rose—*

Mr. Simpson: I have given way more than enough. I have been very generous and I would think that you, Madam Speaker, would—*[Interruption.]*

Madam Deputy Speaker: Order. It is entirely in the gift of the Opposition spokesperson to decide whether or not to give way.

Mr. Simpson: You put it so charmingly, Madam Deputy Speaker.

Across the board, whether in the regular or reserve forces, there are significant manning problems, particularly with specialist groups of one sort or another. I have already touched briefly on the problem of retention. Many of us are concerned about the morale of the armed forces because the White Paper and the work strands seem to be placing emphasis on even smaller—in terms of numerical strength—armed forces. I suspect that the hon. Member for Telford would agree that if the Army is reduced to much below 100,000 it will be incredibly difficult to recruit and maintain certain specialist areas. With greater emphasis on special forces, that will put an even greater strain on a fine group of men and women who now have to be supported very heavily by the reserve forces.

I wish to end by saying a few brief words—as did the Minister of State—about families. I have special words of praise for the various service family support organisations, which do so much to keep families in touch with their military loved ones who may be on active service. Those groups tirelessly lobby Ministers and Chiefs of Staff on everything from pay and allowances, through accommodation to children's education.

On Monday I met Lizzie Iron, the outgoing chairman of the Army families federation, who briefed me on the issues that concern her members. Ministers will be aware that concerns have been exacerbated by the increased years of often unaccompanied duty and by fears about what the White Paper may produce. Uncertainty increases anxiety, so I hope that Ministers will be able to reassure families that, following the implementation of the White Paper, their spouses' jobs are more secure and that—to use a hackneyed old phrase—things can only get better. I do not recall whether it was the Prime Minister or the Prime Minister-in-waiting who said that—or was it the Chancellor of the Exchequer? These days, it is so difficult to know who the real leader of the Labour party is.

The SDR and the defence White Paper recognise, as I know that Ministers do, the real added value as a force multiplier—to use that awful terminology—of our high-quality armed forces. Their professionalism, skills and adaptability have been built up and maintained over decades by successive Governments and are the envy of many other countries and armed forces. However, the pace and frequency of operations place an increasing strain on them and their families. Cuts in time spent at home or on regrouping and training can eventually affect operational effectiveness. We should not assume that our armed forces, at this pace, can continue always to deliver what we expect from them.

Leaks from inside the Ministry of Defence, and evidence presented to the Defence Select Committee about the likely conclusions of the 16 work strands, indicate cuts in the size of the armed forces and a smaller critical mass.

Richard Younger-Ross: I am not sure, but the hon. Gentleman seems to be proposing two alternatives. He rightly identifies that the stresses and strains on families are leading to problems of retention. That problem can be overcome either by increasing the size of the armed forces or by not undertaking as many operations. I remember that Conservative Members supported the war in Iraq, whereas Liberal Democrat Members did not. Which alternative does the hon. Gentleman prefer? Should we cut the number of operations or increase the resources?

Mr. Simpson: In the end, we might have to reconfigure our armed forces. *[Interruption.]* The Minister of State laughs, but I am always prepared to tell him which work strand is considering that option at this precise moment. However, as happened with the ICRC report, he may not have seen what that strand is doing, or been made aware of it.

If we degrade that added value, we face the prospect that our armed forces may not be able to deliver the very high standard of operational effectiveness that they, and we, would wish for. It is on them, as much as on technology, that we rely for our defence and security.

ROYAL ASSENT

Madam Deputy Speaker (Sylvia Heal): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

National Insurance Contributions and Statutory Payments Act 2004

Justice (Northern Ireland) Act 2004

Planning and Compulsory Purchase Act 2004

Child Trust Funds Act 2004

London Local Authorities Act 2004.

Armed Forces Personnel

Question again proposed, That this House do now adjourn.

Madam Deputy Speaker: I advise the House that Mr. Speaker has imposed a 10-minute time limit on Back Bench speeches. I call Rachel Squire.

4.33 pm

Rachel Squire (Dunfermline, West) (Lab): I begin by presenting the apologies of the Chairman of the Defence Select Committee, who is unable to be here today.

People are the armed forces' most important asset. However much the technology of military operations may have advanced in recent years, it is on the professionalism, training and individual courage of service men and women that their effective conduct depends. I want to begin by paying tribute to the members of the armed services, and to their families.

For the Defence Committee, personnel issues have always been important. Whenever the Committee visits British forces in the UK or overseas, members make a point of trying to talk to forces personnel of all ranks. The Committee reports regularly and considers the impact of policies and operations on personnel, as is shown by our reports on the lessons of Iraq and on the strategic defence review new chapter.

We have also undertaken inquiries into specific personnel issues, such as pensions and compensation arrangements for the armed forces, and we are now beginning a major inquiry into the duty-of-care issues in the three services. If I have time, I shall make further reference to that inquiry later.

On numbers, we heard encouraging news about progress towards manning targets from General Sir Michael Jackson, who told the Defence Committee a few weeks ago:

> "The army is not yet at its target figure but it has, for example, increased by nearly 2,000 over the last 12 months. So I am satisfied that army planning is in a healthy position and my forecast is that it will continue to increase".

Recent operations have demonstrated the potency of modern weapons systems. Some 85 per cent. of munitions dropped in Iraq were precision guided compared with 25 per cent. in Kosovo and 11 per cent. in the Gulf war of 1991. The speed of the American advance on Baghdad was an example of how the concept of overmatching power has replaced that of overwhelming force, but technological advances, however effective, cannot make up for insufficient numbers on the ground, and no one can be in two places at once.

Stabilisation operations and peace support operations require a large number of personnel, not high-tech weaponry. The Defence White Paper focuses on how the armed forces can best deliver an expeditionary capability. The Defence Committee is conducting an inquiry into that and will publish its report in due course. I am a little concerned, however, that we risk overlooking the importance of ensuring that we meet the simple requirement of having the large numbers of troops needed to supply the considerable number who endure low-intensity operations.

The former Chief of the Defence Staff, Lord Boyce, said in his maiden speech in the other place:

> "So we need to remember . . . the low intensity end, where we are for the vast majority of the time with our forces spread thinly around the world as they are today; that however clever the technology, it does not deliver the capability to be in two places at the same time, such as patrolling simultaneously in the Gulf and the south Atlantic. We have not yet cracked the fourth dimension. So, if there is to be a cut in frontline numbers, then no doubt we can also expect to see a cut in commitments. Anything else would be inexplicable to our already fully stretched servicemen and servicewomen."—[*Official Report, House of Lords,* 3 December 2003; Vol. 655, c. 343.]

We would all agree that we ask a lot of our armed forces and that they never fail to deliver, but we must recognise that what they can do is limited by how many of them there are. So how do we resolve the dilemma of too many commitments and too few people?

We should, of course, always look to reduce commitments where we can. I support the Government's continuing efforts to encourage our allies, particularly in Europe, to do more, but we must recognise that it is much easier to argue against taking on more commitments in the abstract than to argue against specific proposals when we see the need for them and know that we, and possibly we alone, have the armed forces that could meet that need.

So should we increase the size of our armed forces? To do so would, of course, require extra resources. Although the Chancellor's statement in the Budget was welcome, it is not realistic to expect the extra funding for defence that would be required to sustain a significant increase in armed forces personnel. Funding is not the only constraint, however. I was struck by what General Sir Michael Walker told us in the Defence Committee. He said:

> "I do not think it is realistic to imagine that the demographic base in this country would necessarily support a significant increase in the number of people coming into our armed forces. It would be wrong of any of us, I think, to start lowering standards to increase numbers."

Even if we could afford it, it is the view of the Chief of the Defence Staff that it is unlikely that we could recruit significantly greater numbers to the armed forces without an unacceptable lowering of standards. My first conclusion is that we have to work with what we have got. We should of course continue to look for ways to improve our capabilities within those overall limitations, and we should be prepared to restructure our forces so that they are best able to respond to the sort of demands that we expect to make of them.

My next point is on key enablers, because if our forces are stretched overall, the specific demands that we make of them in some areas become unreasonable and unsustainable. As the Defence Medical Services has already been mentioned, I shall move on from that example in the hope that other Members have a chance to say a little more.

During Operation Telic there was much public criticism because crucial supplies were not getting through to our front-line forces. As the Committee's report, "Lessons of Iraq", spelt out, some of that criticism was justified, but not because the people with day-to-day responsibility for those matters were negligent or careless; rather it was the consequence of there being too few people in key specialties and too little investment in key systems.

Logistics may not be glamorous, but it is essential. The Defence White Paper recognises that logistics must be seen as a capability in its own right and that it needs reorganisation, not least so as to alleviate the demands on specialist personnel.

Another example is engineering. The initial deployment to Operation Telic put huge demands on engineering capability. When I and other members of the Committee were in Shaibah last July, in temperatures that were routinely above 50° C, we saw uninstalled air-conditioning units lying around because no engineers were available.

I want briefly to mention our reserve forces. They were involved in both the combat and peacekeeping phases of Operation Telic and the Defence Committee was impressed with their dedication and their invaluable contribution.

Operation Telic involved the largest compulsory call-out of reserve forces since the 1956 Suez crisis. Reservists play a critical role in UK military operations, as they provide, in many cases, skills that are not readily available in the regular forces. The medical side provides a specific example; 760 medical reservists were deployed in Operation Telic.

Being mobilised can put substantial pressure on individual reservists, their families and employers. The Defence Committee is especially concerned that reservists do not lose their jobs as a result of mobilisation. The Chief of the General Staff, Sir Michael Jackson, told the Committee recently that it would be

"a mistake to assume that we could use the reserves at the tempo at which we have been using them over the last year".

On mobilisation, he said:

"The Reserve Forces Act itself of course says once in every three years, and certainly that is the law, but I personally think that may be a bit too often anyway."

The Ministry of Defence must consider that point seriously.

We ask a lot of our armed forces. We put them into situations where they face great personal danger and come under extreme pressure. We also expect them to conduct themselves to high standards and on the overwhelming majority of occasions that is what they do. I have met and spoken to members of the British armed forces all over the world; they are often doing difficult jobs in unpleasant places. I have found them highly professional, committed to the task at hand and fully aware of their responsibilities towards the civilian population.

I do not intend to discuss the specific allegations against some personnel who have served in Iraq, especially as little time is available, but I welcome the comments of my right hon. Friend the Minister, and the Defence Committee will consider some of those matters in its inquiry into continuing operations. The Committee is also in the early stages of an inquiry into the duty of care towards recruits in all three services. Unfortunately, I do not have time to elaborate on that.

I end my speech by once again paying tribute to our armed forces, and to the personal sacrifice—indeed the ultimate sacrifice—they are called on to make in the service of their country. It is Parliament's and the country's responsibility to return their commitment with fair treatment, value and respect and just reward.

4.34 pm

Mr. Colin Breed (South-East Cornwall) (LD): This is indeed a very timely debate in the light of the past few days' events and, in particular, of course, the reports from the ICRC and Amnesty International.

In the statement on Monday, the Secretary of State for Defence reiterated the need for open and transparent dialogue between the Government and the House. The vast majority of British troops in Iraq are conducting their difficult and dangerous operations to the very highest standards of professionalism in the toughest of conditions. It is right that we have all paid proper tribute to them, both today and on many previous occasions.

Sadly, it is not unusual for improper behaviour to occur in time of war and conflict, and swift and appropriate action needs to be taken by the proper authorities and overseen by the Government and relevant Ministers. It is vital that Ministers are made aware of all important reports, both internal ones and those provided by external organisations, not only so that action is taken at the earliest opportunity but so that the Government can ensure that they keep the House fully informed of important developments. So I welcome the Secretary of State's statement to the House on Monday, but I remain disappointed by the inadequacy of his response to some of the crucial questions put to him by hon. Members on both sides of the House.

The Prime Minister yesterday answered questions in a rather similar fashion and insisted that there was no evidence of systematic abuse of Iraqi prisoners by British troops. I think that that is confirmed in the report. He also confirmed that he had not seen the ICRC report until Monday this week, but we know that the report was received by British officials in Baghdad on 26 February. Despite the dialogue between those on the two Front Benches this afternoon, I am still not entirely clear why there was a three-month delay in bringing those very serious allegations to the notice of senior Ministers.

The Prime Minister's response that the report was not passed to Ministers in February and that he did not know of the allegations of abuse before receiving it was very carefully worded. What was not made clear was whether the Prime Minister was aware of the serious allegations concerning US troops, particularly in respect of Iraqi detainees, and whether he made any representation to President Bush during his recent visit to Washington. As a coalition partner, we surely have every right to know what our partners are doing in the name of the coalition of which we are part and for which we are therefore jointly responsible. But the crucial question remains: why were those reports, which are of obvious political significance, not shown to Ministers and thus not reported to the House?

Richard Younger-Ross: In an earlier intervention, the Minister of State, who has left the Chamber for the moment, indicated that what the US does is nothing to do with him. I should have thought that anything to do with US or the coalition forces was to do with him and ought to be of concern to him. I understand that the Leader of the House stated that what the American forces had done was a stain on the coalition. Does my hon. Friend agree with the Minister of State, who says

[Richard Younger-Ross]

that that is nothing to do with him, or with the implication of what the Leader of the House said, which is that it is a stain on the coalition and is obviously a matter of concern to the Government?

Mr. Breed: All this is a good example of the way in which hairs are being split. Both views are correct in a way, but we have to recognise that, of course, any action by any coalition partner will have implications for all the others. That has been made perfectly clear in recent days.

If we find that any British troops have broken the Geneva convention or, indeed, any other human rights law, I accept the Minister's assurance that those incidents will be fully investigated and, if proven, those responsible will be appropriately punished.

The appearance of the black-and-white photographs in the *Daily Mirror*—they now appear to be reconstructions or representations—have clearly focused attention on what may be disturbing behaviour by our troops that has been the substance of allegations by the Red Cross and Amnesty International for perhaps more than a year. We can only speculate about the motivation behind those images. There is the motivation of the *Daily Mirror* in using them—it says that it investigated them fully—and the motivation of the people who set the thing up. We were led to believe—and I accept—that they are soldiers, and were named as soldiers A, B and C.

Mr. Borrow: On that specific point, does the hon. Gentleman agree that the *Daily Mirror* should have told the soldiers who came to it with the story to do their duty, see their superior officer and give him full details of the events that they reported?

Mr. Breed: I agree entirely that it is right that such actions should be taken before anything of doubtful provenance is published. I want to believe that, although the outcome has been appalling, the motivation of some of the soldiers was honourable. Their action may have been born of frustration following inaction about widely known reports. The way in which the images appeared has been extremely damaging, but we should await the full results of the investigation not only into how those things came to be published but about why they were brought into the public domain.

The US photographs that have been released demonstrate utterly unacceptable behaviour, and have led to an escalation in violence and tension not only in Iraq but among the wider Muslim population of the region. Already, in the past few days, we have seen the appalling and barbaric decapitation of a US civilian, which has shocked people the world over and has shown that even allegations of abuse of Iraqi prisoners can lead to direct retaliatory violence. It is therefore vital that the allegations about British troops are precisely defined and kept separate from the US investigations. What is the status of the British investigations and when will the results be made public? No criminal proceedings have been initiated as yet, but what disciplinary action has been taken against troops in Iraq found to have acted improperly. The Red Cross report states that a commanding officer handed back the body of Baha Mousa to his family in a dreadful state and apologised, assuring them that those responsible would be brought to justice. Compensation was paid, perhaps as admittance that the Army might be liable in the judgment of Army lawyers. Why has it taken so long to reach a judgment? Speed is of the utmost importance to calm fears and restore reputations as quickly as possible. We should not let these things fester in communities. Why did the family of Baha Mousa feel the need to bring another case against the MOD in the UK courts?

The allegations have dealt a serious blow to the coalition's efforts to win over the Iraqi people. As part of the coalition, our troops are inevitably identified with those of the US. The ICRC report makes no distinction between coalition forces, and was given at the outset to the US command. Regrettably, we are tarred with the same brush when allegations of abuse are made. Shame falls equally on UK and US forces, regardless of the extent of abuses by either side. The MOD has said that the European convention on human rights does not apply in Iraq, so can the Minister tell us what human rights law does apply there? In particular, does the international covenant on civil and political rights, to which Iraq is a party, apply? Can the Minister assure the House that his Government are doing everything possible to ensure the observance of human rights in all coalition operations in Iraq and that there are clear channels of communication between coalition partners for any alleged breaches of human rights law to be raised, including direct reference to Ministers?

Can the Minister confirm the rumours of the possible deployment of more British troops to Iraq? In particular, can he confirm that the US has requested British troops to fill the gap left by the withdrawal of Spanish troops? Can he confirm that additional UK troops will be deployed only on the specific request of UK commanders, and that they will be used exclusively to reinforce our own troops on the ground in the southern sector, and will not be used to bolster US forces in areas such as Falluja or Najaf?

Whatever happens regarding the future deployment of more British troops, we must ensure the continued protection and support of our troops currently stationed out in Iraq. With 30 June only a few weeks away, the Government must surely have determined their political and military strategy for the post-30 June handover. If additional troops are to be deployed, will the Minister tell us on what basis and on what conditions such troops will be made available? It is also not too early for coalition partners to consider their exit strategy, as was mentioned earlier, and in particular what role the United Nations may play in assisting that process.

Events in the past few weeks have seriously undermined coalition efforts to achieve the original objectives. Of course, we all want Iraq to become a peaceful, stable and secure state within which reconstruction can take place safely and speedily, but that all seems a very long way off now. It is far from clear how the original objectives will be achieved in the short to medium term, and it is becoming increasingly obvious that our troops may have to remain for far longer than was anticipated, which will have a significant effect not only on the MOD's budget but on the overstretch of our forces, which has been highlighted again this afternoon. At the earliest opportunity the Government must present clear proposals to enable the House to debate fully an increasingly worrying situation.

4.47 pm

Dr. Gavin Strang (Edinburgh, East and Musselburgh) (Lab): Like some hon. Members in the Chamber this afternoon, including the hon. Member for South-East Cornwall (Mr. Breed), I was opposed to the war in Iraq. I was one of the 219 Members of the House of Commons who last March concluded that the case for war against Iraq had not been established, especially given the absence of specific UN authorisation. However, that is not to say that I do not recognise the arguments of those who, like the Government and the official Opposition, supported the military action.

I understand and respect the position of people who take a pacifist approach to international politics. I also understand and respect those who adopt an isolationist position, but I have never been a pacifist and I am not an isolationist. I agree with the Ministry of Defence White Paper published in July 1998 that Britain and our armed forces should aim to be a force for good in the world.

When the conclusions of the strategic defence review were published in that White Paper, it cannot have been possible to predict that the active deployments of our forces in subsequent years would have been so many and so diverse, including the operations in East Timor, Sierra Leone, Afghanistan, Kosovo and Iraq, and the work that we asked them to do in Northern Ireland. The Government published a new chapter to the defence review following the atrocities of 11 September 2001.

If there was ever any question in my mind that our armed forces personnel were overstretched, that question was answered just two weeks ago. I had the opportunity to meet members of the Royal Scots Regiment who were on parade in my constituency, and I spoke with the soldiers who have been at the sharp end of operations, and with the NCOs and officers. They marched through Musselburgh with many people lining the pavements to watch them—a very impressive sight.

One of the advantages of such an event is that it gives not just members of the public, but councillors and Members of Parliament—I am the local Member of Parliament—the chance to talk directly to the men and get an insight into some of the difficulties and challenges they face. They were very positive about the supply of equipment and materials. They did not complain about the lack of supplies, as has been instanced in the past. They mentioned only that they would like more sets of night goggles. The thing that struck me was that some of the soldiers had missed four Christmases in a row. These young people, many with young families, were facing the possibility of a fifth Christmas away from home. The Royal Scots had been in Northern Ireland in 2000 and 2001, in Bosnia in 2002 and in Iraq in 2003. They were marching through Musselburgh, having just returned from Iraq. It is unacceptable and unreasonable to ask our people to join the services on the basis that they will have so little time, particularly at Christmas, with their families and loved ones.

The working arrangement in the MOD is, I understand, that after six months of operations there should be 24 months back home to recover, train and get back up to speed before another operation, usually overseas. The Royal Scots will be on call from November to go back to Iraq, but that announcement was before the recent speculation that we might be deploying additional troops to Iraq. What I am saying is not unique to the Royal Scots; it applies to other regiments as well. That is the demand that we are placing on our personnel.

The Minister of State and my hon. Friend the Member for Dunfermline, West (Rachel Squire), who is a member of the Defence Committee, rightly drew attention to the fact that numbers in the armed services are rising, which has to be good news—but I would suggest that it is probably not good enough. If we are to continue to ask our service personnel to intervene on the scale envisaged by the Government, we must substantially increase the military budget and expand the size of the armed forces, particularly the British Army, if we are to become involved in the sort of international action in which we have been involved recently.

Other Members want to speak and time is running out so, in conclusion, I wish to return to the issue of Iraq. The House is aware that the occupation authorities are due to hand sovereignty to a caretaker Government in Iraq by the end of next month. No one would suggest that that interim Government would have day-to-day command over coalition forces. However, I note that my right hon. Friend the Foreign Secretary said yesterday that it would be for that Government to decide whether foreign forces should remain on their soil. My right hon. Friend the Prime Minister said yesterday that the people of Iraq say, first, that they are delighted that Saddam Hussein has been overthrown and, secondly, that they want the coalition forces to leave Iraq as soon as possible.

As I have said in the past, it is my view that the British Government should adopt a policy of replacing the coalition forces occupying Iraq with a force authorised by the United Nations.

4.53 pm

Mr. Peter Viggers (Gosport) (Con): Thank you, Madam Deputy Speaker, for giving me a chance to follow the right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang), who always speaks with careful thought and sincerity.

I count myself as fortunate, having served in the Air Force and in the Territorial Army, and then having served on the Select Committee on the Armed Forces Act 2001, the House of Commons Defence Committee and the NATO Parliamentary Assembly, all of which gave me the opportunity to study the armed forces at first hand.

I believe that we have the best armed forces in the world—and I say that not simply because I represent a services constituency and know so many people in the armed forces. I know from people from other NATO countries that our British forces are held in high regard. Those forces will be the very first to demand the most rigorous inquiry into the allegations made of mistreatment of Iraqi prisoners. They will have been as shocked as we are that these events appear to have happened and that they happened on the Government's watch, with no one seemingly knowing they were going on.

I will start at the top, which is always a good place to start. I think our leading commanders benefit enormously from the Royal College of Defence Studies,

[Mr. Peter Viggers]

which takes people in at the level of captain, colonel or group captain, and takes a number of civilians and a large number of foreign students. At the highest level, it gives our senior commanders—before their appointment to the top levels—the opportunity to broaden themselves and means that our top officers are civilised and thoughtful. We are very well led at the top and our senior commanders are indeed of the very highest quality. Similarly, at the staff college at Shrivenham, more junior ranks at the level of major and equivalent learn about joint operations and about the realities of war. They learn, as all junior ranks do, how crucial it is that they should understand and endure fear before they reach the front line.

In saying that our forces are the best in the world, if I had to base my claim on one simple fact, it would be that our non-commissioned officers have a level of leadership and an ability to take the initiative that often do not exist in the armed forces of other services. If one goes on a small patrol in Northern Ireland or Bosnia and Herzegovina that is led by a lance corporal or a corporal, one realises the extent of the demands that are made of junior ranks at that level. Our junior ranks are fully capable of taking that responsibility, and I single out that aspect as the most important of all those that make our armed forces the best in the world.

On the recruitment and training of junior ranks, the Select Committee on Defence is currently studying recruitment and training under the title "Duty of care". I was impressed recently when I read a reappraisal of initial training produced by the director of operational capability. The document talked about creating a climate in which there was a more congenial and balanced training environment. Over 20 years ago, such words would not have been used. It was certainly the view then that the object of recruitment and training the junior ranks was to break a man's spirit and rebuild it in the spirit of the unit. Now, that does not work at all. People are trained on the basis of having been encouraged in their earlier education to think for themselves. Officers in the Army, Navy and Royal Air Force—we have recently had the opportunity to meet personnel from all three services to discuss this matter—all say that the quality and standard of recruits nowadays make things much more challenging, as they have been taught to think for themselves. It is no longer possible simply to order a man to do things; one needs to explain what is to be done.

The service ethos is also different. Discipline and order remain important, and people are now trained to achieve similar military standards to those that have always existed, but that is happening in a changing world in which standards in civilian life are not the same as those of the military. The process is therefore much more demanding for service personnel, who need to be trained to use force and violence and to understand that they will need to kill if that is required, yet, at the same time, the world in which they are operating is a changing and rather softer and quieter one. The demands on trainers are therefore greater than ever before.

I turn now to some individual personnel issues. Reference has been made to the Defence Medical Services, which are dangerously under strength. We have only about a third of the required strength in several of our key faculties—anaesthetics, general surgery, orthopaedic surgery and general medicine. We have been extremely fortunate in recent wars and warlike events, as casualties have not been as great as might have been feared. I believe that we are seriously overstretched, and when I challenged the Minister to explain the effect of cancelling the Royal College of Defence Medicine at Selly Oak hospital in Birmingham, he gave me a most unsatisfactory answer. The fact is that, having planned to focus defence training in Birmingham at a new site at Selly Oak hospital, there appears not to be a plan B to provide proper education and accommodation facilities for the personnel who will serve there.

Mr. Caplin: The hon. Gentleman has made that accusation twice this afternoon. I assure him and the House that plans do not exist to close the Royal Centre for Defence Medicine, as he alleges. We are committed to delivering a military medical centre of excellence at the RCDM in Birmingham, which is our aim and expectation.

Mr. Viggers: The accommodation centre, mess facilities, sporting facilities and offices that would have comprised the centre of the RCDM have been cancelled. Staff in Birmingham have been left in inadequate bed-and-breakfast accommodation, and that point is confirmed in a parliamentary answer from the Under-Secretary. Some staff live in accommodation that was originally intended for people without housing, and a large number of them stay in a Young Women's Christian Association hostel. I challenge the Minister to deny that there are no plans to change the situation.

Mr. Caplin: I do not know the parliamentary answer to which the hon. Gentleman refers, but I refer him to a parliamentary answer that I gave to the hon. Member for Mid-Norfolk (Mr. Simpson):

> "We are currently exploring, in consultation with industry, a number of options for the development of domestic accommodation and the move of all remaining medical training and other functions to Birmingham. Planned costs and potential savings remain subject to evaluation of, and final decisions on, the various options."—[*Official Report*, 22 April 2004; Vol. 420, c. 660W.]

The project has clearly not been cancelled, and it would be helpful for our people who work in Defence Medical Services if the hon. Gentleman were to cease making that allegation.

Mr. Viggers: The project has been cancelled. When the rear-admiral responsible for it resigned, the vice-chief of the defence staff said, "I can understand why you have resigned from the Navy." The allegation is serious, and it has not been answered.

The digital clock is playing amazing games, and I need to rely on the old-fashioned steam clock, which states that I have two minutes rather than the five minutes 36 seconds stated by the new digital clock. I shall shape my remarks accordingly.

In some cases, accommodation for armed forces is below standard, and I was pleased to hear the Minister of State say that that problem is being addressed. I

readily admit that the problem is long standing, but some unmarried personnel are accommodated in inadequate premises.

The constraint on time is heavy, so I shall simply say this in conclusion: the armed forces offer a range of careers with the training and experience to enable servicemen and women to fulfil their roles. As those skills are also transferable, they equip servicemen and women to face civilian life with confidence.

5.2 pm

Mr. David Borrow (South Ribble) (Lab): I am grateful for the opportunity to speak in this afternoon's debate. I represent South Ribble in Lancashire and I live only a few hundred yards away from the headquarters of both the Queen's Lancashire Regiment at Fulwood barracks and Kimberley barracks, where the Territorial Army regiment is based.

I have a lot of contact and dealings with the Queen's Lancashire Regiment. From speaking to people in the regiment, and to the extended family of people who have served in the past and those whose family members serve in the regiment, I know how upset and annoyed they have been by the recent comments and photographs in the *Daily Mirror*.

The Queen's Lancashire Regiment has a long and distinguished reputation, which goes back to 1782. In 1970, three regiments—the East Lancashire Regiment, the South Lancashire Regiment and the Loyal Regiment—merged to form the Queen's Lancashire Regiment. Throughout its history, soldiers from the Queen's Lancashire Regiment have been awarded a total of 18 Victoria crosses.

I was in Basra in early June, a few weeks before the change of regiments, when the 1st Battalion the Queen's Lancashire Regiment went out to Basra—it arrived in the middle of June and stayed until the middle of November. About 600 servicemen and women were with the regiment, including 100 members of the Territorial Army. When I met members of the regiment on their return, they were proud of their hard work, the schools and police stations that had been reopened, the number of police officers who had been trained and the improved public services. There is very little hint of anything going wrong during that period.

I am experienced and grown-up enough to realise that, if 600 servicemen and women are put in a dangerous situation thousands of miles from home, not every one of them will behave perfectly and that there will be incidents that require investigation. However, what has upset the people of Lancashire so much is the use on the front page of the *Daily Mirror* of the fake photographs that have cast doubt on the integrity and honour of everyone who has served in that regiment. As politicians and people in public life, we realise that our media are players in that arena and will manipulate and cherry-pick the news to make a political point and we take it for granted because it is part of the rough and tumble of politics. But ordinary families who have been upset by newspapers cannot understand how they can fabricate stories that hurt and damage their integrity. It is an absolute disgrace that the *Daily Mirror* has been prepared to besmirch the name of the Queen's Lancashire Regiment to further its own political line and damage the Prime Minister.

People in Lancashire would like the *Daily Mirror* to answer several questions. What did the *Daily Mirror* say when allegations were first made to it about incidents in Iraq? Did it say to those servicemen, or so-called servicemen, "You ought to report these things to officers in the MOD or your regiment so they can be investigated"? When they first made their allegations, did they appear at the door of the *Daily Mirror* with photographs in hand, or did they, as is rumoured, appear without photographs, then return some days later having mysteriously discovered photographs to support their story? Did the *Daily Mirror* pay for those photographs? Has the *Daily Mirror* profited from the sale of those photographs to media outlets across the world? Has the *Daily Mirror* any idea of the danger in which it has put our troops around the world by the publication of those fabricated pictures?

I spoke to members of the QLR this morning. I could demand the resignation of the editor of the *Daily Mirror*, but the very minimum that people involved with the regiment want is for the *Daily Mirror* to apologise, on the whole of its front page, for fabricating a story that has so wilfully damaged and besmirched the name of the Queen's Lancashire Regiment.

5.7 pm

Mr. Bernard Jenkin (North Essex) (Con): I am sure that all hon. Members will have great sympathy with the questions that the hon. Member for South Ribble (Mr. Borrow) wants to put to the *Daily Mirror* and I hope that the people concerned will read his words in *Hansard* and act upon them.

Every hon. Member who has spoken today has spoken highly of the armed forces. I regularly meet the men and women of 16 Air Assault Brigade, who are based in Colchester, around which my constituency sits, and whose circumstances, tasks and challenges are inseparable from the situation in Iraq and the general international situation that we face. It is inexcusable that our armed forces should find themselves in a situation whereby they are exposed in conflict apparently without any coherent plan, as in Iraq today. What is the plan? Is there a plan? Nobody can say.

The history of Conservative Members' support for the removal of Saddam Hussein is clearly on the record, but also on the record is our consistent, persistent and continuing questioning of Her Majesty's Government, both before and after the conflict, about the coherence and viability of post-conflict planning. After the conflict, on 4 July, I presented a paper to the shadow Cabinet in which I wrote:

"Post-conflict Iraq is clearly not progressing as well as expected, leaving the UK's overstretched armed forces in an increasingly invidious position."

I pointed out that we needed, "A coherent policy", which,

"would be to adopt a 'road map' based upon the successful implementation of peace and security",

in such theatres as the Balkans. I continued:

"Our main charge against the government is",

the Prime Minister's,

"failure to engage with US post-conflict planning before and since the conflict, leaving the UK armed forces in an increasingly invidious position."

[Mr. Bernard Jenkin]

I added:

"Currently, all the elements for protracted insurgency warfare exist, though there is every opportunity to prevent the situation deteriorating, if clear direction is provided to the",

coalition provisional authority,

"now. Otherwise, it is just a matter of time before an anti-occupation organisation emerges, gains support from a discontented population and starts organising 'resistance' much more effectively."

Sadly, those words, which I wrote on 4 July, have turned out to be all too true. The key question that the Government must now address is this: do they now accept that the coalition is fighting a major counter-insurgency war in Iraq—it is not peacekeeping—which is part of a global counter-insurgency war?

The principles of counter-insurgency warfare are not new. They have been established, discovered and practised by the British armed forces throughout the world for many years. They are to secure one's home base, which is why we have talked so much about homeland security, and to deny the enemy a secure base, which is why we threw out the Taliban in Afghanistan and Saddam Hussein in Iraq. They are also to plan and generate military activity based on the best human intelligence about the enemy that one can gather and to remove the underlying political grievances through reconstruction and the settlement of disputes. Another principle is to co-ordinate all one's actions to a coherent strategic plan with all one's partners, which underlines the importance of transatlantic co-operation for the future of Iraq, that we cannot let the Americans do it on their own and nor should our European partners seek to leave them to do it on their own. That also underlines the importance of NATO, and raises the question of why NATO is not taking a strategic role in co-ordinating a single, strategic plan. We must also remember that counter-insurgency warfare is a battle for hearts and minds and that the conflict is about the will to win, and the will to succeed, not about the use of physical force. That means that we must remember that actions and words, including the technical, have immeasurable political and strategic consequences. We need to avoid doing things that create propaganda opportunities for the enemy to feed grievances and enmity. That means that a counter-insurgency campaign must stay within the law and only use proportionate force as a last resort.

In Iraq, I fear that we are acting on very limited and poor intelligence. The actions that we have seen publicised on screens around the world recently are fuelling grievances. The disputes and splits in the coalition are disabling any coherence of a plan. There is a clash of military doctrines, a failure to win hearts and minds and too much resort to force—not on the part of our armed forces but certainly on that of others. There is a failure to understand the strategic impact of words and actions. That point relates directly to prisoners and their treatment.

Any mistreatment of prisoners in the hands of the coalition is a matter for the whole coalition. That is why it is inexplicable that the International Committee of the Red Cross report was not a matter of instant concern to Ministers as soon as it became available to the coalition. The pictures endanger the entire strategy. They are petrol on the flames of Islamic opinion. They are a propaganda gift to the terrorists. Al-Qaeda could not have planned it more effectively.

In Iraq and in the middle east, we now face the prospect of real strategic failure. For all the success, skill and commitment of our armed forces and other members of the coalition—and the Americans—for all their forbearance in the face of real danger and for all the progress made in political and physical reconstruction in Iraq, we are in danger of throwing it all away through the coalition's failure to understand the fundamental principles required of a counter-insurgency campaign.

This is the question that the Government must face: what is the coalition plan to defeat terrorism and insurgency in Iraq? Are the Government effectively engaged with US policy making? I fear that not only have they made a mess of UK post-war planning for Iraq, but there is a persistent and ongoing failure to engage with the US Administration on the strategic direction of the coalition, in areas in which we have so much more experience and so much more to offer than the Americans currently seem to appreciate.

In a *Daily Telegraph* interview earlier this week Sir Jeremy Greenstock, formerly the Prime Minister's ambassador to Iraq, mentioned that we have 5 per cent. of the say in what happens in the coalition—although we provided 20 per cent. of combat power on the ground during the conflict. For all the Prime Minister's personal popularity in Washington, it is horribly clear that either his influence there is negligible or that he has failed and continues to fail to understand the true nature of the challenge of what is required to win the peace and good government for the people of Iraq, what is required for our own peace and security in the years ahead and what is required for the safety of those who serve so gallantly in the towns and villages and the streets and fields, of Iraq.

5.16 pm

Mr. Nigel Beard (Bexleyheath and Crayford) (Lab): I worked closely with the British Army for 12 years, and know it to be the best-trained, most skilled and most disciplined military force in the world. That character and capability have been displayed in Northern Ireland, Sierra Leone and Kosovo, and twice in Iraq. It is a humane, confident and professionally effective force of which, with good reason, Britain can be proud.

That reputation should be in no way diminished by the media's treatment of reports from Amnesty International and the International Committee of the Red Cross, as though they were an indictment of military personnel serving in Iraq. Those reports have been cynically used to imply some association of the British armed services with the very serious evidence of abuse and humiliation of detainees in Abu Ghraib prison. Let us say on every possible occasion, loud and clear, that there is absolutely no evidence of any systematic or widespread mistreatment of Iraqi prisoners by British forces.

The 33 known cases of Iraqi civilian deaths, injuries or ill-treatment have been investigated by the Royal Military Police—because the Army itself identified them as needing investigation, not because they were

responding to either the Amnesty or the Red Cross report. Of those investigations, 12 are continuing and 21 have been completed, with 15 findings of "no case to answer". In the other six cases, the findings are still being considered.

The Amnesty report published this week involves 37 cases of Iraqis killed in accidents witnessed by or involving UK forces. The Ministry of Defence is now trawling through its records to identify what was involved in those incidents. Such investigations, using established military procedure, do not reflect an organisation indifferent to the welfare of the civilian population or tolerant of soldiers who are careless in the use of their weapons.

I have yet to see a newspaper article attempt to set any such case against the backcloth of events that soldiers are experiencing. Colleagues have been killed; they may themselves being fired on at the next street corner. A mob may be jeering, and it may be difficult to see what is going on. There are undoubtedly hostile forces at large attempting to create disorder, destruction and despair. In that climate of uncertainty and fear, people will make mistakes. They may do things in the heat of the moment that in calmer times they regret. That is the nature of military operations. Incidents like these must be judged against that background, not against abstract standards of model behaviour. Those are the considerations that the Royal Military Police are best able to bring to the investigation.

Both the Red Cross and Amnesty, in the role reflected in their reports, contribute to sustaining the high reputation of our armed forces. They are independent and strive to be objective in what they report. That is more than can be said for much of the media reporting and comment on them. Too much of that has been an attempt to establish the guilt of British forces by association with what went on in Abu Ghraib prison. The most culpable example of that, which we have already spoken of this afternoon, was in the *Daily Mirror*, which promoted its indictment with those fake photographs and interviews with anonymous soldiers, which were no more than the regurgitation of stories that had already been investigated, or were recycled from newspaper stories earlier in the year. What valiant and fearless journalism.

Do those responsible for that ever stop to wonder how the parents at home feel when their sons and daughters are risking their lives but are, by implication, defamed as brutalised and undisciplined? Those are the same men and women who have brought drinking water and electricity supplies to new standards in Iraq, who have helped to establish schools and hospitals and to train civilian police, and who have brought in elected local councillors. Not only has press reporting been an unfair indictment of men and women who do great credit to Britain; the climate of crisis that it has created encourages and emboldens the extremists to greater violence and hostility.

Generating a climate of crisis also serves many of those who opposed intervention in Iraq from the beginning, or who otherwise see some political advantage to be gained from the present situation. It is that which leads to the phoney "shock horror" at the fact that the Prime Minister and Secretary of State for Defence became aware of the Red Cross report only recently. The flood of issues of all kinds relating to Iraq and many other topics does not require the Prime Minister or the Secretary of State to deal with everything personally. They must ensure that there are clear lines of accountability and responsibility for action to be taken, and those arrangements exist. The Red Cross report cases had been investigated, and the Amnesty cases either had been investigated or were about to be. Those who allege that the reports should have been immediately sent to the top should tell us what they would have expected the Prime Minister or the Secretary of State to do that was not already being done.

There is no more motive behind that line of argument than an attempt to create a public impression that the Government are not in control.

Mr. Jenkin: The question that I would have expected the Secretary of State for Defence or the Foreign Secretary immediately to ask the American Administration is, "How on earth are we going to handle this when it comes out?" That is the damage that has been done, and it is the fact that the American Administration seem to be coming from so far behind on this issue, as do we, that has sullied the reputation of the entire coalition administration and poisoned the Arab world against us even more.

Mr. Beard: So the actionable matter was an indictment of the United States—a power for which we have no responsibility whatever.

The whole episode, as that intervention suggests to a degree, is being exploited to gain political advantage. Let us just look at the troubled waters in which the cynical opportunists are fishing. We are within two months of sovereignty being passed to an Iraqi Government who, six months later, will hold elections for the whole of Iraq. The extremists do not want either of those things to happen. Iraqi sovereignty removes a grievance that they can exploit on the streets, and democracy forecloses any attempt to install an Islamic state. There are numerous sects and cults, including al-Qaeda, with an incentive to try to prevent that progress by creating disorder and fear. These are bound to be difficult days for our troops in Iraq and anxious times for all who want to see a decent, democratic state emerge after Saddam Hussein's 30 years of tyranny.

Those who are dealing with that situation deserve our support, not the distraction of the fabricated indignation and opportunist hoo-hah that we have witnessed from the press and from Opposition parties in this House, including frequently this afternoon.

It is not just that our troops deserve better than that; so do the people of Iraq. They want a settled future in a democratic state, with an economy generating jobs and opportunities. To those such as the Liberal party, who have gone on pretending that there is no exit strategy for our troops, I would reply that that aspiration alone defines the exit strategy. It is to create the conditions whereby that kind of society can grow in Iraq.

Both the British and the American forces have made huge strides to establish those foundations, through the civil works programmes, the establishment of local democracy, and the training of police and local officials. The vast majority of people in Britain have barely heard

[Mr. Beard]

any of that positive news. They have been given a diet of death, disaster and scandal, with scarcely a word about the progress on reconstruction.

Now, that negative picture is being elaborated to create an impression that all is chaos, that things are moving backwards, that all efforts were foolish and in vain and that the best thing we could do would be to withdraw British and American forces. Even sensible reports from the Red Cross and Amnesty are being prayed in aid of that false "I told you so" assessment.

This is not a time when our troops in Iraq should be distracted by a partisan propaganda war at home. They need all their skills and personal qualities to deal with the difficult period ahead, up to and after the end of June. The Iraqi people want them to succeed for the sake of their future too. We want them to succeed. No one can gain if Britain or America appears to lose its nerve at home at this crucial time.

5.26 pm

Adam Price (East Carmarthen and Dinefwr) (PC): I shall concentrate on what the Secretary of State, in his characteristically opaque manner, has referred to as some of the "process issues" associated with the subject that we are discussing. The process has been deficient; certainly it has been an arduous task trying to extract information on this subject from the Government through parliamentary questions. If the Government had acted with greater candour and a greater sense of urgency, the collateral damage that we are suffering now because of the allegations against America would have been minimised with regard to the British forces. It is a great shame that they did not.

I have at present 10 parliamentary questions to which I have not had a reply, some of which date back to February. Indeed, to one question I had a holding reply on 28 November, and received the letter that was promised at the end of March, after constantly bombarding the Minister of State's office with telephone inquiries asking where it was. That is no way for us as parliamentarians to have to try to hold the Government to account on any issue, let alone one as important as this.

Even more worrying is the fact that some of the replies that we have received have not been complete, and some of them have not proved to be correct. I asked whether the Government were aware of any complaints made by the Iraqi interim governing council about alleged human rights violations by coalition forces, and the answer was that they were not. Yet the Iraqi Human Rights Minister, Abdel Basset Turki, made a public statement in November saying that he was very concerned about that very subject, and he had several meetings with Paul Bremer.

The reply to another of my questions was more worrying still. I asked about the number of fatalities that were under investigation, and on 19 January I was given a list of names. Yet we read in the Amnesty International report about the death of Ghanem Kadhem Kati, who was shot in the back outside his home on 1 January. Why was that name not included in the parliamentary reply? The Government say now that the investigation was ongoing at that time, and there was an interview with the Royal Military Police.

I asked a further question following a press report about the alleged shooting of a demonstrator by British forces in Basra on 4 October.

The Minister said:

"On 4 October, on the periphery of a demonstration, British soldiers killed an Iraqi gunman in self-defence. His automatic weapon and ammunition were recovered."—[*Official Report*, 6 January 2004; Vol. 416, c. 235W.]

We read in the Amnesty International report of the death of Hilal Finjan Salman on 4 October. *[Interruption.]* The Minister of State is smiling while I am recounting the death of an innocent man who was actually protecting a girls' school. He had been employed for 35 years as a guard for al-Maqal girls junior high school, and was licensed to carry a weapon to protect the school. He was required to wear a luminous orange jacket, but neither the British Army nor the Iraqi authorities had issued him with such a jacket. He was the "gunman" whom the Minister of State told me was shot, thereby dismissing the death of that innocent man. Hilal Finjan Salman's son has applied for compensation, but according to the Amnesty International report he has heard nothing from the British authorities.

There has been a lot of talk about apologies. Will the Minister of State apologise to the family of that man, who was wrongfully killed while doing his job protecting a girls' school in Basra? The Minister of State has dismissed what happened in an incorrect parliamentary answer to me.

Mr. Barnes: Is it not important to establish the standing of Amnesty International? The Labour party made considerable use of such reports in connection with developments in South Africa, for instance, and sought to proceed along the lines of those reports. I was very disappointed, in that the Minister of State seemed to place little significance on the Amnesty International reports; indeed, he almost seemed to put them on a par with those in the *Daily Mirror*. All of us would criticise that newspaper's approach.

Adam Price: The hon. Gentleman makes an excellent point, and I shall give him an example of what happened under a previous Labour Government. Following an Amnesty International report by Dr. Rastgeldi on alleged torture at the Fort Morbat interrogation centre in Aden in the summer of 1966, the then Labour Government set up their own independent inquiry into those allegations, which led to the Bowen report. When allegations were made about alleged mistreatment in internment when the subsequent Conservative Government were in office, they commissioned two independent reports: the Compton report of November 1971, and the 1972 Parker report. So the Government are departing from established precedent. When widespread allegations are made of mistreatment and human rights violations by British forces, the Government should institute a general independent inquiry in order to establish the facts.

Police investigations into individual incidents are taking place, in order to get at the facts and to assess the innocence or guilt of those accused. But we also need a general inquiry, so that policy lessons can be learned in respect of the very process issues to which reference has been made. For example, we were told that the practice

of hooding was outlawed by legal directives on military interrogation, given in August 1972 and in the following year. Yet that practice was ongoing between April and September of last year. Why was the illegal practice of hooding, which may have contributed to the death of Baha Mousa, allowed to continue? *[Interruption.]* The Minister of State says that it was not allowed to continue, but British Red Cross officials said that they had a meeting a year ago with British Army commanding officers in Basra, at which those officers admitted that hooding had been going on. They promised a review, but why did that review of an illegal practice take until September to be implemented? If the Government are not prepared to answer those questions, we need an independent inquiry to get at the truth. The Minister knows that the UN Committee against Torture and the European Court of Human Rights have declared hooding to be a degrading and inhuman treatment. That is in addition to the practice being illegal in British law. The Minister must explain why that practice was allowed to continue for six months.

5.35 pm

Mr. Kevan Jones (North Durham) (Lab): First, I associate myself with all hon. Members who have paid tribute to the armed forces this afternoon. For the last three years, I have been privileged to be a member of the Defence Committee, which brought me into regular contact with the men and women in our armed forces. Last year, I also took part in the armed forces parliamentary scheme with the Royal Marines. I never cease to be amazed by the professionalism and dedication of some very young people whom we ask to perform a range of tasks to protect our society and make it a safer place.

I also associate myself with those who have condemned acts of torture and the degrading treatment of prisoners in Iraq. However, I believe that we should distinguish clearly between what the Americans have done and the treatment of prisoners in British-controlled hands. Many people and media make the mistake of not making that distinction. I would be the first to criticise the Government if action had not been taken against the perpetrators or if the accusations had not been properly investigated, but I am reassured by what I have heard.

We could debate the issue of condemning the *Daily Mirror*. If what the Minister said today is true and the pictures are false, I do not see how anyone could support what the newspaper did. Irrespective of that, however, the damage done to the coalition brand—a term used by the hon. Member for Mid-Norfolk (Mr. Simpson)—in the Arab world is immeasurable. Those people on the Arab street in the middle east who wish to perpetuate radical forms of Islamic terrorism are using the pictures as a recruiting tool. That will be a long-lasting problem, which the people responsible for printing them should take into account in the future.

I had the privilege last year of visiting both Iraq and Afghanistan. I know that some of my hon. Friends disagreed with the war in Iraq and I respect their right to hold that position. I voted in favour of military action in Iraq. It was a very difficult decision to take—perhaps one of the most difficult in my life—because it meant people were going to die. It may not be popular to say it now, but I still think that it was the right decision.

During my visits to Iraq and Afghanistan last year I met some dedicated men and women who were working hard to bring about a better future for those countries. I agree with my hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) that much of the good work that they do—in infrastructural work, rebuilding hospitals and so forth—is being wholly unreported. I met some people in Kabul who were doing that work in their own time, because they were dedicated to bringing about a better life for the people who live there. We should recognise the work of such people, which would help to bring about more balance in the debate.

I hope that over the next few weeks the media will report some of the good news stories about those people who are working, I have to say, sometimes in very difficult and dangerous circumstances. That applies to military personnel, people in the Department for International Development and in the Foreign Office. If we do only one thing today, we should say a big thank you to those people whom we politicians ask to do things on our behalf. Sometimes we cynically sit back and think that it is easy for them.

5.39 pm

Mr. David Kidney (Stafford) (Lab): They also serve who provide the logistics support to our front-line forces. Members of the logistics services also risk their lives: for instance, members of the logistics wing at Stafford have provided the lorry convoys from the port of Umm Qasr to Basra.

I have also seen the huge logistics effort going on in this country. Staff at MOD Donnington and RAF Stafford, which make up the north centre of the Defence Storage and Distribution Agency, have made a fantastic effort to keep the supply chain going, both during the ramp-up to the beginning of Operation Telic and in the year since.

The units at Donnington and Stafford have been required to work together and are a model of tri-service working. They perform 2.5 million transactions a year, and keep safe assets worth as much as £6 billion at any one time. It is a tremendous operation, achieving 40 per cent. efficiency savings as it goes on and employing about 1,000 people overall.

There is talk in the logistics service about the possible privatisation of our supply chain, but the people to whom I am referring deserve credit for the work that they do. They also deserve security in their work. I point out that when contracts break down in the commercial world, there is a right to sue in the courts. In contrast, when a contract breaks down in the industry that provides our military forces, it is people's lives that are at risk.

5.41 pm

Mr. Julian Brazier (Canterbury) (Con): After an unpromising start by the Minister of State, the debate has been of high quality. The hon. Member for Dunfermline, West (Rachel Squire) gave us a lot to think about in connection with manpower overstretch, and she emphasised the need to recognise the central importance of logistics to any military operation.

My hon. Friend the Member for Gosport (Mr. Viggers) stressed the quality of our junior commanders in the British armed forces. The hon. Member for South Ribble

[Mr. Julian Brazier]

(Mr. Borrow) placed on record some remarks about the Queen's Lancashire Regiment, and its disgusting treatment by the *Daily Mirror*. I think that the whole House will have agreed with him. Finally, my hon. Friend the Member for North Essex (Mr. Jenkin) gave us some very wise thoughts on the failures in post-conflict planning. I agreed in particular with the sober warning with which the hon. Member for North Durham (Mr. Jones) ended his speech.

Let me be clear, so that there is no misunderstanding—we in the official Opposition unreservedly support our troops in Iraq in the difficult and dangerous job that they are doing. Whatever doubts there may have been at the time of the invasion, all responsible commentators accept that we owe it to the Iraqis and to those who have given their lives in the conflict to see the matter through. However, supporting our valiant troops in this time of crisis does not imply any suspension of the task of holding the Government to account.

My father was a professional soldier and always maintained that, before undertaking any military operation, Britain's armed forces could do little wrong if their first strike was against the British Ministry of Defence. In my naivety, I used to think that he was joking. As Harold Macmillan observed, events are a politician's greatest enemy. In this case, however, events have largely resulted from actions taken by our Government and the Government of our principal ally, America.

The official Opposition supported the Iraq invasion in the belief that the Government had a clear plan for a post-Saddam Hussein Iraq. It is now clear that there was not very much of plan. We were assured that cheering crowds would throw flowers, and—yes!—there were cheering crowds, as we all saw on television. However, there was no follow-up in terms of development. As it has become clear that security had not been planned properly, the cheering crowds have steadily been replaced by baying hordes throwing rocks and Molotov cocktails at our soldiers.

It is evident that the job is going to be much harder and take much longer than was envisaged. Are the forces in Iraq large enough? The 1945–48 campaign in Palestine took place in a country quite a lot smaller than Scotland, with a population of less than 1 million. Our forces there peaked at 120,000, yet today the coalition has about 160,000 troops to deal with 25 million people in a country twice the area of Great Britain.

Obviously there are differences, but one cannot help wondering whether, once again, our armed forces are being asked to do more and more, with less and less. A stable, democratic Iraq in the heart of that troubled region would be a wonderful legacy to the Iraqi people and the whole region, but the increasingly long-term commitment involved is making the problems of overstretch in our armed forces worse and worse.

The Government's published establishment manpower requirement across the three services has been cut by 3,000 since April 2000, yet on 1 January this year we were still 4,000 short of even that reduced target. At least a quarter of our infantry battalions have not been allowed the required time between tours of duty because of manpower shortages. The armed forces review board report of 2003 found that last year more than half of the personnel had to change leave arrangements for service reasons, often losing the holiday packages we take for granted, without receiving compensation. According to the figures, average working hours across the three services has reached the point at which pay for private soldiers, calculated on the number of hours they are on duty in a typical week, is approaching the minimum wage introduced by the Government.

Let us think of service personnel families, too. Between 1997 and 2001, the divorce rate in the armed forces, which already is much higher than that in the civilian community, increased by nearly half. Imagine how dispiriting it must be to win the war merely to lose it on the home front. The right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang) made some salient remarks on that subject.

Canterbury is proud of the locally based Argyll and Sutherland Highlanders and, from the regular troops, the Princess of Wales's Royal Regiment, which are in Iraq. We are also proud of the Territorial Army platoon from the 3rd Battalion—the TA battalion—of the Princess of Wales's Royal Regiment, which is based in my constituency and will be going to Iraq shortly. The truth is, however, that our reserve forces are just as overstretched as our regular forces. The TA has been cut by a third since 1997, with a disproportionate amount of the cuts falling on the infantry and the sappers, the very people we most need in Iraq. The Government have subsequently given the TA infantry the task of heading up the rapid reaction forces for our homeland defence.

A survey of TA personnel sent to the Gulf found that four fifths did not expect their employer to support any further deployments in peacetime. Some 63 per cent. of medical and technical staff in the TA said that they were thinking of resigning when they got back. In Westminster Hall I put a series of detailed questions, put to me by TA officers, to the Under-Secretary, who is normally a courteous man, and he promised that he would let me have a written answer. They were on the weaknesses in the new TA infantry battalion structure, the fact that the intelligence officers have no staff, and problems with the training regime. I would be grateful if he told me when he is likely to answer those questions.

In front of the Defence Committee on Wednesday 24 March, General Sir Mike Jackson said:

> "This time last year the army was very heavily committed indeed, 50 per cent. plus. That is not sustainable . . . We can take that surge. What we cannot do is sustain it over any length of time."

That surely is the point. Our forces are being deployed on more and more operations and, in the case of Iraq, it is increasingly clear that we do not know how long they will be there. My hon. Friend the Member for Mid-Norfolk (Mr. Simpson), in his powerful speech, made it clear that if any organisation is stretched hard enough, standards will in the end start to decline, even those in our armed forces.

Furthermore, the allegations against our troops, and, much more potently, the revolting pictures of certain US soldiers committing those vile acts of human rights abuses, have further endangered the lives of our soldiers. The Minister did not answer most of my hon. Friend's

questions. I have just two on that subject for the Under-Secretary. When were the British military authorities first informed of the accusations against American service personnel, and when did they first tell Ministers?

Mr. Beard: What responsibility did they have for the Americans?

Mr. Brazier: The Americans are our allies. We are working under their—

Mr. Deputy Speaker (Sir Michael Lord): Order. We cannot have sedentary interventions or responses to them.

Mr. Brazier: Thank you, Mr. Deputy Speaker.

The truth is that our troops are imperilled by our allies' actions, as several hon. Members said.

I end with two more questions. The Minister gave a robust answer to my hon. Friend the Member for Gosport. Is it really true that the plans for the centre for military medical excellence based in Selly Oak will go ahead despite the huge shortfalls in medical services; that there is no change of plan and the resignation made no difference?

My second question is about the largest procurement project in the history of the British Army—the Apache. The Conservative Government ordered it and every machine was delivered, but when will the first squadron be trained and up and running as an operational squadron?

The Secretary of State has placed great emphasis on the fact that technology will make up for cuts in manpower. The Minister made the same point today. However, since the dawn of time kings and Governments have tended to put more faith in technology than in those who wield it. The lessons are never learned. The Government offer our troops cuts in defence spending. Under a measure that has just left this place, they are making a mean attack on war disabilities claimants, and they are obfuscating over the issue of the Americans and prisoner abuse.

The Government owe the brave, honourable, professional members of our armed forces better than that.

5.51 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): We have had a good and interesting debate on personnel and I can assure the House that we take very seriously all the issues that have been raised.

I thank those who contributed to the debate. It is always good to see the hon. Member for South-East Cornwall (Mr. Breed) in our debates on defence. There were contributions from the hon. Members for Gosport (Mr. Viggers), for North Essex (Mr. Jenkin) and for East Carmarthen and Dinefwr (Adam Price). Numbers were lacking on the Conservative Back Benches, so I am especially pleased that my hon. Friend the Member for Dunfermline, West (Rachel Squire), my right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang) and my hon. Friends the Members for South Ribble (Mr. Borrow), for Bexleyheath and Crayford (Mr. Beard), for North Durham (Mr. Jones) and for Stafford (Mr. Kidney) were able to make excellent contributions.

The best contribution today came from my right hon. Friend the Minister of State. In more than 50 minutes, he took more than 15 interventions and answered questions from Members on both sides of the House on all the issues of the day. It was a thoroughly open and transparent contribution, which was certainly welcomed by my hon. Friends and will be welcomed outside the House.

In this brief winding-up speech, I want to bring the House up to date on two important major legislative matters for our armed forces. The first is the tri-service Bill on which we have been working for some time and which we plan to introduce in 2005–06, subject to the availability of parliamentary time. It is especially pertinent to the personnel and discipline issues that we have been discussing today. It is a big undertaking, involving detailed discussions with and between the three services, and we are determined to get it right, as I said in a recent continuation order debate.

Nevertheless, I stress that we are taking an evolutionary, not a revolutionary, approach to reform of service law. The five-yearly armed forces Bills—I believe that the hon. Member for Gosport has served on their Standing Committees in the past—are normally remitted to a Select Committee after Second Reading, but I am keen to share our proposals with the House and to have a constructive debate on the key principles underlying them, as well as on the main proposals, in advance of the Bill's publication.

I have been considering how that might best be done, and can announce that I plan to submit a written memorandum to the Defence Select Committee outlining the progress we have made to date. Shortly, I will write to my right hon. Friend the Member for Walsall, South (Mr. George), the Chairman of the Committee, laying out a timetable for the provision of that evidence. That approach will enable the Committee to consider the Bill's main proposals, take evidence as required and report to the House early next year.

I look forward to the Committee's scrutiny of the work that has been undertaken so far and I am sure that it will benefit from such an open and transparent process. Clearly, such a report from the Select Committee would be available for all Members to see and comment on in due course.

Rachel Squire: Will my hon. Friend give way?

Mr. Caplin: I am afraid that time is against me, but if I can give way later I shall do so.

The second sphere of legislation is one that concerns many Members—the hon. Member for Canterbury (Mr. Brazier) has just referred to it: our announcement in the White Paper about the review of reservists' financial assistance. Work is being undertaken as a priority to produce new regulations governing the award of both the reservist standard and hardship awards. At the same time, we also intend to revise the regulations for employer financial assistance and consider the matter that many hon. Members have raised today and during our debate on pensions and compensation last Thursday: the self-employed.

[Mr. Caplin]

The Reserve Forces Act 1996 requires consultation with interested parties. To that end, I plan to publish a consultation document before the commencement of the summer recess to seek the views of interested parties. I hope that the House will accept that it is not appropriate for me to state what our proposals might be in advance of that consultation. I can assure Members, however, that the concerns that have been raised—for instance, by the Defence Committee, reservists and employers—are being given great weight in devising the new scheme. Our aim is to introduce the replacement regulations in the autumn of this year.

During the opening speech, my right hon. Friend the Minister of State raised the issue of training and education, and I want to emphasise that issue in the few moments that are left to me today. Training and education are very important to the performance of our people, as was highlighted in the defence White Paper and further expanded upon in the recently published policy paper, "Training and Education in the Armed Forces." May I say how grateful I am to the many Members of both Houses who attended the seminar at the document's launch on 4 May?

The fact that the Ministry of Defence is one of the largest single providers of training and education in the UK is significant. The policy paper highlights the variety and complexity of the task, the skills agenda against which the Department operates, the realities of the operational environment and the demands that they place on the training system. Most importantly, the paper shows that the MOD is at the forefront of developing skills for the 21st century, while never forgetting the fundamental requirements for servicemen and women to deliver operational capability.

There has been some debate about Defence Medical Services this afternoon. I intervened on the hon. Member for Gosport to put an end, I hope, to the allegations he has been making. We are actively recruiting in the Defence Medical Services. About 500 more medical and dental officers are currently in the training pipeline. They range from specialist registrars—about 40 consultants will qualify in the next four years—to cadets who have just begun their training, two of whom I met when I visited St. Dunstan's recently, where they were on secondment. More than 400 nurses will also complete their training in the same period. Of those currently in training, 267 are at the Defence School of Health Care Studies in Birmingham, where we are progressively moving all our nurse training, and a further 129 are completing their training at the university of Portsmouth.

I am sorry that I cannot allow my hon. Friend the Member for Dunfermline, West to intervene, but I welcome the Defence Committee's continued work on very many issues, including the duty of care inquiry that it has just commenced. I look forward to more discussions with her and her colleagues about medical services.

With regard to the balance of our armed forces' tours of duty, on 5 April 2004, 21 per cent. of the British Army was deployed on operations, compared with 54 per cent. in late April 2003. I hope that that will start to make a difference.

I do not have time to go into all the issues that were raised during the debate. In particular, I wanted to have time to discuss in more detail defence housing strategy—an important element raised in both the debate and the White Paper—but I fear that I do not have the time to do so today. I want to raise an issue with the hon. Member for Mid-Norfolk (Mr. Simpson) about his meeting with the Army Families Federation. I wonder whether he apologised during that meeting for the Conservative defence policies in the 1990s—for example, cuts in defence housing, cuts in recruitment and cuts in medical services. My hon. Friends will know the type of cuts that the armed forces can expect if a Conservative Government were ever returned to power, which is very unlikely.

In conclusion, we owe a considerable debt to our people. Their courage, determination and abilities are making the difference across the world. We are working hard to provide them and their families with the right package of policies and the right support to sustain their efforts. Given their efforts on our behalf, they deserve our very best endeavours at all times. This is a time for the House to show that it always values the work done by our troops. Whether they are regulars, reservists or civilians, all that they seek is our support for their efforts, and I can assure them all that they will have this Government's full support for many years to come.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

DELEGATED LEGISLATION

Ordered,

That the Medicines for Human Use (Clinical Trials) Regulations 2004 (S.I., 2004, No. 1031), dated 1st April 2004, be referred to a Standing Committee on Delegated Legislation.—*[Mr. Ainger.]*

PETITION

Pneumococcal disease

6 pm

Keith Vaz (Leicester, East) (Lab): I wish to present a petition on behalf of 3,000 of my constituents in support of a campaign launched by Scott Fewster, headmaster of a school in my constituency. His son Lachlan died from pneumococcal meningitis. If the vaccine Prevnar had been made available, Mr. Fewster and his family believe that the young boy would have survived.

The petition therefore calls on the Government to provide that vaccine. The petitioners request that the Secretary of State introduce the vaccine Prevnar to combat pneumococcal disease.

To lie upon the Table.

Registrars and Civil Marriages

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Ainger.]*

6.1 pm

Mr. Stephen Pound (Ealing, North) (Lab): I wish to draw the attention of the House to an issue that will not be new to most right hon. and hon. Members. However, it is of such urgent concern and so deserving of a positive response from the Government that I make no apologies for detaining the House with it this evening.

Sham or bogus marriages are entered into by coercion, threats, bribes or other mechanisms, almost entirely for the purpose of remaining in the United Kingdom when all normal citizenship application mechanisms have failed. The problem is especially prevalent in London and the south-east, but it is certainly not unique to our part of the world. In fact, of the 80,000 ceremonies conducted annually, the Society of Registration Officers, the professional body that represents registrars throughout England and Wales—I am delighted that its patron, my hon. Friend the Member for Bolton, South-East (Dr. Iddon) is here today and can attest to the scale of the problem—estimates that one in five marriages celebrated, if that is the word, in a register office are bogus. I am indebted to the respected journalist Lewis Smith of *The Times* of London who, in an article on 3 May 2004, described some of the appalling situations that arise. Once a marriage has been notified to the registrar, and even if the registrar sees acts such as money changing hands, the putative bride kissing the wrong man or even one of the witnesses, wedding rings that do not fit and grooms unable to remember the name of the person they are about to marry, he or she cannot stop the marriage. It will continue, providing participants with access to the benefits of citizenship of this country.

I mentioned that bribes are often offered. One registrar said that £3,500 changed hands and one woman admitted that she had asked for a bogus or sham marriage, but was offered a generous discount if she would let the prospective groom sleep with her. She considered that and rejected it.

The Marriages Act 1836 and later legislation provide grounds on which a registrar can refuse to proceed with a marriage, but only if the couple are too closely related, are of the same gender or one or both of them are already married. Any other circumstances, such as bribes, coercion or threats, are not grounds on which the registrar can stop the marriage.

Were you to come with me, Mr. Deputy Speaker, to the gracious Edwardian building that we call Ealing town hall, which is, sadly, just outside my constituency, but despite that serves a great many of my constituents, you would find in the wedding suite there a superb building, wonderfully gracefully appointed and staffed by excellent highly qualified and skilled staff, but those staff are angry. They are desperately depressed by the present circumstance in which they feel that they are, in effect, colluding with a system of sham and bogus marriages and unable to do anything about it. One of the senior officers estimated to me that, in the past 12 months, about 80 of the marriages that they were asked to celebrate were, in their opinion, bogus.

If the registrar has severe doubts, he or she can supply all the details to the Home Office investigation section, which is conveniently located in Noble drive, Hayes, also just outside my constituency, but in the other direction. Of the large number of files that have been sent to the Home Office investigation section in the past 12 months, not one has been acknowledged or acted upon. In every one of those cases, a professionally qualified registrar had severe doubts about the validity of the marriage, supplied the information to the Home Office investigation section, and nothing happened.

I have spoken to LACORS—the local authorities co-ordinators of regulatory services—which discussed the matter at its management committee on 26 March. It confirms that there are significant numbers of potentially bogus types of notices being given, not uniquely but in many cases in London local authorities. It is important to put it on record that one of the extremely unfortunate side effects of the preponderance of bogus marriages is the effect that that has on genuine marriages between British citizens and citizens of other countries, because they often feel compromised by the perception of falseness when someone marries a British citizen. In the majority of cases, as we know, that is not so.

LACORS feels seriously restricted in its ability to deal with the issue. If the Home Office does respond, as it has in some boroughs, though not in the borough of Ealing, in many cases it is to set up a trap in the register office, with immigration officers present. The prospect of an arrest or detention taking place during a marriage ceremony and somebody being bundled down the steps of the town hall into a waiting black Maria instead of a white Cadillac is deeply regrettable and paints a most unpleasant picture. Registrars do not want to be part of that process. If they have doubts, they want to be able to stop the wedding there and then.

I accept that the Government are acting on the matter. My right hon. Friend the Home Secretary made a welcome statement on 22 April, in which, pointing out the action that the Government were taking, he admitted that every time he took a step to address the abuse,

"organised criminals behind the exploitation of normal, legitimate routes find a way round it."

He was speaking particularly about bogus marriages. He referred to them as "a real scandal." I entirely agree.

Mark Rimmer, who has been appointed by the Government to investigate sham weddings, has interviewed registrars around the country. He found that 9,000 cases a year are reported to the Home Office team, which consists of six people—9,000 cases to six people. I now understand why the traffic between Ealing register office and Noble drive, Hayes is one-way.

Registrars say that, where they have been trying to fend off fake marriages, the threats of official action are, in many cases, empty threats. The cunning, well-organised people operating in such a highly profitable area know that the threats are empty. The Home Secretary said that registrars might be given new powers to refuse to conduct marriages if they believed them to be a sham carried out for immigration purposes. I look to my hon. Friend the Minister for confirmation that that action is being taken. I understand that the Government also intend to designate only certain

[Mr. Stephen Pound]

register offices as authorised for marriages involving foreign nationals. That is greatly to be welcomed if, as I very much hope, that is the case.

My brief research for this modest contribution to the warp and weft of the national legislative tapestry has led me into some strange areas, in particular, to the Marriage With Foreigners Act 1906. There are those in the House who are familiar with the Act; previously, I was not. The Act contained the right to demand a certificate of no impediment from someone getting married in the UK. It was superseded by the Marriages (Scotland) Act 1977. If someone from the north of Ireland or from Scotland wishes to get married in England, they must produce a certificate of no impediment, which provides, if not a cure, a filter for bogus marriages. However, somebody from within England marrying in England—wherever the person they are marrying comes from—does not need to provide such a certificate.

In a remarkable fit of generosity, the 1906 Act specifically excludes what subsequently became the Commonwealth countries from the definition of "foreigners". It has to be said, regrettably, that Ghana and Nigeria are two countries that provide a large number of people who are considered to be involved in bogus marriages, and are, in some cases, convicted, yet those countries are excluded.

I realise that there are those in the House who are wiser in the ways of the world than me but, apparently, the Civil Partnership Bill permitted the making of an order in council to allow the issue of certificates of no impediment. Up until then, I thought that the 1906 Act was almost analogous to the Easter Act 1928, which set by statute the day each year on which Easter could fall—a good piece of legislation, which I am sure was passed with the good will of the House, but it was never implemented, simply because it was outside the authority of this House.

The 1906 Act—it was disapplied in Scotland and superseded by the Marriage (Scotland) Act 1977, with which I know my hon. Friend the Minister is familiar—was also provided for by order in council in relation to clauses 175 and 179 of the Civil Partnership Bill. We have legislation that we can use; we could require a certificate of no impediment that would provide the extra filter for false marriages.

We have a problem at present, in that an extremely skilful, widely respected and professional body of men and women are in despair at what they see as the abuse of the act of marriage as performed by civil register officers in town halls and up and down the country. People are being victimised. My hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) is dealing with some particularly horrific cases where people have been physically threatened, bullied and coerced into undertaking such marriages. We must address the issue and I recognise that the Government take it seriously; I pay credit to them for that. However, we must give the registrars the tools with which to address the problem.

Where there is a blatant and ludicrous abuse—where money changes hands, the ring does not fit or the wrong person is kissed—is it too much to ask to authorise the registrar to stop the process there and then because, in his or her professional opinion, the marriage should not proceed? It could then be referred to the Home Office or to any other agency that we wish. But we must set in train a process whereby we recognise the skill, professionalism and expertise of our registrars and the fact that they are acutely aware that their authority and functions are being abused by people in this way.

Sham marriages may have a slightly comic aspect, but although there may seem to be something funny about this issue, it is deeply serious. It is organised criminality and it could have severe and horrendous consequences, given the present state of the world and the war on terrorism, if people are allowed to access all the freedoms of this country by an entirely bogus and indefensible route. We have to stop it.

I am not some starry-eyed romantic who still believes that marriage is such a wonderful institution that nobody would ever corrupt or dilute it, or allow commerce or anything else to interfere with it. Personally, I have been happily married since 1976; I would have got married the year before, but Fulham got to the cup final, and there are certain priorities. I took marriage very seriously, and my wife, judging by her expression most nights, takes it equally seriously. However, the fact remains that, for some people, the institution of marriage is a key to the lock of the United Kingdom, as it allows them access. That is fine; it is all well and good if the marriage in question is real and subsisting, and legal and honestly contracted, but at the present time, far too many marriages—possibly 20 per cent. in my part of the world—are not valid, which taints the whole process.

We have to address that issue. I am confident that the Government are already doing so, but I would simply ask them to do a little bit more to ensure that certificates of no impediment are introduced, that registrars are given authority and that we continue to give Government time, resources and attention to recognising that we have left registrars out on their own for too long. They have been trying to do an impossible job. They cannot do it, and they need our help. We in this House need to address this issue tonight.

6.16 pm

The Minister for Citizenship and Immigration (Mr. Desmond Browne): I congratulate my hon. Friend the Member for Ealing, North (Mr. Pound) on securing this debate, and I thank him for taking this opportunity to highlight an issue that I consider important, as he knows, and that has recently been the subject of some public concern.

As my hon. Friend pointed out—I shall go into more detail later—this issue has also recently been the subject of a significant and appropriate response from the Government. This is a particularly timely debate, as we have only recently announced a number of steps that we are taking to protect the integrity of our marriage ceremonies. I am grateful for the chance to expand on the recent announcements of the Prime Minister and the Home Secretary, to which my hon. Friend alluded.

We already have arrangements in place to help to identify potential abuse of the marriage laws, and to prevent them from being used for the purposes of illegal immigration. Under section 24 of the Immigration and

Asylum Act 1999, registrars have a statutory duty to report suspicious marriages to the immigration and nationality directorate. Indeed, we in the Home Office are grateful to registrars such as those in Ealing, who have been prepared to report such marriages to us.

In 2003, the Ealing register office sent 48 reports of suspicious marriages to the Home Office under section 24 of the 1999 Act. Some 27 of those reports were sent to enforcement officers for action, and the remaining 21 were unsuitable for being sent on for one reason or another. If a report is lacking some detail or information, for example, officers are asked to contact the registrars before proceeding. I understand that that information may not have been communicated to the Ealing register office, and I shall ensure, among other things, that communication between the immigration offices and register offices is improved. In the short time that I have been in this job, I have met representatives of the registrars to discuss our response to this particular problem. I intend to meet them again, and my officials have been meeting them regularly since that initial meeting.

For the purposes of clarity, I should point out that a registrar already has the power to stop a ceremony where there is evidence of coercion or threats. It is also my understanding of the law that registrars have limited powers in relation to ceremonies where proper notice has been given and parties are authorised to be married. However, registrars should not allow a marriage notice to be given if they have reasonable grounds for suspecting that the person who wants to give the notice is lying in any of the statements or declarations. It will become apparent that the inadequacy of that power lies behind the changes that we are about to introduce. However, we must be careful, because registrars to whom I have spoken want me to ensure that we do not ask them to become immigration officers. I am sure that the appropriate balance will be struck in the steps that the Government are about to take.

I have already referred to the duty on registrars under section 24 of the 1999 Act, which has helped the immigration service to build up its intelligence base and to target enforcement efforts on suspected organised attempts to abuse the system. My hon. Friend the Member for Ealing, North gave a colourful example in which the groom was arrested and taken away, and a number of successful operations have been conducted. In 2003, for example, 110 people were arrested at suspected organised sham weddings and 37 people were charged.

We have also changed the immigration rules with effect from April 2003 to increase the probationary period for marriages. That period occurs after a marriage, and the change stops the practice of switching from short-term leave to stay in the United Kingdom to leave to stay on the grounds of marriage to a UK national. That practice was being used to avoid the more rigorous examination of marriage applications from posts abroad.

I am grateful to my hon. Friend for bringing the Marriage with Foreigners Act 1906 to my attention earlier today, because I had an opportunity to examine it, and it appears that it only applies to marriages between British subjects and foreign nationals that take place outside the United Kingdom. He refers to the proposal in the Civil Partnership Bill to provide a certificate of no impediment from this country for a civil partnership between a British subject and a foreign national, and such certificates would also be required were such ceremonies to take place abroad. I will re-examine the 1906 Act, but I doubt whether it is an appropriate vehicle to address the issue.

It has recently become clear, through the information received from registrars and other intelligence channels, that activity by those seeking to abuse UK marriage laws and enter into sham marriages as a means of circumventing immigration control is on the increase, but it is not easy for the Government to intervene. As my hon. Friend rightly points out, we do want to lay down rules that would make it harder for genuine couples to enter into marriage. Marriage law in this country has evolved over a considerable period of time, and, by and large, the formalities of marriage are currently set out in the law in the way in which people of this country want them to be set out. Any Government that sought to intervene in that area would do so with trepidation, and they would certainly not do it without the widest possible consultation.

I share my hon. Friend's intention to protect genuine couples, and that intention led us to abolish the primary purpose rule on 5 June 1997. That pernicious rule penalised genuine marriages, divided families and unnecessarily increased the administrative burden on the immigration system. It was imposed in 1980 by the previous Administration, and it forced applicants over one hurdle after another, both at the point of entry clearance and at appeal. It was inherently ineffective and unfair, and did not work to filter out those who sought to cheat the system, but simply punished those who did not. It was abolished not because, as the Conservative Home Affairs spokesman, the right hon. Member for Haltemprice and Howden (David Davis), suggested in a statement, it failed to deal with sham marriages, but because of its inequitable treatment of genuine marriages. We will rue the day that we bring it back. We will reflect on the lessons from the primary purpose rule before taking any steps to deal with sham marriages.

It is clear, though, that where there is abuse we must move to stamp it out. We must ensure that our immigration system is robust in preventing those engaging in sham marriages from bending the rules. There are a number of ways in which we can tighten up the procedures to achieve that without impacting on genuine cases. As my right hon. Friend the Home Secretary said in his statement to the House on 22 April, we will shortly bring forward legislation to restrict the capacity to authorise marriage involving non-EEA nationals to designated register offices. I repeat that we are talking about the capacity to authorise marriages—the Government do not intend to stop marriages being performed in register offices that couples choose, but to direct them to designated offices for authority. That will enable us to focus our enforcement efforts on a more concentrated area, and will allow intelligence and expertise on marriage abuse to be built up in those dedicated centres. We also believe—this is its primary purpose—that it will have a deterrent effect, because the chances of couples coming into contact with immigration officials will be much higher. That will not be welcome to those who are not genuine, and it will make them much less likely to try.

[Mr. Desmond Browne]

We are also looking urgently at what more can be done specifically to address the apparent loophole of third country nationals who marry EEA nationals from other member states, then claim to be exercising treaty rights. We shall make a further announcement on that shortly.

We are exploring other possibilities, such as the proposal that registrars should have the power to refuse to conduct a marriage that they suspect is being carried out for the purposes of illegal immigration, or where they believe that false documents are being used, until the marriage has been properly investigated by the immigration authorities. However, that would require a fundamental change to marriage law and—for the reasons that I gave, with which I know that my hon. Friend agrees—merits wider consultation.

We have in hand enhanced enforcement action to target sham marriages, with a view to having a direct impact on the organised criminals who arrange them and seeking prosecutions where appropriate. We are strengthening arrangements for joint working between caseworkers and immigration officers to ensure a better focus on the intelligence that is gathered from registrars and elsewhere. Importantly, we have set up a new joint working group with the Home Office and registrars to share intelligence and ideas and to ensure that our efforts are as focused and effective as possible.

The Government recognise that, as my hon. Friend was at pains to point out, a marriage is an important event in the lives of the people who are effecting that union in their relationship. It is very important, as he said, that places where that is done should be immune from the sorts of scenes that have unfortunately had to be played out in some register offices in response to information about sham marriages taking place. It is important, too, that we recognise that the informality that has grown up over many decades around the formalities of marriage has generated an opportunity for organised criminals to take advantage of not only that set of circumstances but other people, in order to get round the immigration laws. As my hon. Friend says, significant amounts of money can change hands in relation to the facilitating of such events. That is an indication of the level of organised criminality that is involved.

The Government are absolutely determined to bring that practice to an end. We intend to make it as difficult as possible, to deter it, and, where it happens, to investigate it and prosecute appropriately. However, we are going to do that in a balanced way that does not interfere with the reasonable expectations of law-abiding people that, subject to checking the appropriateness of their marriage status, they will be able to have their celebratory event as easily and informally as they want to, without interference from the Government.

The Government will therefore continue to pursue a policy of managed migration to the UK, with procedures in place that will allow us to facilitate that for genuine applicants from whom our society derives real benefits. That includes those who wish to enter into genuine marriages with a UK or EEA national, settle here and contribute. We are absolutely determined that we will also protect the system from abuses in this and other areas. I am confident that the measures outlined will help to protect the institution of marriage within the UK, and help us to maintain appropriate and secure immigration control.

Question put and agreed to.

Adjourned accordingly at half-past Six o'clock.

House of Commons

Friday 14 May 2004

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

[SIR ALAN HASELHURST *in the Chair*]

9.33 am

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (Motions to sit in private):—

The House divided: Ayes 0, Noes 36.

Division No. 175] **[9:34 am**

AYES

Tellers for the Ayes:
David Wright and
Mr. Andrew Dismore

NOES

Ainger, Nick
Barker, Gregory
Barnes, Harry
Beggs, Roy *(E Antrim)*
Blackman, Liz
Bottomley, Peter *(Worthing W)*
Brennan, Kevin
Burstow, Paul
Caton, Martin
Cawsey, Ian *(Brigg)*
Clapham, Michael
Clarke, rh Tom *(Coatbridge & Chryston)*
Fitzpatrick, Jim
Forth, rh Eric
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
Goodman, Paul
Gray, James *(N Wilts)*
Griffiths, Jane *(Reading E)*
Harman, rh Ms Harriet
Jackson, Helen *(Hillsborough)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Lilley, rh Peter
Love, Andrew
McIsaac, Shona
Mactaggart, Fiona
Prentice, Gordon *(Pendle)*
Swire, Hugo *(E Devon)*
Thomas, Gareth *(Harrow W)*
White, Brian
Williams, Roger *(Brecon)*
Wilshire, David

Tellers for the Noes:
Mr. Huw Edwards and
Jonathan Shaw

Question accordingly negatived.

Orders of the Day

Carers (Equal Opportunities) Bill

Bill reported, with amendment.

Order for Third Reading read.

9.44 am

Dr. Hywel Francis (Aberavon) (Lab): I beg to move, That the Bill be now read the Third time.

I have a great many people to thank for their involvement in the journey of this Bill. I also wish to place on public record the huge interest that it has generated from all quarters: employers, such as British Gas, BT and Listawood; lifelong learning and educational establishments, such as the adult learners' body—the National Institute of Adult Continuing Education—the Open University, the Guidance Council and the National Extension college; equality bodies, such as the Disability Rights Commission in Wales and the Equal Opportunities Commission; hundreds of carers' organisations; union bodies, such as the TUC and the Iron and Steel Trades Confederation; the Local Government Association and the Welsh Local Government Association; and, of course, carers themselves. I want to pay tribute to all those groups, and will do so, but I am also keen for the debate to progress swiftly. I shall try to keep my comments to a minimum, but wish to single out some individuals and organisations for extra thanks.

We would not have got this far had my parliamentary colleagues from all parties not supported the Bill through its Second Reading, in Committee and, of course, today. I single out those in the official Opposition—the hon. Members for Wycombe (Mr. Goodman), for Tiverton and Honiton (Mrs. Browning) and for Banbury (Tony Baldry)—and also the hon. Members for Sutton and Cheam (Mr. Burstow), for Caernarfon (Hywel Williams) and for East Antrim (Mr. Beggs) for their warm support and, above all, their insight into the needs of carers.

I have received a number of very positive comments about their contributions and the contributions of all political parties to the debate. All their comments have been noted by organisations and individuals outside the House. Support has also come from the other place, where Lord Ashley, Baroness Pitkeathley and Lord Rix have all offered invaluable advice and experience.

To say that the passage of the Bill has been of great interest to local carers' organisations would be an understatement. To date, I have received a stunning number of very warm and enthusiastic messages of support from local and national organisations, more than 300 of which have indicated their support. They represent tens of thousands of employees and more than 200,000 carers throughout England and Wales. I have been truly amazed by the real excitement generated by the Bill; it seems to have brought new ideas and partnerships bubbling to the surface.

I pay a special tribute to the Under-Secretary of State for Health, my hon. Friend the Member for South Thanet (Dr. Ladyman), for his involvement. The fact that we have been able to amend the Bill to suit our shared goals for carers and to forge forward with it can

[Dr. Hywel Francis]

be attributed to his knowledge and understanding of carers' issues, and I am sure that carers throughout England and Wales will acknowledge that.

The Government's support has been very welcome. Jane Hutt, the Minister for Health and Social Services in the Welsh Assembly, has been extremely supportive, virtually since day one, and I thank her for that, too. It would also be remiss of me not to mention the excellent work that officials have put into the Bill to make it work, both in Whitehall and Cardiff bay.

Above all, I thank the carers and carers' organisations in my constituency. They have provided the best insight of all—personal experience of caring—to help me on my journey with the Bill. I should also mention the help and advice that I have received from my local authority, Neath Port Talbot county borough council, and the Neath Port Talbot local health board. I could not complete this roll call of thanks without mentioning the constant support of Carers Wales and Carers UK, which have provided invaluable advice, professionalism and encouragement throughout the Bill's journey.

As we discussed previously, the Bill is remarkable in that it draws on the best policy from Scotland and Northern Ireland—the duty to inform carers of their rights—which we now hope to introduce for carers in England and Wales. The Scottish Executive, too, were able to share with us their valuable experience of similar legislation, welcomed by carers in Scotland, and to confirm that it had not increased costs.

The Association of Directors of Social Services has been supportive from very early on, and has stated on many occasions that it sees the Bill as a positive step forward. It has acknowledged that many of the Bill's provisions are already carried out by good authorities with good business and moral sense in many parts of the country.

We all know that it does not make economic sense not to support carers, when they save the state a staggering £57 billion a year. Many have had to give up work, when they might have been able to remain in employment with a little more information, foresight and creativity on the part of support services. The Bill will help with that by placing a duty on local authorities to consider work, education and leisure in the assessment, and to tell carers about their rights. There could be considerable savings for the Exchequer through the reduction of benefit costs, an increase in tax and national insurance receipts and improvements in the health and well-being of all carers.

The Bill's provisions are relatively modest. They will improve information for carers about their rights and will enhance the choices open to them through work, education and leisure. For individuals, the personal impact of the Bill could be huge. It aims to change the culture to acknowledge that carers have a right to information so that they can make choices about their lives, and a right to "have a life", as one carer put it, beyond their caring responsibilities.

The Bill will not mean that carers will no longer care. All the research points towards the fact that carers wish to care and to continue to care, and all the carers to whom I have spoken have agreed with that. The Bill is about encouraging more creative support and finding solutions for carers, and will give local authorities the power to draw in the help of housing, education, health and other local bodies in the pursuit of those laudable goals.

The Bill is a sensible step forward in building a better future in England and Wales. Most of us will experience a period of caring at some point in our lives. With the demographic changes that we can expect during the coming decades, it makes sense to have this kind of legislative basis on which we can build support for the future.

The Bill's journey started many years ago, when Mair and I had a young son called Sam with Down's syndrome, who died seven years ago this month. He had an important impact on our lives then and, with this Bill, he continues to do so. I hope that Sam's Bill will be a legacy to many families in the future.

I want to end today with the words of a carer from my constituency, Lynn Coleman. When we started on this journey at the Bill's parliamentary launch, she said:

"Carers and their families are not making great demands. They just want an ordinary life outside of their caring role, something which is often taken for granted by many people. The people we care for, be they children, very young or older adults, they are special to us, but we still want the opportunity to have a life besides caring. With more information, appropriate specific childcare facilities, opportunities to work, lifelong learning and leisure",

carers' lives

"could be dramatically improved. This fulfilment would then mean that a carer can return to their caring role refreshed and ready to continue."

I look forward to the day when we can say that we have achieved that for carers.

I commend the Bill to the House. I hope that it passes quickly to the other place and is subsequently put on the statute book as swiftly as possible.

9.54 am

Mr. Paul Goodman (Wycombe) (Con): It is a great pleasure to follow the hon. Member for Aberavon (Dr. Francis), and I want to begin by again expressing the support for the Bill that the official Opposition offered on Second Reading, during the money resolution debate and in Committee. We congratulate the hon. Gentleman on introducing the Bill, and we acknowledge his great interest in and personal expertise on the needs of carers. We congratulate his Bill team, and I make a special point of mentioning one member of that team, my hon. Friend the Member for Banbury (Tony Baldry), who, unfortunately, cannot be present today.

We pay tribute to the work done by Carers UK, whose expertise has informed the Bill, and by carers' organisations everywhere. I pay particular tribute, as I did on Second Reading, to the work done in my constituency by the South Bucks Carers Association, which does so much to help local carers. As I have made clear, the official Opposition support the Bill, and I have been travelling with the hon. Member for Aberavon on the journey that he has just described.

If hon. Members present examine the Bill that we considered on Second Reading on 6 February, which they no doubt have with them today, and compare it with the Bill that we are considering today, which they no doubt also have with them, they will see that there have been wide-ranging changes. During the Committee

stage, the Minister, as he hinted on Second Reading he would do, persuaded the Committee to demolish many of the foundations of the original Bill.

Clause 3 of the original Bill, "Duty to Inform", has been replaced by clause 1 of the Bill before us today, "Duty to Inform Carers of The Right to Assessment", and is, in my view, the new foundation stone of the Bill. Clause 1 of the original Bill, "Equal Opportunities for Carers", has been replaced by clause 2 of the new Bill, the perhaps less ambitiously titled "Assessment of Carers". Clause 4 of the original Bill, on co-operation between authorities, has been replaced by clause 3 of the Bill before us, also entitled "Co-operation between Authorities". Clause 2 of the original Bill, "Planning for Provision of Information for Carers" has not been replaced. Its main intention was to place a duty on local authorities, in co-operation with national health service bodies, to ensure that in the community strategies that they prepared under section 4 of the Local Government Act 2000, specific provision was made for informing relevant carers of the services that the local authority provided that were likely to promote carers' health and well-being.

All that represents major demolition and reconstruction work on the Bill by the Minister. The House might be tempted to believe that that work was unnecessary, but the Minister made it clear in Committee that he believed that it was necessary because it was important for the Bill to be consistent with, and to relate to, previous legislation that especially affects carers, such as the Carers (Recognition and Services) Act 1995 and the Carers and Disabled Children Act 2000. It is certainly the case that, as a result of that work and those changes, the Bill before us today places less stress on equal opportunities for carers than the Bill that we had before us on Second Reading. None the less, we believe that the Minister has honoured the pledge that he made on Second Reading to improve the Bill with a view to ensuring that it is placed on the statute book. The help that he has given to the Bill should, as the hon. Member for Aberavon said, be recognised by the House.

The Bill's main merit is the duty that it will place on local authorities to inform carers of their right to an assessment. That will surely be of real benefit to carers. The main theme that emerged on Second Reading, as hon. Members who were present then will remember, was the complex and diverse needs of carers. Indeed, as many hon. Members said on that occasion, many carers do not recognise themselves as carers, or do not want to be referred to or labelled as carers. They do not see themselves as fulfilling a social function, but as caring for people whom they love, or to whom they have a commitment.

The total number of carers is rising. At one end of the life cycle, lifespans are increasing, and as people live longer, they are increasingly prone to disability. Most of us, if we live long enough, will probably acquire a disability sooner or later. At the other end of the life cycle, more children with disabilities are surviving for longer. Families, for a complex series of reasons, are smaller and more fragile than they once were. It is no wonder, then, that according to Carers UK, 7 million people in the UK look after someone who is frail, sick or has a disability. That is roughly 10 per cent. of the population. More than 300,000 people become carers every year, and three out of five people will become carers during their lifetime.

All this throws an immense burden on carers, the larger number of whom are women—and older women at that. They might give up working in the labour market because they feel that they have no choice but to do so, and later they might lack the skills or the confidence to re-enter it either when they want to or when they feel that they have no choice but to do so. If they do work in the labour market, they might feel that their employer does not understand their needs. They might feel bewildered about where to go for advice and help when a child with a disability is born or when a loved one becomes ill and frail. They might also feel bewildered about how to deal with interlocking and multi-faceted problems, such as the special needs that their children have in schools, and hospital discharges, and everyday problems with transport, which can be particularly onerous. They might feel, in particular, that they need respite help, because even the most dedicated carer, faced with the prospect of caring full-time for another person, is bound to feel in need of a break from time to time. That point has often been made to me by carers in my constituency.

It is no wonder that, according to the report "Missed Opportunities", published by Carers UK, 55 per cent. of carers reported significant health problems, and 43 per cent. reported that they had sought medical treatment for depression, stress or anxiety since becoming a carer. Above all, carers may well not know of their rights under the law. According to "Missed Opportunities", only 32 per cent. of carers have been assessed by social services. Of those, 57 per cent. did not receive any extra support, and nearly 50 per cent. of carers had not been informed that they had the right to an assessment. The main virtue of the Bill is that it will place a duty on local authorities to inform carers of their right to an assessment. It will also ensure, rather more sensitively than measures that are currently in place, that the wishes and needs of carers are carefully considered.

I want to end with a tribute to the hon. Member for Aberavon. I have enjoyed what I think has been a co-operative relationship with him during the progress of the Bill. He has steered it deftly towards the statute book, and I hope that he is about to join a small and select group of Members of this House. It is a group of which I am not a member, and of which very few of those present today are members. It is, of course, the group of those who will be able to leave the House—in whatever circumstances they may do so—having introduced a piece of legislation as a private Member that ends up on the statute book. That is, in principle, no mean achievement, and it is one to which I believe most Members of this House aspire.

Mr. Eric Forth (Bromley and Chislehurst) (Con): No!

Mr. Goodman: I did say "most Members".

I hope that it is not premature to congratulate the hon. Member for Aberavon on joining that small and select group and on ensuring that Sam's Bill will indeed become Sam's Act.

10.3 am

Mr. Huw Edwards (Monmouth) (Lab): It is a privilege to follow the hon. Member for Wycombe (Mr. Goodman) and to hear that the official Opposition have given their support to the Bill. We are grateful to them, to the Liberal Democrats and the Ulster Unionists, and to all those who have supported it. It has been a privilege for me to be a member of the Standing Committee and to assist my hon. Friend the Member for Aberavon (Dr. Francis) in a small way. I have said to representatives of Carers UK that, if ever I came top of the ballot for private Members' Bills, I would have gone and had a cup of tea with them to see what kind of Bill we might be able to introduce. I once introduced a ten-minute Bill. It is very difficult to convince our constituents that ten-minute Bills are not really Bills and that they often do not last more than 10 minutes. However, that Bill was on giving carers the right to respite care, and it was, fortunately, incorporated into the Carers and Disabled Children Bill, which was introduced by the former Member, Tom Pendry.

A gentleman came to my constituency surgery last Friday to ask me a question about the implications for him and his mother, should she need to go into full-time care. His name is Mr. Malcolm Jones, and he is from Croesyceiliog. He has cared for his mother for 20 years, and she is now over 100. He had previously been self-employed, but he told me that he had recently been employed again. The Bill will not directly affect him, but it will affect people in similar circumstances in the future, in that it will give them more flexibility to return to the labour market, or to remain in it, while they carry out their caring responsibilities. I am sure that we were all very grateful for the Prime Minister's recent announcement about helping carers in employment.

Mr. Malcolm Jones was not aware of this Bill, but I was able to assure him that I would mention him today. I am not too sure that he belongs to a carers' organisation, or that he sees himself in the defined role of a carer. He is simply fulfilling a duty to look after his mother, which he has fulfilled for 20 years. She is still well, but might need to go into full-time care in the future. The Bill is aimed at people such as Mr. Jones, who often do not see themselves as having a defined role as a carer.

The carers in my constituency are probably the most sceptical people I have ever come across. They never quite believe that politicians will deliver improved services for people such as them. I find, however, that that scepticism is now diminishing. As a result of the national carers strategy, the legislation that we introduced a few years ago, and now this Bill, there is a wider recognition that Parliament is passing legislation in the interests of carers. There are 9,000 carers in my constituency, and I understand that several hundred assessments have taken place under the current legislation.

The Bill will help to inform those carers of their right to be assessed, and it will assist them in the roles that they perform outside their direct caring responsibilities. I urge my hon. Friends to ensure that we get as much publicity as possible for the Bill. This has been a great small achievement in the legislative process, and it has been a privilege for me to be associated with it.

10.7 am

Mr. Roy Beggs (East Antrim) (UUP): It is a pleasure to be associated with the Bill and I congratulate the hon. Member for Aberavon (Dr. Francis) on his initiative in introducing it. It has the support of all my colleagues in the Ulster Unionist party.

It is only right and proper that carers have access to information to help inform their life choices. The Bill will bring to England and Wales some of the rights that carers in Northern Ireland have already achieved through the Carers and Direct Payments Act (Northern Ireland) 2002 and through section 75 of the Northern Ireland Act 1998. One of the most important effects of that legislation is that public bodies have had to talk to carers and to educate themselves about the needs of carers. The level of awareness and sensitivity about carers' issues has therefore increased across a whole range of public bodies, and helped to remove barriers to carers' participation.

Public authorities, when developing policies, must promote equality of opportunity for persons with dependants. At the moment, there are still many carers who cannot access vital information on benefits, services and other opportunities because of the isolation that can come with the caring role. Research consistently shows that information is the No. 1 need for carers. Too many carers still struggle for years before they find out that there are organisations out there that could help them to cope. Too many pensioner full-time carers on low incomes are having to pay from their pension savings for respite care for a spouse or other family dependant in order to restore their own strength to enable them to continue to care. We must never underestimate the need for carers to have and maintain their own health, emotional well-being and independence.

Health, social services and other public authorities have a responsibility to reach out to all the hidden carers in their area. It is unreasonable to ask carers to book two weeks' respite care a year ahead—as a pensioner in Northern Ireland told me recently she had been asked to do—to facilitate the allocation of limited public funding. That funding must be increased to match the needs in this aspect of care in the community. Carers have an equal right to full opportunities in education, training, employment and leisure. Carers of working age who stop caring are potential employees who can participate in lifelong learning and will gain new skills that will maintain the economic viability of our work force. The sacrifice of carers must be recognised and they deserve every support to rebuild their careers after caring.

The last word from me goes to Emma McDowell, a carer from Belfast who wrote to Carers Northern Ireland in support of the Bill. She said:

"'Care in the community' would be impossible without their commitment to the care in the family first and foremost. But carers also need a life beyond their immediate caring responsibilities—their mental and physical wellbeing, their educational opportunities, their rights to full information MUST remain high on the agenda for local authorities to consider."

When enacted, the Bill will help to improve life for both carers and the cared for and I fully support it.

10.11am

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): It is a pleasure to follow the hon. Member for East Antrim (Mr. Beggs), who I am sure will not mind if, today, I recall the excellent work of his hon. Friend the Member for Belfast, South (Rev. Martin Smyth) over a long period—a contribution that is much appreciated.

My hon. Friend the Member for Monmouth (Mr. Edwards) was of considerable assistance to me this morning, because he reminded me of a very grave omission on my part. When I was fortunate enough to be called on Second Reading, I failed to refer to Tom Pendry. I should like to put that straight today, partly by explaining that, in common with others, I have always associated Lord Pendry with his marvellous contribution to tourism. I had momentarily forgotten that he had other strings to his bow. We are building on his Act and I am happy to acknowledge that.

Today belongs to my hon. Friend the Member for Aberavon (Dr. Francis). His choice of Bill was excellent and he has steered it through its various stages with considerable skill, perspicacity and, above all, commitment. It says a great deal for him that he has done so with the absolute support of all parties on both sides of the House.

This is an extremely meaningful Bill and I was pleased that my hon. Friend the Member for Aberavon mentioned the Scottish Executive in his speech. Although the Bill will not apply to Scotland, there is considerable interest in its contents and there is considerable compatibility in what we seek to achieve. We can also learn from each other. I do not wish to be offensive to any hon. Member, but I have no shame this morning—as a member of the United Kingdom Parliament—in voting at an early hour on this issue and in exercising my duties to comment and, if necessary, to vote on UK issues. If it means that carers in England and Wales find that we are acknowledging, as the Bill does, the difficulties and needs that they experience day after day, every elected Member of this House has the responsibility to play his or her part in that, and I am glad to be playing mine.

The main aspect of the Bill is to bestow a duty to inform carers of their rights. Only this week, my hon. Friend the Minister with responsibilities for disability, the Under-Secretary of State for Work and Pensions, the Member for Liverpool, Garston (Maria Eagle), honoured a commitment that she gave a couple of weeks ago during an Adjournment debate that I initiated on laryngectomy to come up to my constituency and meet the Lanarkshire Laryngectomy Association. She did that yesterday. I welcome that visit and my hon. Friend the Under-Secretary will agree that among the very important points that were made were points that were relevant to this Bill and to carers.

The fact is that many people will find themselves—sadly, as a result of road accidents, strokes or other things that cannot be predicted—becoming carers in their households. It is absolutely right that we as a Parliament should acknowledge our responsibility to them. I am delighted to be here this morning in support of my hon. Friend the Member for Aberavon.

Before I conclude—I am anxious to do so—I want to congratulate the Government. They deserve to be told that they have an extremely good record on disability awareness. That is not simply their important decision to introduce the Disability Rights Commission, a decision that in earlier days was resisted strongly. They ought to be congratulated also on the work they have done since then, including supporting extremely important Bills such as this one. My hon. Friend the Member for Aberavon would not thank me for being controversial, but it was not all that long ago that, on Friday morning after Friday morning, similar Bills were talked out, one after the other, before this Government came to office.

I warmly congratulate my hon. Friend the Minister on his contribution and welcome the disability awareness on the part of the Government and, in particular, the role of carers as the Government see it. We have achieved a great deal; the Bill helps considerably and we have much more to do.

I conclude by returning to my hon. Friend the Member for Aberavon. I did not volunteer for it but I think that I am a member of the club to which the hon. Member for Wycombe (Mr. Goodman) referred; I was fortunate enough, with enormous support, to get an Act through in 1986. In congratulating my hon. Friend the Member for Aberavon, I give him a piece of cautionary advice, if I might be so brash. In due course, if Her Majesty gives the Bill the Royal Assent, the Carers (Equal Opportunities) Bill will be for ever known as the Hywel Francis Bill—something we all welcome. He should be proud of what he has achieved. From then, he will go on to do what I am still doing: to campaign for the full implementation of every part of the Bill. In that spirit, I am delighted to congratulate my hon. Friend.

10.17 am

Mr. Paul Burstow (Sutton and Cheam) (LD): It is a pleasure to follow the right hon. Member for Coatbridge and Chryston (Mr. Clarke). I commend and appreciate the work that he has done for and on behalf of disabled people, carers and others over a long period. We should reflect on what the right hon. Gentleman said about his experience of Fridays in this House in previous years, and how Bills designed to advance the rights of disabled people did not make their way on to the statute book. I have a particular interest in that as an issue, both because of my involvement with my local authority in campaigning for disabled people and because the Member who served before me was a key Member in ensuring that such Bills did not make it to the statute book.

I congratulate the hon. Member for Aberavon (Dr. Francis), as others have done, on choosing the Bill. When a private Member's Bill comes sufficiently high in the ballot there is a real possibility of it becoming law, so to choose to take this measure through the House was very important. I congratulate the hon. Gentleman also on his navigation of the Bill through its various stages and the discussions that have taken place between him, officials and the Minister, whom I also thank. Those deliberations led to the Bill that has emerged from Committee, which we are considering today.

I am responding as the Front-Bench Liberal Democrat spokesman, but I also have the pleasure of being one of the Bill's sponsors. As mentioned on Second Reading and elsewhere, we want the Bill to become an Act and we want the Act to be implemented

[Mr. Paul Burstow]

in practice on the ground. It is important that the spirit and purpose of the legislation be made real on the ground. The key point is to ensure that people are aware of their right to have an assessment as a carer and, as a consequence of that assessment, to have the opportunity of access to services that will help them fulfil their full potential—not just as carers, but as individuals, citizens of our country who are able to enjoy leisure, participate in work and many other things besides.

During the Bill's passage, we have looked back to the legislation on which it is building. There was the Carers (Recognition and Services) Act 1995 and the Carers and Disabled Children Act 2000. I want to repeat what I said in Committee and ask the Minister to consider it in the future. There must be a point during the passage of a whole series of private Members' Bills that make their way successfully on to the statute book where the Government look at the different pieces of legislation and ask whether there are gaps and whether there is a need to consolidate and codify—in this case, legislation for carers. The Government have taken the opportunity to do so, at least in part, through their amendments to the Bill, but I believe that there is a need for a wider review in the not too distant future.

In debating the initial clause 1, the Minister effectively argued in favour of the need for such an examination. His argument was that private Members' Bills could not bear the weight of enabling us to put on the statute book a full right to equal opportunity. Consequently, that provision was taken out of the Bill, and I understand that it will now be dealt with through directions and guidance at a later stage. It is a pity that the provision could not be built into the Bill. Given that the Government said that a private Member's Bill was not the right vehicle, I hope that we will at some point see more comprehensive carers' legislation that will make the worthy goal a reality.

The Bill is important. It is important for people to exercise their rights as carers and their rights to information. As we have already heard, last year's Carers UK report, "Missed Opportunities" pointed out that half of carers had not been told of their right to an assessment. The Bill must put that right. It must ensure that people are aware of their right to an assessment and have the opportunity to have it. Placing a duty on local authorities, as the Bill will, is such an important step forward.

Carers are the backbone of this country's care system. Without them, the NHS and our social services departments would not be able to cope. We have heard the figures already today, but the 2001 census estimated that there were about 5.9 million carers in this country. The Institute of Actuaries estimated, as the hon. Member for Aberavon said, that carers save our taxpayers £57 billion a year. I was most struck, in examining the figures again, by the work of the Office for National Statistics, which found that many carers do more than 50 hours a week of care and that those carers are twice as likely to become permanently sick and disabled and twice as likely to describe themselves as in poor health.

The hon. Member for Wycombe (Mr. Goodman) spoke about the life cycle of carers from young to old. There are 9,000 children in this country between the age of five and 15 who provide more than 50 hours of care a week. There are 382,000 carers over the age of 65, of whom 44,000 are over 85. The Bill speaks to those people and to their health and well-being. I hope that it will make a difference for them. That is why clause 3 and the proposed directions to primary care trusts are a useful addition. They provide an opportunity for PCTs to reflect on and change the way in which they plan, commission and deliver services, and to keep carers at the heart of their thinking.

I was struck by the fact that because this is a private Member's Bill, it is always believed to be important to concentrate the work within one Department. The difficulty of negotiating across Departments perhaps prevents the Bill from encompassing more. We have not, for example, been able to deal with some of the issues for which the Office of the Deputy Prime Minister has responsibility, which I regret. Nevertheless, the Bill will make a profound difference to the lives of carers. As the Bill becomes an Act and begins to be implemented, we might see the work of the health care commission and the social care commission including a specific examination of how the lot of carers is being improved.

On Second Reading, several hon. Members referred to overlapping benefit rules, which stop carers in receipt of state pensions receiving carers allowance. Since that debate, I have received many letters from elderly carers who felt insulted by that rule. It is rather like the hospital downrating rules. The Government—to be perfectly honest, not only the present Government—argued that people cannot have two benefits that are intended for the same purpose—in this case, to improve a person's income. The Government say that that is how it has always been done, but I feel that such arguments are among the weakest ever deployed against change. The Government have changed policy on hospital downrating, and benefits are not cut when someone is in hospital. Surely it is time for a similar review of the rules that prevent someone over 65 and in receipt of a basic pension from receiving carers allowance. It should be paid to such people.

As a constituency Member, I am fortunate to have a carers' centre and an active carers' forum in my constituency. They keep me on my toes and keep me informed. I had the opportunity over the last seven years of shadowing carers in my constituency during carers week. That provides a flavour, but unless one has been a carer it is impossible to fully understand what it means.

There are 16,000 carers in my constituency and the borough of Sutton, only 3,000 of whom are identified at the moment. We have a lot more to do if we are to reach out, find and serve the needs of carers. The Bill is another milestone in a long journey, which is all about ensuring that carers are not just treated as carers, but have the fullest opportunities to lead full and rewarding lives.

10.27 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): Over the past seven years, the Government have committed themselves to supporting carers—not just those who undertake the role full time, but those who, as well as caring, wish to work or engage in the activities that other people enjoy. I am delighted to have the opportunity today to add my

support—and that of the Government—to the Bill. In introducing it, my hon. Friend the Member for Aberavon (Dr. Francis) has reinforced the importance of recognising caring and has done carers everywhere a great service. His guidance of the Bill through its various stages has been exemplary: he and his constituents can be proud of what he has done in bringing it before the House.

I also want to acknowledge the contribution of others. The hon. Member for Wycombe (Mr. Goodman) has been unflagging in his support for the principles of the Bill. In his contribution, he said that I had been able to persuade the Committee to make the necessary amendments. He knows that with private Members' Bills it is not possible for a Minister—even one with my great powers of persuasion—to persuade a Committee to change unless he is pushing at an open door. The hon. Gentleman and other members of the Committee were very much open to the suggestions that I put to them. Their contributions and their willingness to work with the Government helped to produce the amendments that have made the Bill acceptable to the Government.

The hon. Member for Sutton and Cheam (Mr. Burstow) offered similar support from the Liberal Democrats, and I am grateful for his suggestions.

I am also grateful for the support of the Ulster Unionists, and the words of the hon. Member for East Antrim (Mr. Beggs). I am grateful for the work of the whole Committee, and the approach that it took. My hon. Friend the Member for Monmouth (Mr. Edwards) was unflagging in his support, and my right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke) has been tireless in his work for carers. I was grateful to him for mentioning Lord Pendry of Stalybridge—Tom Pendry—as we are building on Tom's foundations. I thank Tom for all the work he did for carers when he was in this House. I have to be grateful to him, because he has invited me to his birthday party, which I am very much looking forward to.

Carers UK and other carers' organisations should be congratulated on their work and the support that they have given to my hon. Friend the Member for Aberavon, as well as their support for carers generally and their approach to working with the Government. Those who lobby for carers will criticise when necessary, but always constructively. They are always willing to work with us to find the best and most practical way forward.

There is a group of people that nobody has mentioned so far, but which has been essential to getting the Bill to this stage: the officials at the Department of Health. When my hon. Friend first presented the Bill and it was brought to me in my office, they explained it to me and, following our discussions, asked whether I wanted the Bill. I said yes, and since that moment they have worked tirelessly to ensure that the Bill was properly researched, the law was properly investigated and the amendments be crafted appropriately.

Mr. Edwards: I wonder whether, if a Member of Parliament or an official asked him, my hon. Friend would support a Bill called the Young Carers (Services and Recognition) Bill?

Dr. Ladyman: There are elements of this Bill that impact on young carers, I am glad to say, and were anyone to suggest such a Bill, I am sure, although I cannot give a commitment today, that the Government would welcome it and be co-operative, if at all possible. If my hon. Friend one day gets the opportunity to enter the select club referred to by the hon. Member for Wycombe, perhaps that is the Bill that will emerge. I hope that I will still be a Minister then, and in a position to help.

The Government recognise that caring can affect both the health and the financial status of carers and their families. Access to employment opportunities helps maintain both financial security and self-confidence. Training and education enable people to return to work when they want to, or to work flexibly, according to their needs. Access to leisure opportunities gives carers time to themselves, to recharge their batteries. They are as entitled to such benefits as anyone else. Put simply, they have earned them.

We appreciate, however, that though much has been achieved through legislation and our policy initiatives to date, there is more to be done. With that in mind, we worked closely with my hon. Friend the Member for Aberavon to ensure that his Bill is one that we can unequivocally support, not only on the merits of its intentions but as a viable piece of legislation that will make a difference to the lives of the 5.9 million carers in this country.

The House will recall that I was explicit in my concerns on Second Reading about the Bill as then drafted: principally, that it did not fulfil the fundamental requirements of any new legislation, in that it did not fit in the framework of the modernisation of public services; did not complement existing laws in its substance and approach; and was unlikely to deliver real and concrete changes for carers without placing disproportionate burdens on local councils.

My hon. Friend and I agreed to work together to fix those defects, and following consideration in Committee, and with the help of all parties, I am happy to say that the Bill has been amended to remove the aspects that caused the Government concern. The original Bill had wide-ranging scope, and although the goal of changing local authorities' attitudes to carers is compelling, it should be done only through clear legislation that is feasible to implement, and that is what the Bill now offers.

Furthermore, the original Bill would have meant that through community strategies central Government would have been dictating the form and content of local plans. We have ensured instead with the amended Bill that we continue to uphold the concept that local autonomy and decision making are key in enabling public services to respond to individual needs.

Much more importantly, however, I am pleased to say that the Bill was significantly amended in Committee to ensure that it provides real changes for carers. While fulfilling the majority of my hon. Friend's intentions, it now delivers in a manner that makes clear to councils what they are required to do and is not subject to misinterpretation.

Clause 1 now introduces new provisions to the Carers (Recognition and Services) Act 1995 and the Carers and Disabled Children Act 2000 requiring councils to inform carers that they may be entitled to an assessment. This will ensure that carers are getting information

[Dr. Ladyman]

about their rights in a more consistent way and at an appropriate time. We know that assessments are the gateway for carers to access support and services. Despite the abundance of guidance and best practice information, some carers remain unaware of their rights. It seems appropriate, therefore, that this Bill should ensure that the minority who do not routinely inform carers of their rights will now have to follow the practice of the majority who do.

Clause 2 creates a specific duty, making it clear that when carrying out assessments under the existing legislation, councils must consider the wishes of a carer to work or undertake education, training or leisure activity. It will ensure that the assessment is undertaken in a manner that understands and explores the possibility that carers should be able to participate in life beyond their caring duties and think beyond what they need to continue to care.

The Bill amends existing legislation to ensure that no authority should have difficulty in understanding what it is they are to do. This should mean that carers' lives outside caring are properly taken into account by councils. We believe that this will encourage councils to consider and support carers in accessing opportunities to engage in work, education, training and leisure alongside those who are not carers.

Clause 3 makes provision for consideration of carers in the planning process as well as providing a specific duty to consider assistance in relation to individual carers. It will promote joint working by requiring bodies, including councils and the NHS, to give due consideration to requests for help from a local authority in relation to planning and the provision of services that might assist individual carers to care and to continue to care. This means that at a strategic level social services will have a lever to influence the priorities of their partners in health and the other council departments.

We have added an additional duty in respect of co-operation. The Government feel that it is important for councils to be able to engage not only at a planning level with their partners in health and social care but also at an individual level. This is not designed to place onerous burdens on other parts of local government or on health bodies, but it gives social services an opportunity to put their case, usually a strong one, about the benefits offered in individual circumstances—something that the House will recognise is not always easy.

With respect to clause 3, serious consideration was given to the suggestion made in Committee by the hon. Member for Tiverton and Honiton (Mrs. Browning)—sadly, she is not here today—that the National Probation Service and the police should be added to the list of authorities. I have carefully consulted my colleagues in the Home Office. Both probation and police services already work closely and co-operatively with local authorities and others in a range of local statutory and non-statutory forums, where the focus is on issues of public protection or prevention of harm to the public.

While both services are happy to continue to co-operate where it would add value, we do not believe that there is a clearly identifiable role for them to play in relation to the specific duties set out in the Bill. These duties instead focus on the main authorities that can be expected to be more closely involved in services for carers. In these circumstances, we see no merit in the addition of the police service or National Probation Service to the list of approved authorities.

There is one other issue that I must bring to the attention of the House, relating to the draft directions that I provided for members of the Committee. The intention was to establish a planning mechanism at primary care trust level to ensure that local bodies recognise that they have a role in supporting carers and delivering information to them. I announced in Committee my intention that the directions should go out to public consultation as soon as possible. However, since then, discussions with the NHS have shown that the directions do not provide the key to the change in practice that we seek. I now believe that they were flawed and would not have served the intended purpose, and I apologise to the House for having inadvertently misled Members. Evidence shows that a different approach is needed to pull carers up the agenda. The focus must be on the outcome, not the process. We can better deliver on the promise to ensure that PCTs will have to consult and take into account the health needs of carers through developmental support rather than through directing them through secondary legislation. I assure the House that although we will not proceed with the directions we will pursue alternatives, and I will keep my hon. Friend the Member for Aberavon and the House fully informed.

Mr. Burstow: Does the Minister agree that it might therefore be sensible to find an opportunity for the Commission for Healthcare Audit and Inspection, for example, to do some work in that area to make sure that best practice is clearly identified to assist with that developmental work?

Dr. Ladyman: The hon. Gentleman is quite right; we have to pursue a range of options to find the best way to make the Bill work. I was struck by what he said earlier about the need to take a holistic view of all the legislation put in place for carers. The carers grant has been identified for this and next year, so I think that we are reaching the point at which we need to look at a range of options on how we move the carers agenda forward. I certainly take on board his suggestion about the commission.

I can confirm that the Government are content with the Bill, which now achieves the broad objectives envisaged by my hon. Friend the Member for Aberavon. It ensures that carers are made aware of their right to an assessment of their needs. It enshrines in legislation the need to consider, when undertaking an assessment, the wider opportunities available for carers, and it provides councils with the necessary levers to get their partners in local government and the national health service around the table to develop more coherent carers support services.

What that means in reality is that the Bill offers real and tangible benefits for carers, and I am delighted to confirm that it is in a form that the Government can wholeheartedly, support as it continues its journey through Parliament. I hope that the House will give the Bill—Sam's Bill, after my hon. Friend's late son—its Third Reading, and that the other place will ensure that it becomes Sam's Act.

10.42 am

Dr. Francis: With the leave of the House, I shall reply briefly to the debate.

This has been a most productive and constructive morning. I am grateful to all who have spoken and all who are here to support the Bill. As we have heard, we are building on strong foundations, and I acknowledge the important work undertaken by Lord Ashley of Stoke and Lord Pendry of Stalybridge, and by my hon. Friend the Minister for Pensions and my right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke).

My late father was fond of saying, "y cam cyntaf yw'r cam pwysicaf"—the first step is the most important step. As we have heard, the Bill is not the first step for carers, but it is still an important new step. I am pleased that so many of us have taken that step together for the benefit of so many carers in England and Wales.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Crown Employment (Nationality) Bill

Order for Second Reading read.

10.43 am

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be read a Second time.

This is the second year in which I have tried to introduce the Bill under the 10-minute rule. Last year, it fell because of lack of time, but the real problem that it seeks to address remains.

The Bill's purpose is to remove restrictions placed on the employment of non-United Kingdom nationals in civil capacities under the Crown. In place of the current system, the Bill would open all civil employment under the Crown to applicants of any nationality, apart from such positions as would be restricted to UK nationals under rules made by the Minister for the Civil Service or by another Minister or Crown official to whom he had delegated the power to make such rules. Before I turn to the detail, I want to make it clear that the Bill does not deal with asylum, immigration or work permits, and it does not affect requirements for non-UK nationals to get leave to remain and to work in the UK before they can take up employment.

The rules restricting the employment of foreign nationals by the Crown have roots of more than 200 years. The Act of Settlement 1700 provides that no person born out of the kingdoms of England, Scotland or Ireland, or the dominions thereto belonging, should be capable of enjoying any office or place of trust, either civil or military. That prohibition has been amended over the years and does not apply to Commonwealth citizens or citizens of Ireland or to British protected persons employed in a civil capacity.

Section 6 of the Aliens Restriction (Amendment) Act 1919 provides that no alien shall be appointed to any office or place in the civil service of the state. "Alien" is defined in section 51(4) of the British Nationality Act 1981 as a person who is not a Commonwealth citizen, a British protected person or a citizen of Ireland. During the second world war, defence regulations permitted the temporary employment of aliens if no suitable British subjects were available. That provision was replaced by the Aliens' Employment Act 1955, under which prohibitions were relaxed so that aliens could be employed if they were appointed in a country outside the UK, the Channel Islands and the Isle of Man in a capacity that appeared to the Minister to be appropriate for aliens, or if they were employed in accordance with a certificate issued by a Minister, with the consent of the Minister for the Civil Service, in which case there must be no suitably qualified UK nationals available to do the work or the alien must possess exceptional qualifications or experience to do the job. Such certificates last five years and must then be renewed. In 2002–03, only 47 people were employed under those certificates, 33 of them in the Ministry of Defence.

The European Communities (Employment in the Civil Service) Order 1991 amended the 1955 Act to allow nationals of member states of the European Communities and their spouses and certain children to take up civil employment under the Crown, apart from public service posts within the meaning of the EC treaty. The rights of nationals of member states of the

[Mr. Andrew Dismore]

European Communities were extended to nationals of member states of the European economic area by section 2(1) of the European Economic Area Act 1993.

Against the background of a possible legal challenge at the European Court of Justice, further changes were made in 1996 to put Irish and Commonwealth citizens on the same footing as all other non-UK European Community nationals. An amendment was made to the civil service management code to restrict the employment of Commonwealth and Irish nationals in posts reserved for UK nationals.

The effect of the existing rules is that foreign nationals may be employed abroad in any civil post under the Crown, which includes the diplomatic service, if the Minister considers it appropriate. However, as regards civil employment under the Crown within the UK, Commonwealth citizens, British protected persons and nationals of member states of the European economic area may be employed only in posts that are not public service reserved posts. Nationals of all other countries may be employed in UK non-reserved posts only if a rarely issued exemption certificate is in force.

Although 75 per cent. of civil service posts in the UK are available to Commonwealth, Irish or EEA nationals, the remaining 25 per cent., which require the special allegiance of public service posts, are entirely reserved for UK nationals. More posts are reserved than is operationally necessary, but that is unavoidable because of the present definition, on the basis of the EC treaty.

Attempts to define public service posts must follow EC case law and are subject to judgments by the European Court of Justice. That has given rise to a number of difficulties. As a matter of UK law, EU nationals can be admitted to civil service posts, but they cannot be admitted to posts that the ECJ regards as employment in the public service. The effect is that it is a criminal offence to employ, even by mistake, a non-Irish EEA national in a public service reserved post, or to employ any alien in any civil service post, apart from the tiny number of certificated exceptions.

Mr. Paul Goodman (Wycombe) (Con): When the hon. Gentleman first introduced the Bill, he said that, although 75 per cent. of civil service posts in the UK were available to the people he described, the remaining 2 per cent.—according to *Hansard*—requiring the special allegiance of public service posts were entirely reserved for UK nationals. I take it that that was a misprint, and that he meant to say 25 per cent. Can he explain why he wants his Bill to open up 90 per cent. of all posts to selection on merit, rather than the present level of 75 per cent?

Mr. Dismore: I will come to that in a moment when I make the argument; at the moment I am setting out the legal position. *Hansard* does seem to have made a mistake, because at present 25 per cent. of posts are reserved, whereas my Bill would allow the Government to reserve only the 10 per cent. of posts that need to be reserved for operational and security reasons. I will come to the detailed argument later.

As I was saying, the net effect of the present law is that it is a criminal offence, even if it is by mistake, to employ a non-Irish EEA national in a public service reserved post, or to employ any alien in any civil service post at all, apart from the certificated exceptions. Although it is legal, under the freedom of movement provisions, to employ in a non-reserved post the alien spouse of an EEA national living in the United Kingdom, it remains an offence to employ the alien spouse of a UK national—and with forthcoming enlargement, the anomalies are not likely to get any fewer.

This all sounds very legalistic and technical, but the anomalies can best be illustrated by example. As I have said, the Bill does not change the rules on asylum and immigration in any way. In my constituency, as in many others, we now have long-standing communities from all over the world—from Iran and Iraq, for example—mostly comprising highly skilled professionals, often senior public servants in their home countries, who fled persecution by those dictatorships many years ago. They—and their children, who may know no other country—are entirely barred.

In Hendon we have large Israeli, Chinese and Japanese communities, and also UK citizens married to people of those nationalities. Assuming that they retained their own citizenship, those people would be barred from, for example, jobs in the Department of Trade and Industry, and therefore could not promote British trade overseas. The anomaly is that if their spouses were French rather than British, they would not be barred from working for the DTI. That is discriminatory against the spouses of UK nationals as opposed to those of other European Union nationals—an appalling anomaly.

Mr. Eric Forth (Bromley and Chislehurst) (Con): If, as the hon. Gentleman says, those communities are of long standing, and if, as he is implying, they have some great loyalty to the United Kingdom and he wishes them to be able to work within our Government, why can they not simply take British nationality?

Mr. Dismore: The first answer is that, unfortunately, it takes some time to acquire British nationality. Equally, some might not wish to do so—

Mr. Forth: Oh.

Mr. Dismore: Some people may wish, in the long run, to return to their own countries—but if we are serious about nation building in states that we are trying to help, what better way could there be of helping that process than training people, in our civil service, how to do the job properly and effectively, so that when they return to their own country they will have that great experience of the British civil service and be able to help to create a civil service, and a democratic state, overseas. That is one example of why people may not want to take British nationality.

A Turkish Cypriot, for example, is eligible for a non-restricted post, but a Turk is not. The notorious Abu Hamza, the fundamentalist cleric who most people think should be kicked out of this country, if not put in jail, has UK nationality—at least, until the Home Secretary's efforts to remove his nationality come to fruition—and theoretically could be employed in any post, although I doubt whether he would want to apply or would stand much chance of passing the interview.

By contrast, an American national widow of a British victim of 11 September would be entirely excluded from Government employment.

In our country, some 850,000 residents of working age are not UK, Commonwealth or EEA citizens, and are thus excluded entirely. In London, 350,000 people—9 per cent. of the population of working age—are entirely excluded, not just from the higher echelons, but from even applying for the most junior social security clerk's job. No wonder we have difficulty filling civil service jobs in the capital, when so many of my fellow Londoners are entirely out of the equation.

My Bill tackles these bizarre and discriminatory anomalies by sweeping away the existing complex interlocking legislation, and replacing it with a simple amendment to the Act of Settlement, so as not to prohibit the employment of any person in any civil capacity under the Crown, while at the same time empowering Ministers to make rules in respect of nationality requirements for certain categories of post, which I envisage to be those for which it is clearly necessary, and in the national interest, for the job to be reserved for a UK national. Those would account for about 10 per cent., not 2 per cent, of posts. It is expected that the Bill would open up 90 per cent. of posts to selection on merit, regardless of nationality, which would enable us to build a civil service that reflects the diversity of the society that it serves.

Since last year, support for my proposals has grown. In their evidence to the Public Administration Committee, the civil service trade unions said:

"For the record we should state that the present Civil Service Nationality Rules are blatantly discriminatory against people from the Irish Republic and the Commonwealth. This is not a situation which reflects well on the Government or the Civil Service and completely flies in the face of efforts to develop a diverse Civil Service which represents the whole community it serves and one which endeavours to provide equality of opportunity to all its staff."

In its first report of this Session, the Public Administration Committee—this was a unanimous decision of the Committee, including its Conservative members—said:

"This would be a much-needed reform and one that has long been called for"

and was

"to be welcomed and such provision should be included in primary legislation to be introduced when Parliamentary time allows."

Brian White (Milton Keynes, North-East) (Lab): Is my hon. Friend aware that when the Public Administration Committee was examining the Civil Service Bill, the only part that had unanimous support was the bit that he is talking about?

Mr. Dismore: I am grateful to my hon. Friend for pointing that out, and I hope that it will be reflected in whatever transpires later today.

The Commission for Racial Equality fully backs the Bill, and I shall be very interested to see what position the official Opposition adopt, because my understanding is that they support the position behind the measure, in that they have put forward their own civil service Bill, based on the Select Committee report, and it includes the proposals in my Bill. It would be extremely anomalous if they were to try to defeat my Bill while promoting similar provisions in their own Bill.

The time has come to deal with this long-standing anomaly. The time has come for progress, and for making a civil service that reflects our society, while protecting the national interest. So I hope that my Bill will be able to make progress today.

10.56 am

Mr. Eric Forth (Bromley and Chislehurst) (Con): I congratulate the hon. Member for Hendon (Mr. Dismore) on finally getting his Bill into a position where it would seem to stand a chance of making progress. He has been persistent, and, as we know, he is very skilful both with private Members' Bills and with Friday business. However, his skill is usually deployed in another direction. He is a well known assassin of private Members' Bills, so he and I will both enjoy the irony that today he has finally got his sad little Bill into a position where it stands some chance of making progress.

To dwell for a moment on the provenance of the Bill, the really interesting aspect, which I am sure will not have escaped the hon. Gentleman, is that the only reason why his Bill is in this position today is that on every previous Friday devoted to private Members' Bills this Session, other private Members' Bills have been ruthlessly assassinated by none other than the Government. I have checked the record for all eight such Fridays to date, and on six occasions Bills were talked out by Ministers, on one occasion by the hon. Gentleman's hon. Friend the Member for Greenock and Inverclyde (David Cairns), and—surprise, surprise—on the other occasion by the hon. Gentleman himself.

The hon. Gentleman comes before us with his little Bill, expecting us to give it a fair wind, when he himself has legendary skill in seeing off other private Members' Bills, so I hope that the House will not feel any obligation or necessity to be over-sympathetic to him today. I am certainly not in that position, and I shall explain why—although not at great length; that will not be necessary, because we shall return to the Bill another day, when I shall be able to deal with it in much greater detail.

On this occasion, however, I shall simply explain why I shall not support the Bill, either today or on any other occasion. My main problem with it is not just the principle—to which I am opposed—that aliens should be allowed into the inner workings of our Government, although that does strike me as a rather odd concept, but the fact that that in itself could be seen as challenging those rather narrow old-fashioned concepts of nationhood and national sovereignty. The key to those, I would have thought, is a sense of loyalty to the nation and of identity with it.

Brian White: In that case, why did the right hon. Gentleman not take the opportunity to remove from our civil service the aliens who had been there from 1919 onwards?

Mr. Forth: Sadly, I was not around in 1919. I have the Aliens Restriction (Amendment) Act 1919 in my hand. The hon. Member for Milton Keynes, North-East (Brian White) will not be surprised to hear that we shall dwell on it—not at length, but at a canter. I would have supported the 1919 Act had I been a Member at that time, because it is excellent. I shall argue that we should

[Mr. Forth]

not disturb its excellent provisions, as they are as valid today as they were then. That will be part of my deliberations and meanderings today. However, let me not be diverted from the opening groundwork for my remarks.

I have no hesitation in making a point about nationhood, national identity and all that goes with it because there is an insidious process at work. The hon. Member for Hendon was typically open about it when he said that, in this modern world, we must embrace people of all sorts of nationalities—aliens and all—take them to our collective bosoms and invite them into the inner workings of our Government. Even if one believes in multiculturalism—incidentally, I do not—that is several steps too far. It is one thing to welcome people to this country, another to allow them to settle here and absorb our culture and habits, and, indeed, to give them, in due time, indefinite leave to remain—leading on, if they wish, to an application for British nationality. Those matters are well established and perfectly proper. Indeed, they allow us and them the opportunity properly to explore their commitment to this country and to demonstrate that their loyalties lie with this country rather than that from which they chose to come.

If, as the hon. Gentleman said, such people choose freely to retain their other nationality while living here, thus denying themselves the right, for example, to vote, it is odd to argue that, in spite of their signalling the fact that their loyalties remain elsewhere, we should nevertheless allow them into our governmental process. At this, of all times, the argument appears bizarre. Tragically, in the early 21st century, we face terrorism, infiltration into our society and others, subversion of our society, and threats to our society by people who, admittedly and sadly, are sometimes our own citizens, but are all too often citizens of other lands. To try to change such a long-standing provision at this of all times strikes me, to put it mildly, as counter-intuitive.

History and current circumstances suggest that we should consider strengthening the provisions if necessary, rather than the other way around. Fortunately, through the wonderful foresight and political determination of our forebears, we have the Aliens Restriction (Amendment) Act 1919 to protect us. There was no political correctness back then. They were the glorious days when people could speak their minds without fear of someone feeling their collar, and do what they believed to be right without looking over their shoulders and worrying about who would accuse them of racism, xenophobia, fascism or any other trendy accusation of the day.

In 1919, in the aftermath of the first war, our forebears had the eminent good sense to pass the Aliens Restriction (Amendment) Act, of which section 6 states:

> "After the passing of this Act no alien shall be appointed to any office or place in the Civil Service of the state."

What wonderfully elegant and clear language. I wish that we had the same today instead of the convoluted nonsense that we often have to put up with. If we have time, we shall deal with an example in one of the succeeding Bills—I believe that it is the next measure that we shall consider. It is so convoluted, pretentious and politically correct as to be positively untrue. I hope that I shall catch your eye then, Mr. Deputy Speaker—although your successor will probably be in the Chair—to express those views about that ill-begotten Bill.

The clarion words of 1919 make a simple, elegant statement, for which we should be grateful. We should not revisit the provision, albeit so many years later, when if anything things are worse than they were in 1919. Nowadays, there is much more free movement of peoples, thanks to the wonders of modern transport. There is much more of an idea of globality and multiculturalism, and we as a nation have seen fit to welcome into our society generations of people who originated elsewhere—but who are not yet welcome, thanks to the 1919 Act, into our Government.

I should have thought that anyone who supports the Bill would want to pause and reflect a moment. I am more than a little surprised that our security services have not approached me and others, begging us to oppose the Bill on the basis that, even on the most superficial consideration, it must make their job that much more difficult. At least at the moment we should be able to sleep in our beds at night in the secure knowledge that all sorts of suspicious aliens have not inveigled their way into our governmental system and into the civil service. I sincerely hope that the Bill will not be enacted and I shall strive, as ever, to that end. I have had modest success to date. Today may not be my day, but there will be another.

Brian White: Will the right hon. Gentleman undertake equally to oppose the civil service measure?

Mr. Forth: Yes, with gusto, because it contains the same ridiculous provision. The hon. Gentleman knows me well enough to realise that, simply because Conservative Front Benchers have been sufficiently naive to incorporate the provision into their Bill, the serried ranks of the Opposition that are present today will all march in the same direction. He knows me well enough to realise that simply because my hon. Friends, in their misguided innocence, have decided to incorporate the ridiculous provision into their Bill, it will get my support or escape my eagle eye. I assure him that I shall be here at the appropriate moment and if Labour Front Benchers do not oppose the measure, I shall.

The track record to date for this year shows that the assassins of private Members' Bills are overwhelmingly Ministers. I shall not go into detail, although I should be more than happy to do that if anyone tempted me. If the hon. Member for Milton Keynes, North-East is still here at 2.30 pm, I shall give him my list and my analysis of who has killed what. In spite of my reputation, so far, I have not talked out any Bills this Session. The hon. Member for Hendon will be happy to hear that I shall not do so today. I shall keep my powder dry for another day, as he will not be so happy to hear. We shall meet again to consider the Bill after due deliberation.

However, I digress—something that you deprecate, Mr. Deputy Speaker. We must ask ourselves why, this year, things are so materially better than they were in 1919 that we see fit to repeal section 6 of the 1919 Act. I would argue that surely it is the other way around: in many ways, sadly, things are materially worse now. The threats to this nation are greater than they were even in

1919 and any proposition that we should make it more difficult to prevent people who may wish to do us harm from entering our civil service is somewhat ridiculous. The Bill is the wrong measure at the wrong time, however well motivated it may be.

Of course, those who will shortly speak in favour of the Bill will talk of multiculturalism, the evils of discrimination and suggest that we should open our doors and even, as the hon. Member for Hendon said, act as some sort of training ground for other people's civil services. The latter may or may not be a good thing, but the extent to which it may leave us open to increased risks means that we should hesitate for some time before moving forward. I am happy to say that, mainly thanks to my efforts, we have hesitated so far. We will hesitate yet further if I have anything to do with it. The rush by so many of my colleagues from all parties to sign up to such a Bill worries me.

The record of consensual legislation is not good. Let us consider, for example, the Child Support Act 1991 and the Dangerous Dogs Act 1991—the list is long. Whenever a measure achieves consensus, I become even more suspicious of it than normal, be it introduced by Government or in a private Member's Bill. The Bill, sadly, falls into that category, simply because—here, I can share a little secret with the hon. Member for Hendon, because he and I are old sparring partners—I am pretty sure that when my hon. Friend the Member for Wycombe (Mr. Goodman) rises to speak, he will give it the support of the official Opposition, for reasons that are a mystery to me but that he, in his usual eloquent way, will adumbrate at, I hope, some length. However, the fact that Members on my Front Bench support the Bill in no way alters my position. I was dealing with the Bill long before they had even got round to reading it, so my position is clear and consistent and, I hope, will continue to be so. I was not moved even by the rhetoric of the hon. Member for Hendon. The 1919 Act was and remains excellent, and I wish that we were not attempting to repeal it.

I now turn to the Aliens' Employment Act 1955, which is also mentioned in this little Bill. It makes provision for the civil employment of aliens and the issue of certificates, as the hon. Member for Hendon outlined. It takes a rather sensible approach, which seems to have stood the test of time. As I understood it, the measure reverses the presumption, so that instead of opening our doors to anyone regardless of their nationality, it states that we would not wish automatically to allow people who have not chosen to express their loyalty or identity to this country by taking British nationality to work within our Government, but that we are prepared to consider in a very British way—on a case-by-case basis—those who may wish to be so employed and that, if they can satisfy us that their skills are relevant and that we need and would appreciate their services, we have a mechanism to allow them to do that work. The hon. Gentleman said that there was only a small number of such people. Perhaps the number should be larger. That is not for me to judge, but it is perfectly possible, in which case the mechanism should be cranked up a bit and more of those people should be allowed in—but only after they have been given a proper going over.

In these days of terrorism, subversion and threats to our society, it would seem a dereliction of our duty to our fellow citizens suddenly to tell them that we had decided that all sorts of people, from some very odd backgrounds, countries and nationalities, would be welcomed into our civil service without a high degree of security checking. Surely, our citizens would be far more reassured if we were to say to them, "Worry not, you have the protection of the excellent 1919 Act, with a mechanism that has stood the test of time since 1955 that allows us, in a discretionary way, to permit people to enter and work in our civil service."

If someone were to ask whether that was bureaucratic, I should reply, "Yes, it is." It would be one of the very few occasions when a bit of bureaucracy might not be a bad thing—although I hope I shall not be heard to say that often in this place—because, it would provide us with a degree of security. Instead of pen-pushers of the kind that we have increasingly in our health and education services, people would be tasked to strike the necessary balance between the need to provide our citizens with security and reassurance and the flexibility to allow—

Mr. Paul Burstow (Sutton and Cheam) (LD): I am following the right hon. Gentleman's argument closely. Is the logic of it that he would support legislation to extend the scope of the existing provisions to include those who work in local government?

Mr. Forth: I should be tempted to do so. If the hon. Gentleman were to bring forward a Bill of that kind, he might be able to persuade me to put my name to it. Who knows? I shall have to think on my feet, which is always dangerous; it is difficult enough when I think sitting down, so thinking on my feet is always a bit of a test, but I shall have a go. I should have thought that, self-evidently, there was probably less risk to national security in local government than in central Government, but, given the nature of the risk from terrorism, sadly, elements of the responsibilities of local government could touch on the security of our communities. In fact, the more I think about the hon. Gentleman's suggestion, the more I like it. Perhaps he and I should work together on some future occasion.

Mr. Oliver Heald (North-East Hertfordshire) (Con) *rose*—

Mr. Forth: Ah, the author of the notorious Civil Service Bill is now with us—the Bill that I have pledged to oppose because it contains the nonsense that is in the Bill we are discussing. However, I welcome my hon. Friend and of course I give way to him.

Mr. Heald: My right hon. Friend and I disagree about the central purpose of the Civil Service Bill and about the need for it, but I have a question about the point that he was making about local authorities and security. Is he aware that the Civil Contingencies Bill, which is going through this place, imposes the primary duty for responding in an emergency, including major terrorist incidents, on local authorities?

Mr. Forth: That seals it: I am now with the hon. Member for Sutton and Cheam (Mr. Burstow). When

[Mr. Forth]

he brings forward his Bill to extend the excellent provisions of the 1919 Act, it looks as though I shall be right with him. It sounds as though my hon. Friend will be, too.

I should like to make it clear to my hon. Friend that I do not disagree at all with part 1 of his Bill, but his judgment suddenly deserted him when he decided to insert those ludicrous nationality provisions in part 2, and that is why I shall have to oppose it.

Mr. Heald: I am grateful to my right hon. Friend for allowing me to intervene again. I apologise for not being in the Chamber for the beginning of his remarks—I had thought that we would reach the Bill somewhat later. If people from Commonwealth countries or from the now extended European Union can work for our civil service, what would be the particular objection to, say, an American?

Mr. Forth: That is a good question. My own dear wife is an American by birth who has taken British nationality and is very, very proud to have done so. I do not think that I am giving away a great family secret by telling the House that she regards herself as arguably more British than American, although by retaining her American nationality she gets me through the US immigration channel when we go to the United States, for which I am always grateful and tell her so, as we enter that great land of the free with a smile on our faces.

The answer to my hon. Friend is that in our increasingly misbegotten membership of the EU and the rather ill-judged enlargement of the EU, we have put ourselves in a position where, for the moment, we have no option but to allow nationals from all those countries, of which we know little, the entry to our civil service that he has just mentioned. It gives me no great joy, but I accept it as a fact for the time being.

The Commonwealth is a different case altogether. I think that we can rely on the fact that most of our brothers and friends from all the Commonwealth countries are people we feel we know well and are comfortable with; we have accepted them for a long time. However, there are many other countries throughout the world, mainly in the middle east—let us not mince our words—that we should feel very uncomfortable about opening our doors to in the way that the Bill suggests without knowing very much about their people.

There is a distinction. Indeed, it would be naive to suggest—I hope that my hon. Friend is not doing so—that somehow in this modern, politically correct, bending-over-backwards multicultural world we should see everybody in exactly the same light. I hope that is not how he expects us to conduct ourselves either in government or in our international relations. I am not well versed in the ways of the world, or of the global and international sphere, but even I would have thought that it was easy these days to make a distinction between the countries and people who are relatively well disposed to us and those who are not.

That is the essence of the Bill. It is about whether we want to be politically correct or to have common sense and see the world as it is. That, as much as anything else, is what I am resisting.

Before I was somewhat sidetracked—something I resist if I possibly can, Mr. Deputy Speaker—I was talking about the Aliens' Employment Act 1955, yet another excellent piece of legislation with which the Bill seeks to interfere. As the long title states, it is:

"An Act to provide for the employment of aliens and British protected persons in civil service under the Crown".

There we are. The provision already exists. It is properly bureaucratic and makes the sort of provision that we continue to welcome in these increasingly difficult times. Section 2(2) of the 1955 Act, however, made me smile because it says:

"Any question arising under this section what Minister is the responsible Minister in relation to any service shall be referred to and determined by the Treasury."

If there is doubt about responsibility today, we all know who has the last word, and the same thing applied in 1955. The people who framed the Act were sufficiently perspicacious to allow for that eventuality.

My hon. Friend's intervention suggests another line of thought, for which I am grateful. I always like a bit of refuelling, as we say in the business. On this occasion, however, my speech will be brief. As the hon. Member for Hendon—an expert on these matters—knows, seeing this business through to 2.30 pm is not a realistic option in this case, so I shall have to deploy other means on another day to try to prevent his Bill from reaching the statute book. Friday debates allow us to be more expansive than usual, so when my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) suggested another line of thought, I was more than happy to pick it up. He did not use the word "reciprocity", but it is a useful term. In the welter of good will, the opening of our doors and arms and the allowing of aliens into the deepest recesses of our Government, we may wish to consider—I may get the Library to research this for subsequent debates—how many of the countries of which we now say we are fond and which we wish to clasp to our bosom welcome UK nationals in their Government workings.

I shall return to that when I have further and better information. I have but a slim sheaf of papers today, but the hon. Member for Hendon is usually armed with volumes of paper, through which he expertly picks. I shall follow his example on subsequent occasions. I should be grateful if my hon. Friend the Member for Wycombe dealt with my point about reciprocity when he extols the virtues of this sad little Bill. He has probably already considered the matter, given his assiduity, so perhaps he or, indeed, the Solicitor-General can say how many other countries welcome UK nationals to work in their civil services or their equivalents. That would be an interesting measure of whether we are in or out of step with current thinking. I may be proved wrong, but my instinct tells me that precious few other countries allow UK nationals to work in their civil service. Why should we be the fall guys or the mugs? Sadly, we often appear to be an easy touch and that is a large part of the problem that the Government are experiencing with the broader issue of asylum and immigration. Like it or not, we are seen as a soft touch, allowing people easy access and entry.

Mr. Heald: I hope that I am not trespassing on the good will of my right hon. Friend, but the Civil Service Bill, which is the fifth Bill on the Order Paper and, sadly,

will probably not be reached, consists of three parts. Part 1 proposes a statutory code for civil servants and establishes a proper framework to define the role of political appointees, civil servants and Ministers. Part 2 deals with whether people such as Americans, the Swiss and others could be part of our civil service. The First Division Association has said that, if people come into our civil service from private industry or, in this case, from abroad, it is helpful to have the structure and rules firmly embedded. Individuals outside may not know the culture of our civil service as well as people who have worked for it and know our country's customs and traditions. Will my right hon. Friend look at the interplay between those two parts of my Bill?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the right hon. Member for Bromley and Chislehurst (Mr. Forth) responds, I should point out to the House, if it is not already obvious, that, unlike the procedure of grouping of amendments, there is no procedure in the House for two different Bills to be grouped for discussion. I recognise that the Bills share a measure of commonalty, but I urge hon. Members to try to maintain a sense of distinction and deal only with the substance of the Crown Employment (Nationality) Bill.

Mr. Forth: I am grateful, Mr. Deputy Speaker. You know me well enough to know that I take no little pride in always staying in order. I generally manage to do so and, even though my hon. Friend the Member for North-East Hertfordshire has tempted me, thanks to your guidance, I shall not respond to his invitation, save to say that I rarely pay any attention to what trade unions say. It does not impress me that some ghastly vested interest or trade union has expressed a view and that will not influence my thinking one jot. My hon. Friend has also suggested a subject for amendments that may be tabled on Report. He mentioned Americans and the Swiss, and that may be fruitful territory—but more of that anon.

I turn to the statutory instrument of 1991 referred to in what, as the hon. Member for Hendon will appreciate more than most, has turned out to be a useful list of repeals. I do not want to dwell on the European Communities (Employment in the Civil Service) Order 1991, but it is a quirky measure and, lest the packed House thinks that I am being too serious, I will share it with hon. Members to lighten the mood. Amusingly, it says:

> "At the Court of Saint James, the 21st day of May 1991, Present, the Counsellors of State in Council."

The measure was therefore introduced as an Order in Council. It goes on to say:

> "His Royal Highness The Prince Andrew, The Duke of York, and His Royal Highness The Prince Edward, being authorised thereto by the said Letters Patent, and in pursuance of the powers conferred on Her Majesty . . . do on Her Majesty's behalf order, and it is hereby ordered, as follows".

That is a charming little niche of our legislative process, with which the hon. Member for Milton Keynes, North-East and I are more familiar than perhaps we would wish. The provision is a revelation, because it suggests that law is being made by none other than their royal highnesses the Duke of York and Prince Edward. That does not make it any less valid, but I just thought that I would share it with the House. Individual Members must decide whether or not they are reassured about the provenance of that statutory instrument.

In that measure, we were forced to change our provisions to include nationals of member states of the European Union. Reciprocity is relevant and I would like to know—I may have to ask the Library—how many Brits are working in the French civil service. That is a random example, and there is no reason why I should pick on the French—in fact, there are many reasons why, but I shall not go into them now. How many Brits are working in the Greek civil service or in the civil services of any of the 25 members of the European Union? I shall let the question of reciprocity rest for the moment, but it will provide fruitful ground in later consideration of the Bill.

I was going to deal with the Race Relations Act 1976, which is also mentioned in the Bill, but I believe that hon. Members have got the gist of my argument. I have been unusually brief and I can see the hon. Member for Hendon thinking that mine has been a wimpish performance, but he knows and I know that I would be wasting a lot of my time and effort and, frankly, some of my ammunition if I dwelt on the Bill for too long on this occasion. It could be tested by means of a Division, or—as I think more likely—we could return to it on Report for a thorough examination of its content, and of the possibilities of expanding, strengthening or tweaking it. We look forward very much to that day.

Let me return, in a closing thought, to the point at which I started. One of the fascinating aspects of this year's cycle of private Members' Bills is that so successful have the Government been in killing off so many Bills—most, as it happens, tabled by Labour Members: it is just one of those little ironies—that there are now very few in the pipeline. As I pointed out to the hon. Gentleman at the outset, having been unsuccessful in the ballot he, typically cleverly, slipped his Bill in as a ten-minute Bill; but because his Government have killed off so many of his colleagues' private Members' Bills, he has suddenly found himself in his current favourable position. I confess that that makes this more challenging for me, but as I have not faced many challenges during this private Member's Bill year, I am quite looking forward to it.

Mr. Heald: I tabled a written question asking the Government what they were going to do about Crown nationality. The answer they gave was, "Support the hon. Member for Hendon's Bill." That may explain why all the other Bills have been blocked, thus giving the hon. Gentleman's Bill a free passage.

Mr. Forth: This is, in any case, almost certainly a Government Bill in only the thinnest of disguises. While I have the greatest respect for the hon. Gentleman's legal expertise and powers of analysis, much of what he said in his brief introductory speech sounded very much like a Government brief. That is for him and the Government to know—it is not for us to speculate on it excessively—but smuggling in Government Bills in the guise of private Members' Bills is, of course, a long-established practice. It simply makes it all the more sad and regrettable that my hon. Friends are choosing to

[Mr. Forth]

sign up to it, but such are the politics of today. No wonder people cannot tell the difference between one party and the other.

11.32 am

Mr. Paul Goodman (Wycombe) (Con): At the heart of the Bill is a simple question: who should be eligible for employment in a civil capacity by the Crown? I want to begin by considering that question.

It can be argued that only British citizens should be eligible for employment in that capacity—on the ground, I suppose, that the Crown should be served in a civil capacity only by those who have identified themselves with it by holding British citizenship.

Mr. Forth: Quite.

Mr. Goodman: That was, indeed, the argument presented by my right hon. Friend.

I suspect that even most of those who want to see the closest possible identification between the Crown's civil employment capacity and British citizenship would find such an arrangement excessively restrictive, because it would limit the pool of talent and ability from which the Crown could draw in a way that would allow no exceptions from that rule, however deserving they might be on an individual basis. But that is, of course, not the principle that governs the Crown's civil employment capacity. Employment by the Crown, in a civil capacity, of British citizens only, is not the status quo.

As the hon. Member for Hendon (Mr. Dismore) pointed out, when the Bill was first debated on 20 January and again today, British protected persons, Irish citizens, Commonwealth citizens, all European Union nationals and European economic area nationals are currently eligible to serve the Crown in a civil employment capacity, with the exception of the so-called reserved posts. Furthermore, as the hon. Gentleman also pointed out on 20 January, freedom of movement provisions render the alien spouse—I use the legal terminology here—of an EEA national eligible to be employed in a non-reserved post, while the alien spouse of a UK national remains ineligible.

It is also worth noting that foreign nationals are currently eligible to serve the Crown in a civil employment capacity abroad, and that foreign nationals are eligible to serve the Crown in a civil employment capacity domestically in certain narrow circumstances, which the hon. Gentleman described. It is here that the status quo is to be found.

The next question that confronts us is this: is it reasonable to allow the anomalies that exist under the status quo to continue? For anomalies there are in plenty. I shall not follow the hon. Gentleman along the legislative trail that he described—from the Act of Settlement 1700 to the Aliens Restriction (Amendment) Act 1919 to the European Communities (Employment in the Civil Service) Order 1991 to the Aliens Employment Act 1955 to the European Economic Area Act 1993—but I want to linger for a few moments on some of the anomalies that he mentioned on 20 January and today, and to add a few variants of my own.

In my constituency there is a small Chinese community. I believe that as matters stand—perhaps the hon. Gentleman will correct me if I am wrong—a Chinese citizen married to a British citizen of Chinese origin would not be entitled to employment in a non-restricted post, but a Chinese citizen married to a French citizen would. For "French", of course, I could—as has already been pointed out—substitute the nationality of any citizen of the EEA or the newly enlarged EU. I could have said "Latvian" or "Lithuanian", for instance. Similarly, a Chinese citizen of British origin married to a British citizen of "white ethnic origin"—the terminology used in the official census—would not be entitled to employment in a non-restricted post, but a Chinese citizen married to a French citizen would.

Mr. Heald: Am I right in thinking that if—heaven forfend!—my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) were French, his wife would be able to work in our civil service, but because he is British that is not the case?

Mr. Goodman: I think my right hon. Friend said that his wife had taken British citizenship.

Mr. Forth: That is the point.

Mr. Goodman: I believe that had she retained her American citizenship only—I understand that she has dual citizenship—she would fit into precisely the category described by my hon. Friend.

Let us consider once again the extremist, fundamentalist and—I have to add—at present British, by citizenship, cleric Abu Hamza, whom the hon. Member for Hendon mentioned on 20 January and today. He is on record as saying, with reference to 11 September:

"Many people will be happy, jumping up and down. America is a crazy superpower and what was done was done in self-defence."

As matters stand, Abu Hamza is eligible for employment by the Crown in a civil capacity, as the hon. Gentleman pointed out, while an American widow whose spouse was murdered in the 11 September atrocity would not be.

There is reason for us to pause here and reflect. Abu Hamza, as we know, is at present a British citizen. The hon. Gentleman could have added that Asif Hanif and Omar Khan Sharif, the suicide bombers responsible for the murder of three people and the injury of 55 in a beach-front pub in Israel called Mike's Place, were British citizens. Richard Reid, who attempted to blow up a transatlantic flight, was a British citizen. Most British Muslims—and Muslims in High Wycombe with whom I have discussed these matters—condemn such acts of terror unreservedly.

It is worth pondering the fact that a British citizen who, despite his or her citizenship, hates this country and everything it stands for is none the less currently eligible for employment by the Crown in a civil capacity—while an American, Israeli or Turkish citizen, for example, who respects, admires and even loves this country, but does not wish to abandon his or her own citizenship, is not eligible for employment in such a capacity. Is it reasonable to allow such anomalies to continue?

I acknowledge that there is an argument for answering that question with a "yes". I may be mistaken, but I doubt that large numbers of foreign nationals have written either to the hon. Member for Hendon or to the Solicitor-General, clamouring for a change in the law and for employment under the Crown in a civil capacity. However, as we have seen, the anomalies give rise to so many inconsistencies and injustices that the most sensible course is to create a more rational framework for eligibility for such employment. Since the Bill, which has the support of Members from all the main parties in the House, offers a more rational framework, we see merit in it, as my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) made clear when speaking from the Front Bench on 21 January, the day after the Bill's First Reading.

The context in which my right hon. and learned Friend was speaking is important. He was calling on the Government to introduce a civil service Bill in this parliamentary Session; indeed, such a Bill was introduced by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), with the support of my right hon. and learned Friend the Leader of the Opposition and others. A civil service Bill was originally proposed by the Public Administration Committee, which, like most Select Committees, is dominated by members of the Government party. The Bill is, I understand, supported by the Liberal Democrats and the other minor parties.

Part 2 of that Bill is effectively identical to the Bill before us. The hon. Member for Hendon acknowledged that in his First Reading speech, when he said:

"Last week, the Conservative Opposition proposed a Civil Service Bill, based on the PAC draft, so they, too, appear to agree with my proposals, as provisions in the Bill that I presented last year were incorporated in the Select Committee's report and appear to have been added to the Opposition's Bill."

In that respect the hon. Gentleman was correct. He continued:

"I believe that they will advocate their Bill . . . tomorrow."—[*Official Report*, 20 January 2004; Vol. 416, c. 1227.]

Indeed we did, and the hon. Gentleman, having made it clear to the House on 20 January that his Bill is effectively the same as ours, voted the next day against our Bill, which is effectively the same as the one for which he had voted the day before. What is worse is that he persuaded, by my count, 75 of his colleagues to do exactly the same.

Mr. Dismore: I ought to clarify the position. I very much support the proposals in the Opposition's Bill that reflect mine, but of course their Bill contains many other proposals about which I am less happy. Perhaps I can remind the hon. Gentleman of the position of the hon. Member for Bridgwater (Mr. Liddell-Grainger), who voted for the Select Committee report, against my Bill and for the Opposition's Bill, so he has changed sides twice.

Mr. Goodman: If I remember rightly, the hon. Gentleman made the same point about my hon. Friend the Member for Bridgwater on 21 January; I cannot speak for my hon. Friend. However, I hope that the hon. Member for Hendon tells the Israeli, Japanese and Chinese citizens in Hendon, to whom he referred today and on First Reading, that he was offered a chance, on 21 January, to vote in principle for exactly the measures that he proposed in his Bill, but he voted against them. We will have to see what they make of that. I am glad that the hon. Gentleman has offered that explanation, and that the cause was not an momentary lapse of concentration.

As my right hon. and learned Friend the Member for Rushcliffe said on 21 January, part 2 of our civil service Bill is, in his words,

"the least important part of our Bill"—[*Official Report*, 21 January 2004; Vol. 416, c. 1330.],

but it is, as I said, a part. It is worth dwelling on that for a moment. I want to make it clear that although we believe that there is merit in this Bill—we could scarcely do otherwise given that it reflects the measures in part 2 of our Bill—it does not, of course, follow that the arguments advanced for this Bill, on the one hand, by the hon. Member for Hendon and, on the other, by us, are exactly the same.

As I said, our support for this Bill is based on the principle that it is right to tidy up the anomalies, and that it offers the prospect of a reasonable framework for doing so. At present, there are 7.8 million economically inactive people in Britain; 2.7 million people are drawing incapacity benefit; and about 1.6 million of those 2.7 million say that they want to work. Most of these people are currently eligible to be employed in a civil capacity by the Crown, so we are not entirely convinced by the arguments about labour shortages put forward by the hon. Gentleman on First Reading. In addition, Britain is becoming more diverse, not less, at least partly because of the rise in the number of minority ethnic British citizens, so we are not convinced by the hon. Gentleman's argument, put forward on First Reading and again today, that we need the Bill to reflect the increasing diversity in our society.

We do not support the Bill on those grounds; we support it because it offers a way of tidying up anomalies to achieve better order. We will naturally want to consider very carefully any amendments to the Bill that are tabled in Committee. As I said, we see merit in the Bill because it offers the prospect of a more rational framework, replicating, as it does, the proposals in the more comprehensive Civil Service Bill promoted by my right hon. and hon. Friends.

Mr. Heald: My hon. Friend has encapsulated the arguments. On his final point about the more comprehensive Civil Service Bill that I presented to the House, does he agree that as the Government have long promised such a Bill, and indeed they promised a draft Bill in this Session, should not this small Bill be part of that process? Is it not a bad sign of the Government's good faith that they strongly support this Bill, which is a small part of the overall measures that we are calling for, because it looks as though they may be kicking the Civil Service Bill that we need into the long grass?

Mr. Goodman: My hon. Friend has put his case extremely well. Perhaps the Solicitor-General could deal directly with that point when she begins her reply.

11.47 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I shall reflect on some of the points made in the debate and during the earlier stages of the Bill and its predecessor. It has been suggested that the measure is being rushed, but it seems to me that it has already been the subject of detailed scrutiny by the Public Administration Committee. In addition, if the Government publish a draft Bill in due course, that will be the subject of pre-legislative scrutiny.

I start by beginning where the hon. Member for Wycombe (Mr. Goodman) finished. We have the Opposition's Civil Service Bill; we have the PAC's draft Bill; and we have the promise, from the Dispatch Box, of a draft Bill from the Government. This is a bit like London's buses: suddenly, three turn up in one go, although we are still waiting for the third, which is, in some ways, the most important as it is the one that, in the end, we will all be asked to get on. It will be the vehicle that delivers legislative change, so it would be useful if the Solicitor-General told us what is in the Government's mind and what the timetable will be for publication and deliberation.

Mr. Heald: The Bill that I presented is the Public Administration Committee's Bill, but would it not have been better had the Government simply said, "Well, let's have pre-legislative scrutiny of that Bill."? If they had further ideas, those could have been presented as part of that pre-legislative scrutiny.

Mr. Burstow: The hon. Gentleman makes a good point. Given that that work from the Public Administration Committee is already well under way and given that it has garnered a good deal of cross-party support, it would have provided a good platform for embarking on pre-legislative scrutiny. Obviously, the Government would have had the opportunity to feed in any additional changes that needed to be made.

It seems to me that such legislation, more than any other in terms of the civil service, needs that foundation of cross-party support to be built in from the outset to ensure that what eventually makes its way on to the statute book is legislation that provides a long period of stability and certainty. However, I want to return to discussing the Bill before us.

This is a modest measure that attempts to tackle genuine, practical anomalies that arise, at least in part, from this country's membership of the European Union. The hon. Member for Hendon (Mr. Dismore), in various contributions in relation to the measure, has outlined the scenarios flowing from that, as did the hon. Member for Wycombe (Mr. Goodman), who spoke for the Conservatives. Like him, I am struck by the example given by the hon. Member for Hendon of the wife of a British citizen—who might be Chinese, Russian, Japanese or, for that matter, American—being forbidden from joining the civil service. However, if the Chinese, Russian or Japanese wife of a citizen of another EU member state were to apply for the civil service, the current legislative position would not debar them.

Some advance an argument that appears to suggest that anyone who is an alien is, by definition, an enemy of the state who therefore should not be eligible to work for the state, but I find that hard to accept. The better test, first and foremost, is whether the person has the merit and ability to do the job and whether, depending on the sensitivity of that job, they pass the necessary security checks.

I asked the right hon. Member for Bromley and Chislehurst (Mr. Forth) whether, on the basis of his logic, he sees the Aliens Restriction (Amendment) Act 1919 extending to local government. He was tempted, and indeed invited me to become a co-conspirator in such a development. I have to say that I have no wish to do so.

Mr. Forth: Oh!

Mr. Burstow: I am sorry to disappoint the right hon. Gentleman by telling him that, but it is important to put the record straight. If he were to introduce such a measure, that could mean, for example, debarring Bob Kiley, London's transport commissioner, from providing a service.

Mr. Forth: So?

Mr. Burstow: The right hon. Gentleman may be delighted by that, but it is interesting that that could be one consequence of extending his view of the legislation.

The right hon. Gentleman suggested that this is a matter of political correctness, multiculturalism and so on, but I do not see it in those terms. The Bill is fundamentally about tackling basic anomalies that arise from the piecemeal nature of legislation passed by this place, and it ought to progress. We have heard clearly that he has identified ample scope for further debate on various aspects of it, so I look forward to consideration on Report with some trepidation, as, I am sure, does the hon. Member for Hendon. The Bill ought to secure a Second Reading today, and it certainly has the support of the Liberal Democrats.

11.53 am

The Solicitor-General (Ms Harriet Harman): The Minister who normally would be responsible for responding to the debate on the Bill is not in the House today, for the best possible reason: his wife Jacqueline has just given birth to their baby daughter. We in the House tend to focus more on deaths, but perhaps we can pause for a moment and offer our congratulations to my hon. Friend the Minister for the Cabinet Office and his wife.

Rather in the way that schools have supply teachers, I am a supply legislator this morning. I start by congratulating my hon. Friend the Member for Hendon (Mr. Dismore), who has made the case very clearly for the Bill, which the Government support. As other Members have said, this is not the first time he has made that case. Important points were covered by the hon. Member for Wycombe (Mr. Goodman), who spoke for the official Opposition. The Government support, by and large, nearly everything he said, so I will not repeat those points. Points were also made by the hon. Member for Sutton and Cheam (Mr. Burstow). The Government support those as well, so I will be as brief as possible.

The Government want a good civil service. I hope everyone agrees with that. We want the very best for this country. One way to achieve that is to have the widest possible pool available to those who are recruiting to the civil service. We do not want them to be tied up with unnecessary red tape, but to get down to the business of recruiting who they need.

Mr. Heald: Is it as bad a sign as I think it is for the promised draft civil service Bill that the Government are so strongly pushing this Bill? There is a background noise, which makes me wonder whether the draft Bill is finally about to land on the Table, but apparently not. Can the Solicitor-General give us an update on the draft Bill?

The Solicitor-General: I will do that in a moment.

We all agree that the necessary protection must be in place, especially for employment in the civil service, which requires sensitivity and diplomacy and which has security implications. Nothing in the Bill threatens that. Surely we all also agree that those who are in this country lawfully and are entitled to work should not face unnecessary restrictions. I would hope that the Bill commends itself to the right hon. Member for Bromley and Chislehurst (Mr. Forth) on the basis that it is a deregulating measure, because it cuts unnecessary bureaucracy and red tape. The Bill is also in the interests of the civil service, not just in the interests of those who might want to work in the civil service.

Hon. Members dwelt on the anomalies in the system. The Bill replaces that system with a rational system. All hon. Members recognise that the current system is complex; the proposed system is straightforward, clearer and more transparent. It replaces the bureaucracy involved with dealing with an alien certificate with straightforward procedures.

The right hon. Gentleman said that the Bill has a chance of making progress, and I hope that it does. I also hope that all hon. Members will leave aside the many grudges that they bear from previous Bills. They should focus on this Bill and the important task it performs, instead of settling old scores.

Mr. Goodman: On an entirely grudge-free point, the hon. Member for Hendon (Mr. Dismore) made it clear that if his Bill becomes law, he envisages that only 10 per cent. of civil service posts will be reserved for British nationals, as opposed to the 25 per cent. currently reserved for them. Do the Government agree with that view?

The Solicitor-General: Yes, we do. The point, however, is not the fixed percentage, which is, of course, an estimate, but the purpose of the protections, which will cover as many or as few people as necessary.

The right hon. Member for Bromley and Chislehurst said disparagingly that it sounded as though my hon. Friend the Member for Hendon was reading out a Government brief. That was unfair. My hon. Friend made the case in terms of his constituency as well as more generally. The right hon. Gentleman said that my hon. Friend does not deserve much sympathy, but we should consider my hon. Friend's case, which I think is a good one. The right hon. Gentleman has said that he opposes the measure because of its baggage, but we are not being asked to address the baggage or, indeed, the symbolism; instead, we are being asked to address the practical measures. The right hon. Gentleman says that he opposes the principle being changed, but that is not happening because the principle does not apply at present in the way he describes.

I find it rather curious that the right hon. Gentleman feels that the Bill will somehow undermine nationhood and national identity. Let us remember what we are dealing with here. There are 530,000 people employed in the civil service, who include, for example, driving examiners and filing clerks in the Child Support Agency. I do not see that our nationhood or national identity depend on a presumption of excluding people from those jobs. That does not make sense. The right hon. Gentleman says that he is suspicious of the consensus. Sometimes it is right to be suspicious of consensus in this House, especially if it is backed by a great tabloid furore outside. However, there is no tabloid or populist furore over this Bill—there is a total absence of that—and the consensus that we have here is pragmatic and sensible.

The people who operate the system do not think that it currently makes sense or affords necessary protection, and they support the Bill. It is right to listen to the people who operate the system.

The right hon. Member for Bromley and Chislehurst also mentioned reciprocity and said that we should consider what other countries do. With respect, that is beside the point. We should not be saying that we are doing other countries a favour and they should therefore do us one in return—that is not the point. What we are doing here is in the interests of our own country and civil service, so whether or not other countries are doing the same is not a matter for us. We are doing this because it is right, not because we are doing anyone a favour.

I shall conclude my comments by placing some formal matters on record. The Bill is compatible with the European convention on human rights. I also need to signal that the Bill has been the subject of consultation with Her Majesty the Queen. Accordingly, I can confirm that I have it in command from Her Majesty the Queen to acquaint the House that Her Majesty, having been informed of the purport of the Crown Employment (Nationality) Bill, has consented to place her prerogative and interests, so far as they are affected by the Bill, at the disposal of Parliament for the purposes of debating the Bill.

Mr. Heald: The right hon. and learned Lady will recall that I asked her about the overarching civil service Bill that we have been promised since 1997. The Deputy Prime Minister promised us that Bill in 2002 and the Cabinet Office Minister promised it in January. Where is it, and can the right hon. and learned Lady give us an idea of whether it will come this Session, as promised?

The Solicitor-General: As I promised earlier, I shall deal with that now that I have finished my formal points. The Government have given a commitment to publish a draft civil service Bill for consultation in this parliamentary Session. In taking work forward on that, the Government are taking account of the draft Bill

[The Solicitor-General]

published by the Public Administration Committee in January this year, to which the hon. Gentleman referred.

Brian White: Is my right hon. and learned Friend aware that one of the matters presented in evidence to the Public Administration Committee was the fact that there is no definition of what a civil servant is? Have the Government looked at that issue?

The Solicitor-General: The Government are looking at all the issues, and have considered, and continue to consider, that point.

The hon. Member for North-East Hertfordshire (Mr. Heald) raised the question of the process for the Government's Bill. We recognise that there is widespread interest in both Houses in the relevant issues, and there will be full consultation on the Government's draft Bill, although the precise form and scope of that consultation are still to be determined.

I conclude by warmly congratulating my hon. Friend the Member for Hendon on the way in which he has taken his Bill through. It makes a lot of sense and will do some good. At the end of the day, we all want to support that.

12.4 pm

Mr. Dismore: With the leave of the House, I should like to thank both Opposition Front-Bench spokesmen for their support for the Bill. I am very grateful to the hon. Member for Wycombe (Mr. Goodman) for expressing the view that the present situation is riddled with anomalies, which is the bull point that I put forward in support of the Bill.

The hon. Member for Sutton and Cheam (Mr. Burstow) is no longer in his place—

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): Temporarily.

Mr. Dismore: The hon. Member for Sutton and Cheam, who is temporarily not in his place, was absolutely correct to say that we should aim to appoint to the civil service on merit and ability rather than reserving such posts only for UK nationals.

The only opposition to the Bill has, predictably, come from the right hon. Member for Bromley and Chislehurst (Mr. Forth), and I fully accept his point that he has been consistent on this issue, whether on my Bill or an Opposition Bill. He does not believe in a multicultural society. That is a rather old-fashioned view, and one that is out of step with modern society. He is opposed to the concept of being politically correct, and regards political correctness as not being common sense. Well, sometimes it is not, but often it is. In this case, it is not merely politically correct but common sense to deal in this way with the weird and wonderful anomalies that everyone accepts exist.

The right hon. Gentleman talked about opening up the inner workings of government, but we are not talking about the inner workings of government in the context that he would have us believe. We are not talking about permanent secretaries; we are talking about people much further down the civil service food chain, where it is appropriate for people to contribute to our society.

Mr. Forth: How does the hon. Gentleman know that we are not talking about permanent secretaries? There is a trend now, which may or may not be a good thing, to bring very high level people into the civil service from outside, either to reinvigorate it or to bring a real-world view into government. That is a judgment for another day, but his bland assertion that we are not talking about permanent secretaries might turn out to be entirely untrue. It is quite possible that we might have permanent secretaries of rather interesting origin and provenance in the future.

Mr. Dismore: The right hon. Gentleman has made his point, and I am sure that he will develop it further in the later stages of the Bill. I would simply say to him that we are talking about reserving an estimated 10 per cent. of posts, and I think that those will be senior posts.

The right hon. Gentleman also asked why foreign nationals could not become naturalised UK citizens, and that is a fair question. The problem is that our present rules on naturalisation require a significant period of residence before a person can apply, and the procedure takes an awfully long time to go through. In those circumstances, we have to recognise that there are people who have a lot to offer our society who should not have to wait that long before being able to take up a civil service post. In my office I employ an EU national who wishes to become a British national, but it is taking him an awfully long time to achieve that position. In discussing the Civil Service Bill, I gave the example of a Mrs. Martin, a Turkish national whose husband has written to me about this matter. She has a 2.1 degree in public administration and wants to work for the Maritime and Coastguard Agency, but is unable to do so.

The right hon. Gentleman mentioned the certification process and said that it had stood the test of time, but it is in fact a very restrictive and complicated process. I do not agree that it has stood the test of time; I believe that it has been shown to be very outdated. He also made a big song and dance about terrorism and subversion. I am sure that he is aware that I take a particular interest in that issue. Indeed, I have dealings with some of those in the anti-terrorism world, and none of them has raised any objections to the Bill. The hon. Member for Wycombe illustrated the strong point that nationality is not synonymous with involvement in terrorism by saying that several British nationals have been involved in such activities. The suicide bombers of Mike's Place were two examples.

Let us not forget that we train members of other countries' armed forces in our own armed forces. The Government are talking about bringing Libyans over to train at Sandhurst. The right hon. Member for Bromley and Chislehurst rolls his eyes, but I think that that makes my point. It is only the civil service that we are talking about here, not the armed forces. I think that that defeats his point. He thought that I might find his speech a little wimpish. It was a cameo performance, if I may put it that way. I know that he would regard it as wimpish if he were to serve on the Committee, although I would obviously like to invite him to do so.

The hon. Member for Sutton and Cheam said that I would view the Report stage of the Bill with trepidation, but as the right hon. Member for Bromley and Chislehurst knows, I never regard a Report stage with trepidation. I regard it as a great challenge and I look forward to the resumption of our trial of strength on that occasion, should we reach that stage.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

Sex Discrimination (Clubs and Other Private Associations) Bill

Order for Second Reading read.

12.10 pm

David Wright (Telford): I beg to move, That the Bill be now read a Second time.

I am somewhat surprised and delighted to find that we are having a Second Reading debate on this very important Bill. I am sure that the right hon. Member for Bromley and Chislehurst (Mr. Forth) will join me in the debate, and I will be delighted to joust with him. This is an important Bill, which the right hon. Gentleman has described as riddled with political correctness. I am delighted to receive that accolade.

I follow in the distinguished footsteps of several hon. Members, including the hon. Member for North Dorset (Mr. Walter), who was one of the first to try to take such a Bill through the House. He had a number of difficulties with his membership of the Carlton club, and threatened to resign if it did not grant his wife equal treatment on occasions when they could both attend events. True to his word, he resigned from the club six months later. My hon. Friend the Member for Gloucester (Mr. Dhanda) attempted to introduce such a Bill, but it did not receive a Second Reading. I am indebted also to Lord Falconer, who has tried to move the issue forward in the other place.

This is a simple and short Bill, whose objective is to remove sex discrimination in clubs and other private associations. The main culprits are often golf clubs, working men's clubs and social clubs that do not allow women members to use their facilities on an equal basis. They purport to offer equal membership in many cases, but fail to deliver. Along the journey of the private Member's Bill, I have heard some terrible stories about the practices employed by a number of clubs. Many golf clubs, for example, offer only restricted membership for women and restrict the times at which they can play, sometimes not allowing them to play at weekends. They also restrict the areas in which women can socialise in clubs. That is totally unacceptable in this day and age.

I wrote to the Royal and Ancient golf club of St. Andrews as part of this process, it being the guiding light in terms of golf and its rules. It has responded to me, saying that the principles behind the Bill are important but that it did not support its provisions. I was somewhat disappointed by that, although it suggested that if the Bill made no further progress, it would have a look at codes of guidance for golf clubs. I will take it up on that offer—although we will not need that, as I am sure that the Bill will pass all its parliamentary stages and reach the statute book. I am sure that the right hon. Member for Bromley and Chislehurst will agree with me on that.

I have talked to a number of people involved in social clubs throughout the midlands and the north of England, where such clubs are very popular. There are some 3,000 that operate discriminatory practices in relation to women. I have seen some terrible examples: women being excluded from particular parts of the club during parts of the evening; women being asked to leave the club so that men could have a meeting; women being asked to stand silently at the bar on certain evenings so

[David Wright]

that they could not participate fully in the functions and activities of the club. That is not acceptable practice by clubs that purport to offer equal membership for men and women.

The Bill aims to add to the Sex Discrimination Act 1975—one of the greatest pieces of legislation passed by the Wilson Government—and it is worth looking at how that Act has operated. Section 29 applies to all clubs that are open to

"members of the public or a section of the public",

where a person or a particular group of people can pay their money and enter a club to use its facilities and services. A nightclub or a sports club would be a good example of where people enter the establishment on an equal basis. Such clubs fall within the remit of the 1975 Act, so they cannot discriminate on grounds of sex. Any members of those clubs who have been discriminated against on such grounds can take action under the auspices of the current sex discrimination legislation.

Private members' clubs have been found by the courts not to fall within the scope of section 29, because they provide facilities and services to their own members, not to the public. The Bill is designed to change that by bringing private members' clubs within the scope of sex discrimination legislation. Several clubs have been asked to move in that direction for a very long time. I pay credit to the many clubs that have voluntarily changed their approach and practices by offering equal membership to women. Excluding women from equal treatment as full members of mixed-sex clubs is wholly unfair in this day and age. As I said, it can also involve demeaning and humiliating treatment. The Bill will draw those clubs into the bounds of sex discrimination legislation.

The Bill will not apply to clubs that are exclusively for men or women. Those clubs can continue to operate; there is no suggestion that they would be taken out of existence. I have to say that I doubt whether I would want to be a member of a club that was exclusively for men. I believe that such practices are archaic, but that is a matter of choice.

Mr. Eric Forth (Bromley and Chislehurst) (Con): If I catch your eye, Mr. Deputy Speaker, I may want to explore the issue of the obsession with women. Personally, I am rather fond of obsessions with women, but not in the legislative context. The hon. Gentleman has just said that he would not want to belong to an all-male club, but surely he respects the right of women to have all-women clubs. One underlying theme that does not seem to be reflected in the Bill is that we must respect the rights of women to predominate or even to discriminate where they believe that it is appropriate. Is that not preferable to the rather one-sided approach reflected in his Bill?

David Wright: That is not what the Bill suggests, which is that private clubs for men and for women can continue to operate. I would not want all-male or, indeed, all-female clubs to be removed from existence. The Bill is designed to affect club evenings and events to which both sexes are invited. If an all-male club were to stage an event for men and women on a particular day or evening, the unequal treatment of women would not be allowed. I believe that that is a positive step forward. On occasions where men and women are invited to an event, they will receive equal treatment on the club's premises.

The Bill's objective is clear. It applies to mixed-sex clubs that purport to offer membership of equal status to women, but fail to deliver it. Golf clubs, as I said, are some of the worst culprits. The playing hours for golf clubs were designed during an era when it was predominantly the men in families who went to work and the women stayed at home. I do not believe that that has ever really been the case, even then. Such rules were out of date then and they are certainly out of date today when, in most family environments, men and women share the load—whether it be working, looking after the house or taking care of the household more generally. Restricting the hours during which women can play golf solely to weekdays is absolutely ridiculous. It fails to take account of the fact that the lifestyles of men and women have changed significantly.

In opening the Second Reading debate—I hope that we can make further progress—I reiterate a point that I have made two or three times already. The Bill relates to clubs that offer or purport to offer equal membership to men and women but fail to deliver. It does not relate to the removal of single-sex clubs, but draws them into line for events that they hold for both men and women. I hope that we can make progress, and I look forward to hearing what the Government, Opposition Back Benchers and indeed Opposition Front Benchers have to say.

12.20 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): I am always very unhappy when such legislation comes along. It worries me when people, no doubt with the best motives, constantly reach for the law to intervene in people's relationships and social activities. That is even more worrying in the case of clubs and other private bodies and organisations. I have no problem with the desire to ensure that people are properly and fairly treated in public places, including public clubs and associations—as the hon. Member for Telford (David Wright) said, that is a long-standing approach, and it has largely been successful—but I worry at the constant pushing of the role of legislation further and further into this area.

An interesting side effect of the Bill could be that more and more clubs that want to extend their facilities to people of both—perhaps I should say, in a modern way, all—genders go back to being single-sex. Personally, I would not blame them, because legislation such as this seeks to intrude on their workings. They might not want to be subjected to it, and get round it by reverting to single-sex status.

Right at the outset, in the long title, we read that the aim is to prevent

"sex discrimination in relation to the membership, benefits, facilities and services offered by clubs and other private associations".

The avowed intention is for the law to intrude on the activities of what are literally and avowedly private associations, and that worries me, because we should draw a proper distinction between organisations in the

public and private domains. If someone of either sex joins such a club or association, they know from the start its rules and practices, so it seems perverse for them to complain about them. Alternatively, they may, as feisty, self-confident people, join precisely in order to change the rules. If they are that appalled and disgusted by the way in which the club conducts itself—despite their having joined it—one would imagine that they would be perfectly free to argue against it from within.

David Wright: The point is that women, in particular, are often excluded from the management structure of such clubs. How can they argue their case for reform when they are excluded from the very parts of the club that can bring about any change?

Mr. Forth: People join clubs, presumably, in that knowledge. I find it difficult to understand why people who join something, presumably having found out its ethos and rules, then complain bitterly that it is somehow not appropriate for them. That problem is ignored when it comes to legislation of this sort.

Peter Bottomley (Worthing, West) (Con): I apologise for entering slightly late into this debate. Is my right hon. Friend saying that it would be preferable for change to take place as a result of argument at particular times in individual clubs, rather than through setting a standard below which people may not fall?

Mr. Forth: Yes, certainly. I am very unhappy about arbitrary standards or mores being applied to private associations. I have said that I reluctantly accept that the law seems these days to need to intrude more and more into the public arena, but it bothers me that the Bill seeks to intrude by law more and more into private associations. When people join private associations, what they do in them should be allowed to be private. People should be allowed to make their own judgments about what such associations do, how those associations may or may not change and whether or not they are able to influence the associations. In some cases, I imagine, they would be able to exert influence, and in others, they would not.

Clause 1(3) says:

"It is unlawful for an association to which this section applies, in the case of a woman who is not a member of that association, to discriminate against her".

I must pause to note the presumption that all discrimination is always against women. I should be happier if the Bill were framed in more neutral or inclusive terms. It surely cannot be impossible to find a way in which there is some discrimination sometimes, somewhere against men. The obsession with discrimination against women, which gives us Ministers for Women and so many things for women these days, strikes me as somewhat unfair and one-sided. I should give the Bill more support if even an attempt had been made to make it more even-handed and to say that it is intended to deal with discrimination against whomsoever it may apply, rather than just the "woman" thing.

Clause 1(3) applies to a woman who is not a member being discriminated against by an association

"in the terms on which it is prepared to admit her to membership".

Again, one can say that, presumably, at the point at which one applies for membership, one has knowledge of or pretty quickly learns what the terms are. The clause also refers to

"refusing or deliberately omitting to accept her application for membership."

The question arising, which is not clearly answered by the Bill, is whether that would preclude the association from refusing her application on any grounds at all, or simply on the basis of gender.

I worry that the Bill's wording might make it impossible for an association to refuse membership to a woman on any grounds. Presumably, it may refuse membership to a man on a wide variety of grounds, depending on what the association is and its objectives and purposes. If it were a golf club, for example, I should have thought that it could say that only people with a handicap of less than 12 could join—or something of that kind. Whether that would be discriminatory in legislative terms is an interesting thought. There is a danger that the Bill would not allow an association to refuse membership for any reason at all, and that would be regrettable.

New section 29B on page 2 says:

"It is unlawful for an association ... to discriminate against a woman on an occasion when she is a guest",

and that takes us into difficult territory. The new section goes on to talk about

"the way in which it affords her access to any of the benefits, facilities or services to which other guests are afforded access ... by refusing or deliberately omitting to afford her access ... or ... by subjecting her to any other detriment."

I can imagine a problem arising with facilities—toilets, changing rooms or whatever. There is a risk that some associations may be forced to make expensive alterations to their premises to meet the requirements.

Peter Bottomley: To link what my right hon. Friend has just said with his earlier mention of golf clubs, may I share with him a message that I had recently from Worthing golf club about discrimination that might adversely affect women? Under the Licensing Act 2003, golfers who play at a club but are not members of it cannot be served alcohol on the club premises. Legislation originating from Government could therefore have an even greater impact than the wrong that the promoter of this Bill is trying to undo. My right hon. Friend could suggest that the Department for Culture, Media and Sport should get together with golf clubs and others to investigate the discrimination that could be even worse, indirectly, than that addressed by the Bill. Perhaps they could solve the problem of the unintended consequences of previous legislation, as well as considering whether the Bill before us would be a good addition to the statute book.

Mr. Forth: My hon. Friend illustrates the risks that arise when one starts—no doubt with the best of intentions and motivation—to intrude into the way in which associations work. As he was speaking, I was wondering whether we might be able to use the Bill to right the wrong that he mentioned, but I fear both the short and the long title would probably preclude that possibility. I am not an expert on procedure or tabling, although I hope to become one very quickly, because

[Mr. Forth]

over the next few weeks I shall be tabling a lot of amendments to a number of Bills—not least, I suspect, this one. I shall take a crash course.

I take my hon. Friend's point that we may have to consider that sort of discrimination in some other way. This Bill may not provide that opportunity, because it is all about sex, not booze. I am grateful to him for raising that idea, because it strengthens the point that I was trying to make—that as soon as one starts to intrude by law into people's habits and behaviour in a private context, one is likely to get into great difficulty.

What worries me is the provision for guests, and even worse, suggested new section 29C, entitled "Guests: discrimination by single-sex clubs". I wonder whether the world of clubs and private associations realises that were this measure to reach the statute book, they might well have to make costly alterations to their facilities.

Peter Bottomley: I believe that the Minister and officials will pay attention to the points raised in this debate, so may I emphasise another example, following from what my right hon. Friend is saying? A golf club may want young people under the age of 16 to come and learn the game, but if the serving of alcoholic refreshment is an incidental part of its functions—important financially, but secondary to the golf—the young people could be denied access, and the club might have to have separate provision for the under-16s, even though they will not be served a drink because they are under 16. One needs to be careful—although I am not saying that about this Bill—about launching too enthusiastically into legislating for private organisations that have good purposes, such as sport and recreation, in case one then discovers that young people are barred from joining in, just as some clubs now bar women.

Mr. Forth: Again, my hon. Friend illustrates all too well the dangers of starting out with a substantial, complex and detailed Bill that seeks, always with the best of motivation, to right a perceived wrong. It can blunder into all kinds of unforeseen side effects.

I am always disappointed that, on occasions such as this, Members of Parliament do not receive more representations about such measures. I do not know whether the club world is asleep or whether it supports the Bill. Even the hon. Member for Telford (David Wright) hinted that the support for it out there may not be widespread, but I bet that the Government support it, because it is right up their street. It is interventionist, regulatory, judgmental and just the sort of measure that we expect from the Government. I would not be surprised if that view were expressed, albeit in a very charming way, by the Minister.

I should like to believe that the measure was not up our street because we are supposed to be the party of deregulation and respect for private and individual rights and, I hope, the rights of private associations. I hope that the measure will not be portrayed as all-party; it cannot be portrayed as enjoying agreement in the House today. Even if it receives a Second Reading, it will require, thanks to the thoughtful interventions of my hon. Friend the Member for Worthing, West (Peter Bottomley), a fair amount of scrutiny and perhaps amendment at subsequent stages.

Peter Bottomley: To get away from golf clubs, I make it plain that I perceive such a Bill not as regulation but as providing opportunities for women to enjoy facilities that men enjoy.

Mr. Forth: That is typical of my hon. Friend, who is a generous, progressive, fair-minded and modern sort of man. None of those adjectives applies to me but that simply shows the great tent that is the modern Conservative party. It embraces my hon. Friend and me and we have such a jovial relationship. In one sense, we are together in that we both perceive dangers in the sort of measure that we are considering. He may well support its thrust and intent—I do not—but we are united when we begin to examine the fine print and the possible effects of its implementation. That is when the worries start to arise.

I am often disappointed, especially on wonderful private Member's Bill Fridays. On that subject, when the Solicitor-General replied to the previous debate, she made a slightly scathing remark about the hon. Member for Hendon (Mr. Dismore) and me. She suggested that we were pursuing a private vendetta through private Members' Bills. I was tempted to intervene and say that, if she were here every Friday, I would allow her to make such a remark. Frankly, I do not take kindly to fair-weather Friday Members who turn up once for the Bill that they support, criticising those of us who are here every Friday, attempting to discharge our duties and scrutinise legislation properly. I will take any amount of abuse from the hon. Member for Hendon because he is here every Friday—we do not abuse ourselves or each other regularly but we do so occasionally—but I am not prepared to take it from someone who pops up once in a blue Friday and subsequently disappears. I thought that I would put that on the record; I may send a copy to the Solicitor-General.

The measure is, by any reckoning, a fairly substantial private Member's Bill. Some of the measures that we have considered on previous Fridays, and even those that we have already discussed today, are shorter. The Bill has, per force, to be fairly lengthy and rather tediously detailed to achieve its purpose. Therein lies the danger of such a measure and that is why I believe that we must examine it in some detail. I hope that we shall get proper and responsible representations, as individual Members and political parties, from the world of clubs and associations that may be affected.

I would regret it if such a measure slipped through the parliamentary process only for several associations to pop up and say, "Oh dear! We didn't realise this was happening. We're afraid of its effects because it will involve expenditure and interfere unnecessarily in the way we have worked for a long time." I would rather they alerted themselves to the measure now. I hope that, if nothing else, the Second Reading debate will give interested parties an opportunity to approach the promoter and to try to make an input in Committee and on Report so that if the Bill survives and gets on to the statute book, the unintended side effects will have been eliminated or ameliorated. That is the proper purpose of

the legislative process. We should be allowed to do our job properly and ensure that, if such legislation succeeds, its effects are only beneficial and not adverse.

As I started, so I shall finish. My instinct is not to support legislation of this kind. We have too much of it already and the Bill is pushing too far. When one starts to involve the law in the inner workings of private associations, that is unacceptably too far for legislation. For that reason, I shall, in my modest way, oppose the Bill on Second Reading and hope to look at it closely in its subsequent parliamentary stages.

12.40 pm

Mr. Hugo Swire (East Devon) (Con): I congratulate the hon. Member for Telford (David Wright) on introducing the Bill, which gives us an opportunity to debate sex discrimination in private members' clubs. I congratulate him on an excellent speech in favour of the Bill and pay tribute to his work as chairman of the all-party group on world heritage sites. As the Member for East Devon, which contains much of the Triassic and Jurassic coastline that was awarded world heritage site status, I welcome such a group, which is wholly non-discriminatory, blind to race, gender or even political persuasion. All are welcome on equal terms.

At the risk of being considered a club bore, I must confess that I am a member of three clubs in London. Each is excellent in its own way, but with differing traditions and attitudes towards the admission of women although, in fact, none is open to female membership. I do not really know why I retain my membership of those clubs—my wife and my bank manager both find it unfathomable. To paraphrase Groucho Marx, I should not want to join a club that would have me as a member.

David Wright: I thank the hon. Gentleman for his remarks. May I extend the hand of friendship and ask him to join me at the Wrockwardine Wood and Trench Labour club for a pint in the Harold Wilson lounge, where he will see a different world?

Mr. Swire: I notice that the hon. Gentleman, too, is something of a club bore. Not only is he a member of the Wrockwardine Wood and Trench Labour club, where I shall willingly join him, he is also a leading light of the Dawley social club, so he might take me there, too.

In that spirit of confession, I should also declare my presidency of the Western Area Conservative Clubs' Council, which covers more than 100 Conservative clubs in the west country, including three excellent clubs in my constituency—in Exmouth, Sidmouth and Axminster. That presidency, along with my vice-presidency of the Colaton Raleigh and district ploughing association, are probably my two most distinguished political, or non-political, achievements to date.

As we have heard, the purpose of the Bill is to bring private clubs within the coverage of the Sex Discrimination Act 1975 by making unlawful the unequal treatment of male and female members, associates and guests of mixed-sex private clubs with 25 or more members. It is important, as there has been some confusion about it, to point out that the Bill would not affect single-sex clubs other than by making unlawful the unequal treatment of male and female guests at an occasion to which guests of both sexes were invited. Making those changes would mirror similar provisions on race. Following a number of cases interpreting the Race Relations Acts 1968 and 1976, there is special provision to prohibit race discrimination in private clubs with 25 or more members. It covers the terms on which members are admitted and any refusal to accept membership that is based on race.

The objectives of the Bill are certainly to be commended and I make it clear that my Conservative colleagues and I abhor discrimination of any kind, whether on the basis of physical disability, race, religion, gender or any other grounds.

Fairness and equality are two of the most fundamental human rights, yet it is beyond doubt that in many areas there is still some way to go in delivering those rights. I wish to share with the House the horror of something that happened to me in the early 1980s in the United States, that bastion of equality and opportunity. I was being given dinner by a charming couple in Kansas City, and halfway through—I remember this as if it were yesterday—I said how nice their country club was, and asked if it was the best one in Kansas City. They said that it was not and named another club nearby that was considered even more prestigious. I then asked why they were not members of that club and they said, in a matter-of-fact way, that they could not join because they were Jewish. I was, and remain, utterly appalled and I do not believe that I have ever encountered that level of prejudice and outright discrimination in this country, whether in a club or elsewhere.

The prejudiced membership conditions of the country clubs of Long Island and Palm Beach are not our concern. Over the years, many measures and Acts of Parliament have been designed to break down barriers that prevent women from taking part in activities that they wish to pursue, including the 1918 Acts allowing women to vote and be elected to the House of Commons; the Equal Pay Act 1970; the Sex Discrimination Act 1975 and, more recently, the establishment of the Equal Opportunities Commission. The continuation of gender discrimination when over half the United Kingdom population is female should therefore trouble all of us. Attitudes are changing and inequality is becoming increasingly unacceptable, but there is clearly still a long way to go.

As part of efforts to tackle discrimination, the Government announced on Wednesday a proposal to establish a new commission on equality and human rights. As I have made clear, everyone should have the right to fulfil their potential, regardless of their gender, race or sexual orientation, so I welcome the streamlining of the existing gender and race equality organisations in a single entity. However, I caution against that new super-quango becoming another bureaucratic black hole that is only about political correctness and unnecessary interference. We need an organisation that will provide guidance and implement the rule of law for those who are subjected to discrimination. It is the duty of every member of a civilised society to respect our fellow citizens, regardless of their personal circumstances.

[Mr. Swire]

I have some concerns about the Bill and am not convinced that, as with all the biggest problems facing society, there is a simple solution to the problem of private clubs. It would be wrong to suggest that such problems can be overcome solely with legislation, and the Bill is not necessarily the appropriate response. I do not disagree with its aims, but the law can be a blunt instrument when used in such a way. I am sceptical about inflicting on people legislation tackling the way in which they choose to behave in private. That said, I recognise the need for cultural change in some private institutions, which is essentially a question of confronting closed minds. We need to complete the cultural changes initiated at the beginning of the previous century. Our country's mindset must move on from the preconception that women should be viewed differently from men in modern society.

I yield to no one in my belief that women and men should have equal opportunities. Indeed, it would be foolhardy for me to think, let alone proclaim, otherwise, as I live in a house with three women, and wish to continue doing so. As the father of two small daughters of whom I have the highest expectations and for whom I have the highest ambitions, I want women to go on reaching the top through merit.

I know that my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) will agree when I say that all of us Conservatives are proud to be members of a political party that produced our country's first woman Prime Minister, and arguably one of the best Prime Ministers the country has ever had. As we celebrate the 25th anniversary of her coming to power in 1979, it is interesting to reflect that as a woman—as an outsider—she joined, or rather penetrated, the cosy club of socialist men that dominated European politics at the time. We should also remember that not many courtesies were extended to her. It is worth recalling what an achievement it was for her, as a woman, not just to become the leader of the oldest political party in the western world but to become Prime Minister. She rose to the top through merit.

We live in a country in which our security services have been headed by women, and in some instances still are. The chairmen of some of our leading FTSE 100 companies are women. Numerous charities, arts bodies and myriad other organisations are run by women. Women—amid some controversy, I concede—are admitted to holy orders, to our armed forces and, of course, to politics.

My party has been criticised in some quarters for not going down the road of all-women shortlists. I happen to believe that we are right not to do so and I am enormously encouraged by the fact that the candidates selected for the vast majority of our target seats are women selected on merit rather than on the basis of gender or anything else.

Highlighting this issue is a good idea, because it may enable us to go some way towards persuading people to rethink their attitudes. But we must tread carefully, as there is surely a limit to how much we should interfere with the rights of individuals acting in a purely private capacity.

12.52 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I congratulate the hon. Member for Telford (David Wright) on his success, and on the clearness and lucidity with which he presented his Bill—not least in the light of the anxieties expressed by the right hon. Member for Bromley and Chislehurst (Mr. Forth) about its impenetrability.

The Liberal Democrats support the Bill, which has already been introduced in other forms by Members of both Houses. We have supported those attempts to reform the law, and our support will continue. It should be stressed again that the Bill does not in any way compel single-sex organisations to change the way in which they operate. It is not intended to convert them to mixed-sex organisations. It simply provides that organisations purporting to be mixed-sex clubs should operate in a way that ensures equal treatment of all who become members. I agree with the right hon. Member for Bromley and Chislehurst on one thing, at least: I think it unfortunate that the Bill's wording suggests that discrimination operates in only one direction—that it is experienced only by women—although in practice it is nearly always the case. It might be useful to deal with that in Committee or on Report, and to make the Bill gender-neutral.

It has been argued, understandably, that—especially when legislating through private Members' Bills—we should be careful not to stray too far into, and interfere too much with, the realm of privacy. That point was made by both the hon. Member for East Devon (Mr. Swire) and the right hon. Member for Bromley and Chislehurst, and we should bear it in mind whenever we consider legislation that extends and redefines that boundary. It is clearly a point that would have been weighed when Parliament first considered issues of equal pay and came to the view that it was appropriate to legislate, extending the boundary so as better to regulate—although not yet successfully in some ways—issues of fair pay for women in the workplace.

It is worth noting that the Bill is born not out of one Member's initiative, but out of a long process of consideration and deliberation, and indeed out of considerable force of complaint by many who feel affronted by the fact that the law does not address the issue. It is therefore worth considering the work done by the Equal Opportunities Commission back in 1998, when it consulted on the matter and published its deliberations, including a recommendation for this measure. It made the point, also made by the hon. Member for Telford, about the unfairness that features in typical complaints, such as those about the restriction of playing times for women in golf clubs, based on the assumption that women are not in paid employment and can therefore cope with restricted playing times.

Mr. Forth: Should we not be even more suspicious if a Bill such as this arises in any way from the activities of quangos such as the one that the hon. Gentleman just mentioned? The measure is, after all, in their interests; they are bureaucrats paid to pursue such an objective. Does he not agree, therefore, that it is somewhat odd to

quote such a quango in favour of the Bill, and that we should discount a large part of what it says because it is paid to promote such measures?

Mr. Burstow: I certainly think it important that none of us suspends our critical faculties when we are considering legislation and the evidence put to us by a whole range of organisations, including the Equal Opportunities Commission. Nevertheless, the complaints that the commission receives, which it reports faithfully, ought to be brought to the attention of the House. The complaints about hours of access to golf courses are certainly relevant.

In its 1998 report following consultation, the commission goes on to say:

"The amendment as described below would not, therefore, place any obligation on 'gentlemen's clubs', the Women's Institute, or charities, which confine benefits to one sex, to change their current practices."

It is worth restating that: it is not the Bill's intention to extend equal opportunities legislation to organisations such as those, and that is why we support it.

I said that this is not the first time that the House has considered the matter. The hon. Member for North Dorset (Mr. Walter) introduced a Bill in 1999, but unfortunately managed only to utter a couple of sentences on Second Reading. Today, the hon. Member for Telford was able to utter quite a few sentences to make his cogent case. The hon. Member for North Dorset introduced a ten-minute Bill in 2001 and wrote a useful article in *The House Magazine*, in which he made the point that his measure, which is not dissimilar to the one before us, was about allowing women access to governance of the clubs of which they were members,

"enabling them to take a full part in their chosen club."

There can be no justification for treating people who are members of mixed-sex, private clubs as second-class citizens, solely on the grounds of their gender. That is not acceptable in the 21st century. Things have moved on, and it is appropriate to consider where we should draw those lines today.

The Bill is modest; it applies only to mixed-sex clubs of 25 or more members. The hon. Member for East Devon has reservations about it, and clearly those matters will need to be considered in Committee. He talked about the need for cultural change, and I certainly sign up to that. Simply passing legislation of a declarative or any other nature does not change hearts and minds, but it can play a part in accelerating or kick-starting change. It is for those reasons that, on balance, the Liberal Democrats support the right of the individual to be treated equally, regardless of gender, and we believe that that should apply to mixed-sex clubs.

12.59 pm

The Deputy Minister for Women and Equality (Jacqui Smith): I congratulate my hon. Friend the Member for Telford (David Wright) on introducing the Bill, which the Government support. We hope it makes progress. As he rightly outlined, he follows a proud tradition of Members who have also tried to make progress in this area: the hon. Member for North Dorset (Mr. Walter), my hon. Friend the Member for Gloucester (Mr. Dhanda) and, of course, my noble Friend Lord Faulkner of Worcester in another place. I therefore very much welcome the Bill.

My hon. Friend the Member for Telford and several other Members have made a strong case for bringing private clubs within the Sex Discrimination Act 1975. We have heard some concerns, understandably, from the right hon. Member for Bromley and Chislehurst (Mr. Forth), but I hope I can reassure him on the nature of the Sex Discrimination Act.

First, the right hon. Gentleman is concerned about how the original Act, I suspect, and the Bill were drafted. Of course, the Sex Discrimination Act was drafted as a particular exception to the usual use in legislation of the term "man" to cover both sexes. That acknowledged the fact that women were normally the victims of sex discrimination, although as is made clear in section 2—I am sure he is an assiduous reader of the legislation and knowledgeable on this point—references to the discrimination against women apply equally to discrimination against men.

Clearly, the Sex Discrimination Act is about pursuing equality of opportunity between men and women. However, it is also about identifying where that discrimination happens and taking action. I welcome many of the points made by the hon. Member for East Devon (Mr. Swire), who referred to his family and how they prompted his concern to ensure that there is equality. I can tell him that I consider myself fortunate to live in a house with three men, including two small men whom I want to grow up in a society where people are judged on the basis of their talent, not one in which people are discriminated against because of their gender, whether they are men or women. I am sure he agrees, and I think we share that objective.

The other important point made by the hon. Gentleman was his reference to how the treatment of private clubs in respect of the Sex Discrimination Act is in many ways out of step with the position under the Race Relations Act 1976. Discrimination on the basis of race goes against that Act, and of course the draft disability Bill will also tackle discrimination on the basis of disability. It seems timely and appropriate that today we are considering the extension of tackling this particular discrimination to the Sex Discrimination Act.

May I take the opportunity to thank the hon. Gentleman for what was just about a welcome for the Government's announcement on a single commission for equality and human rights? I very much agree that it needs to be far more than simply a bureaucratic quango. As we have made very clear, its ability to promote good practice with respect to diversity and to work in partnership with employers in the public and private sectors, as well as service providers, will be very important to how it operates, notwithstanding the fact that, when it needs to take enforcement action to achieve its objective of ensuring that we have a society that is fair for all and based on equality of opportunity, it can and should take such action.

The Bill gives us a valuable opportunity to examine and debate once again the issue of continuing sex discrimination in private clubs. This is an issue of some resonance for many of us; arguably, it affects us all. Clubs form an important part of the social, political and recreational landscape of many British communities.

[Jacqui Smith]

The right hon. Member for Bromley and Chislehurst is concerned that the proposals would mean an invasion of private space, in which there is no public interest or for which the public have no responsibility. Although described as "private clubs", many of them regulate the means by which the public gain access to leisure facilities, resources and sporting opportunities. It is only right that those opportunities are open to women and men, rather than restricting access as a result of the outmoded and discriminatory traditions of certain clubs. The Bill does not simply deal with the private sphere. In many cases, it tackles discrimination in the access to many facilities that most of us think should be open to all.

The right hon. Gentleman also argued that those who are discriminated against by the clubs should argue for change from within, but as my hon. Friend the Member for Telford rightly said, the precise nature of the discrimination in some clubs means that that is not possible. Some organisations in which a strong majority of members support changing an outmoded discriminatory practice have had that pressure for change blocked by a minority because of the requirement for a high threshold in any vote to change, for example, an organisation's constitution.

At the recent annual general meeting of the Working Men's Club and Institute Union—the umbrella body to which most working men's clubs belong—61.7 per cent. of delegates favoured equal access to associate membership for men and women, but a two thirds majority was required to change the organisation's rules. So despite a clear majority wanting to make progress, it was not possible. Given that the right hon. Gentleman called for organisations to represent their views to those of us who are considering the Bill, he will pleased to know that the national executive of the CIU supports it.

There is also an argument that somehow or other the Bill would impinge on an individual's right to freedom of association. No one mentioned human rights, an argument that is often used in such cases. We do not think that the Bill has any major human rights implications. Introducing this non-discrimination rule is justifiable on the grounds of public interest. However, we need to be sure that its implementation satisfies the principle of proportionality—for example, by ensuring that we give clubs adequate time to make the changes necessary for them to comply with the law. The regulatory impact assessment is available in the Library. I do not subscribe to the right hon. Gentleman's use of the traditional "There aren't enough toilets" argument as a reason why it would be difficult for most clubs to make progress on equality. However, we will look in detail at the transitional arrangements needed if the Bill makes progress.

There are more than 160,000 private clubs in the UK, offering a rich variety of function, interest and organisation, some of which we heard about today. What they all share is that they were formed for a common purpose, as defined by their members. That can be anything from enjoying golf to exploring the history of a local town. Whatever the interests of the club, I do not accept that discrimination on the grounds of sex can be justified in any club that admits both men and women members. As Deputy Minister for Women and Equality, I regularly receive letters from women complaining about sex discrimination in the clubs to which they belong. They speak of the injustice and humiliation of being treated as second-class citizens in their own clubs.

Although I think that the hon. Member for Worthing, West (Peter Bottomley) said that he supported the Bill, there was a suggestion in his intervention on the right hon. Member for Bromley and Chislehurst that we should be thinking about continuing to pursue a voluntary approach. That has brought some progress in tackling this sort of discrimination in private clubs but, quite clearly, it has not brought it about quickly enough to overcome some of the considerable discrimination that exists.

For example, 47 per cent. of the 2,700 working men's clubs that belong to the Working Men's Club and Institute Union still deny their female members full rights. Those clubs often restrict women in the use of certain facilities, give them restricted voting rights and deny them access to the annual general meeting. The rules of the union stipulate that associate and pass cards may not be issued to lady members, but those are the cards that allow a member of one CIU club to visit another and to enjoy its facilities as a guest. Many golf clubs, as has been touched on today, still restrict playing times for women members, making if difficult for working women to play during peak hours at weekends. The assumption on which that policy is based, as the hon. Member for Sutton and Cheam (Mr. Burstow) said—that women do not work—perpetuates the archaic notions about women's lives that we know are out of step with reality.

I agree, as hon. Members have already identified, that clubs should be afforded the autonomy to decide for themselves whom they permit to join as a member, and on what terms. Several hon. Members have made it clear that the Bill does not seek to make all-male clubs open their doors to women or force women's clubs to be open to men. The hon. Member for East Devon may remain in his male-only clubs and those people who benefit from, and want to be in, women-only clubs may remain in those. However, I do not agree that a club's autonomy should stretch so far as to override the rights and dignity of those whom it has accepted into membership or those whom, in the case of guests, it invites in to use its facilities—then, in some cases, discriminating between them solely on the basis of their sex.

Mr. Forth: Will the Minister answer the question that I raised on new subsection (3)(b) in clause 1? My reading of that is that there is a danger that it could become unlawful for an association to refuse to accept an application for membership from a woman at all—in other words, that an association would be simply unable under that provision to refuse membership. It is not clear to me from the words of that provision that it would apply simply on the basis of a woman's gender, and my fear is that it would mean that a private

association would be unable to refuse membership for any reason. I hope that the Minister can reassure me that that is wrong, because the point is important.

Jacqui Smith: I can give the right hon. Gentleman that reassurance. As I have suggested, there is nothing in the Bill that restricts an organisation's autonomy to set criteria for its membership, but if an organisation accepts members of both genders, it cannot then discriminate against people, in terms of membership, on the basis of their gender. I hope that that reassures him.

The Bill really is not the undermining of our private lives or our civil society that the right hon. Member for Bromley and Chislehurst attempted to set it out as. It is a sensible, pragmatic and reasonable response to the discrimination that people still face in private clubs that accept members of both sexes. I hope that hon. Members agree that such practices and beliefs belong to a different time. They have no place in Britain today, and we should take this opportunity to allow the Bill to be considered in Committee and, I hope, make further progress.

1.14 pm

David Wright: With the leave of the House, Mr. Deputy Speaker, I should like to thank the Minister for her powerful speech, and to thank the Government for supporting the Bill.

I believe that this was the first appearance at the Dispatch Box for the hon. Member for East Devon (Mr. Swire) and, on today's evidence, there will be many more over the coming years. He did a fine job and, although I did not agree with everything that he said, I enjoyed his contribution. I would also like to thank the hon. Member for Sutton and Cheam (Mr. Burstow) for the support of the Liberal Democrats. They have a history of supporting the Bill through its several mutations in the House, and I appreciate their support today.

I enjoyed the contribution of the right hon. Member for Bromley and Chislehurst (Mr. Forth). He made a number of important points, and I hope that we can return to them in Committee. He was quite constructive in the way he approached the debate today, and I appreciate that. I will enjoy having further discussions with him about the mechanics and detail of the Bill; there might be some issues relating to gender neutrality that need to be looked at in relation to its drafting. We would have to return to those matters and I give the right hon. Gentleman a commitment that I shall listen carefully to his points throughout the progress of the Bill.

I mentioned in my earlier speech some correspondence that I had received from the Royal and Ancient golf club, and I am willing to deposit it in the Library for other Members to see as we go through the process. That correspondence is particularly important, because the R and A is a significant body in the governorship of golf.

Mr. Forth: Has the hon. Gentleman had indications from any other umbrella organisations—or, indeed, individual associations—about their reaction to the Bill? What measure has he of the acceptability of his proposals to the people out there on the ground who are running these private organisations?

David Wright: The right hon. Gentleman's remarks about inviting comment via this Second Reading debate were important. The CIU is broadly supportive of the proposal, as the Minister has said, and the Equal Opportunities Commission has supported the measure historically and continues to do so. I am more than happy to take contributions from other clubs, and I am sure that the right hon. Gentleman will be keen to bring examples to the Standing Committee, should he choose to serve on it.

I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

1.17 pm

Kevin Brennan (Cardiff, West) (Lab): On a point of order, Mr. Deputy Speaker. Can you confirm whether the Government have today tabled amendments to the Pensions Bill that would provide for a compensation fund retrospectively to compensate those workers who have lost their pensions in occupational pension schemes through no fault of their own? If that is the case, is this not an example of why it is so important for people to join trade unions and to have a Labour Government?

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Mr. Deputy Speaker. I have seen an amendment that has been tabled by the Government today that would create a financial assistance scheme for people who have lost their pensions. You will know, Mr. Deputy Speaker, that 60,000 people have been the victims of pension scheme wind-ups. As someone who has campaigned with the hon. Member for Cardiff, West (Kevin Brennan), attended the marches and led a debate on this subject in January 2003, I would like to pay tribute to the all-party campaign that has finally made the Government see sense. However, should not a Minister come to the House and make a full oral statement about such a significant change of policy?

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Deputy Speaker. We were led to understand yesterday by the Leader of the House, no less, that the Government were going to table 100 amendments to the Pensions Bill. If those 100 amendments have now, rather belatedly, been tabled by Friday afternoon, and if the House is going to consider the Bill in detail next Tuesday, Wednesday and Thursday, those with a legitimate interest in the matter have been left with a pathetically short time in which to consider those amendments before we start to deliberate on them in the House. Is it too late for an appeal to be made to the Government to postpone consideration of the Bill next week, so that those people with a legitimate interest in the 100 amendments can look at them properly and let Members of Parliament know what they think?

Mr. Deputy Speaker (Sir Michael Lord): I am not aware of the matters to which hon. Members have

[Mr. Deputy Speaker]

referred, or at least I am not as up to date as they appear to be. A certain amount of information that has resulted from the original point of order may be helpful to all hon. Members present. Hon. Members who visit the Table Office or Public Bill Office will see the current state of play.

Health and Safety at Work (Offences) Bill

Order for Second Reading read.

1.20 pm

Mr. Andrew Love (Edmonton): I beg to move, That the Bill be now read a Second time.

Notwithstanding some of the comments that have been made, I am sure that everyone in the House will strongly welcome the tabling of those amendments today and the fact that we now have a listening Government who have responded to concerns. I strongly welcome that and, because of the all-party campaign that has been running for some time, I hope that all sections of the House will welcome today's news.

Mr. Oliver Heald (North-East Hertfordshire) (Con): It is not clear from the amendments whether the scheme will apply to all those who lost their pensions—

Mr. Deputy Speaker (Sir Michael Lord): Order. I think perhaps that we should now move on to the Health and Safety at Work (Offences) Bill.

Mr. Love: Not having seen the terms of those amendments, it would have been difficult for me to comment in any detail.

This has been a remarkably productive Friday, with three Bills going through. I do not want to say that I hope to be as lucky as the first three, as that lies in the hands of the House and not my own. I shall endeavour to be brief, recognising the time.

The Bill seeks to make provision for the prosecution and punishment of offences that are or are treated as being offences under the Health and Safety at Work, etc. Act 1974 or the Employers Liability (Compulsory Insurance) Act 1969. As I have said, the reason for proposing these changes is the prevailing concern, shared widely by industry and the legal profession, that health and safety offences are treated less seriously than they ought to be. A case in point was the recent Morecambe bay tragedy in which 20 people died. That reminded us in the most shocking terms of the need to protect workers when subjected to the harshest and most dangerous working conditions in which workers can be exploited by a system thriving on the taint of illegality.

In the UK, we have a long history of trying to confront and address health and safety problems caused by work activities. My researcher discovered that, about 200 years ago, Parliament introduced its first attempt to regulate aspects of occupational risk, the Health and Morals of Apprentices Act 1802. The main provision in relation to these matters was in 1974, when the Health and Safety Commission and the Health and Safety Executive were set up. The legislation brought together many of the regulatory bodies dealing with occupational risk and provided a framework of duties on employers and employees.

Huge strides have been made in improving health and safety standards in the quarter of a century since the Act, with the rate of fatal accidents in the UK down to less than a quarter of what it was in the 1970s. However, the Institute of Directors told me that, over the last five years, industries in the private sector have had fatal and

major accident rates exceeding 250 per 100,000 employees. These include industries such as construction, mining, quarrying and transport, as well as other varied manufacturing industries.

This year marks the 30th anniversary of the original Act. The Act was a great achievement at the time, but we now need to re-engage with companies that evade their health and safety duties and which subject some of the most vulnerable workers to the hidden dangers at their work. These workers are often employed in a twilight world where the worst types of working conditions exist. Such worker exploitation can only occur when companies are allowed to put workers' lives at risk and where the small number of bad employers are able to undercut the good.

In 2002, the Institute of Directors said that public confidence in parts of the business community had been severely damaged as a result of a number of tragic and heavily publicised accidents. Occupational health and safety is an integral part of workplace well-being and many business voices accept the need to tighten the law covering health and safety.

I consulted the business and industry community widely in respect of the Bill. Following the introduction of the Bill in February, the CBI wrote to me to say that its members had

"no serious objection to the Bill proceeding to committee stage",

and that there

"must clearly be severe sanctions for persons and organisations that have caused death by their deliberate and negligent acts or inaction."

The Federation of Small Businesses, which I also consulted, commented:

"The FSB accepts that all employers have a general duty of care towards their employees and a duty to the inspectorate process. We also understand that there should be penalties attached to any infringement of the Act."

Much more recently, the Institute of Directors told me, when I spoke to its health and safety officer, that novel approaches to health and safety breaches could be considered, such as the ability for courts to order a safety audit at the organisation's expense, or company probations involving implementing a safety system that was recommended following such an audit.

It must be pointed out, however, that those three organisations also have concerns about the Bill, particularly about its proposals for extending custodial sentences. Although they believe that the custodial sentences option should continue to be available to the courts for a limited range of offences, they believe that it should be used only if the circumstances of the case are sufficiently extreme to warrant it. I shall return to their comments later in my speech.

Mr. Eric Forth (Bromley and Chislehurst) (Con): This may be a premature question, but can the hon. Gentleman tell us whether any of those organisations or others commented on clause 2, which deals with employers' insurance offences? One of my reservations is that, given the well known difficulty that many small firms have in securing insurance cover, the penalties in the Bill are very harsh indeed. Has the hon. Gentleman encountered any opinions on that aspect of the Bill?

Mr. Love: As I said, I did receive comments on that issue, but I should like to return to them after I have explained the Bill more fully. Perhaps the right hon. Gentleman will pursue his point again at that time.

The Bill recognises that we live in a world of much greater uncertainty and risk than in 1974 and it is designed to meet public concern by updating the 1974 Act. It does so by removing the cap, currently standing at £5,000 for a range of less serious offences, on the level of fines for breaches of health and safety law. It will extend the possible punishment of prison custodial sentences to all breaches of health and safety laws. Currently, that applies to breaches of only a few sections of the 1974 Act, but under the Bill it could apply to all sections. Finally, to deal with the point raised by the right hon. Member for Bromley and Chislehurst, the Bill significantly increases the fine for not having a valid employer liability insurance certificate.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): In case a different impression is created by another right hon. Member, it is important to say that many of us regard that provision as a crucial part of the Bill. I have had experience in my constituency of an owner of a private mine not having valid insurance when an accident took place in that mine. That meant that compensation from an insurance company was not forthcoming.

Mr. Love: I thank the right hon. Gentleman for that. Employers, and especially small businesses, have had some difficulties in gaining employer liability insurance, which is undeniably a contributory factor to some of the difficulties that companies have faced. However, there is also a considerable amount of evasion in respect of employer liability insurance. The right hon. Gentleman mentioned a particular case, which I believe would be covered by the Bill.

The limited debate so far has reflected the fact that Parliament recognises the need for corporate accountability and social responsibility, and that that must involve safeguarding the health and safety of employees. The Bill is an attempt to respond to those needs by reflecting the realities of today's workplace, where tragedies do unfortunately occur. For example, the TUC drew my attention to a case in which Bournemouth magistrates imposed a fine on a company on two charges, after a man was paralysed when 2 tonnes of glass tipped off a trolley that the company had been warned was unsuitable for the purpose.

Sadly, current British employment law allows rogue companies—I accept that it is a very limited number—to continue to ply their trade. Surely, it must be unacceptable that unscrupulous, illegal operators can treat workers in this way without any real fear of intervention. The change must start at the sharp end. We must put in place an effective deterrent so that employers can no longer factor in potential fines when making contractual bids, knowing that they can still make a profit even if they are fined under the 1974 Act. These scams must be stopped, and the Bill is an attempt to do that.

We must bring the law up to the standard of the 21st century. Employees have a right to expect not to be injured or maimed when they go to work, or at worst, to find that the workplace leads to an early grave. It is the duty of Parliament to tighten up our health and safety laws and to prevent tragedies such as we have seen in recent years. I hope that it will reflect that concern.

[Mr. Love]

The consequences of our inadequate health and safety legislation are harrowing and grave, and rogue employers must not be allowed to cheat workers out of a safe working environment.

There is widespread agreement on that, but some concerns remain among employers' organisations. The CBI's head of environmental affairs said that

"financial penalties for health and safety offences should be in line with the penalties for other offences and set at a level to deter offenders. However raising the limit from £5000 to £20000 could have a disproportionate effect on small and medium sized enterprises."

Similarly, the Federation of Small Businesses, in its submission on employers' liability insurance, said that it is

"one of the biggest issues facing small businesses today... Penalising small businesses in this case will not deter the cowboys, who consciously choose to operate illegally, but will impact heavily on small employers who want to behave responsibly, but cannot do so."

Gregory Barker (Bexhill and Battle) (Con): In the hon. Gentleman's discussions with industry, has he reached conclusions on whether those employers who have insufficient or no liability insurance are in that position through error, because they are financially hard-pressed and cannot keep up the payments, or simply because they are unscrupulous and have no intention of getting adequate cover? What is the breakdown and the balance between the three?

Mr. Love: I cannot claim to have carried out a comprehensive consultation exercise, so I cannot answer in detail. Undoubtedly, the representative organisations feel that small businesses find it difficult to get the insurance, but there is a body of evidence from cases that come to the courts suggesting that negligence and evasion are also factors. I hope that the Bill will be able to differentiate the two, to be sympathetic to the responsible employer, small business or not, but to crack down hard on those who are simply evading their responsibilities to their employees.

The Institute of Directors tried to pilot some rather innovative ways of responding to some of these issues. In a recent speech, its health and safety representative said:

"The Centre for Corporate Accountability has also suggested a system of proportionate fines for convicted companies... Instead of a significant fine, an executive ... could be sent on an approved course. Putting a firm out of business surely cannot always be the best remedy... The emphasis surely ought to be about helping improvement come about."

That sums up the reaction to my Bill. I was slightly surprised that so many caveats were expressed by a number of the organisations that I contacted, but the positive thing was that there was no outright opposition to the thrust of my Bill. I have quoted sentences from responses that show willingness to support health and safety legislation and to ensure that breaches receive appropriate sentences.

We should be able to explore the issues in Committee, including the appropriate fines for different types of breach. We should be able to explore the role of custodial sentences, too. There is some concern, especially among small businesses, that taking an owner/manager away from a business might well prejudice whatever business and employment it generates. For that reason, we must recognise the sensitivity of such roles.

As the right hon. Member for Bromley and Chislehurst (Mr. Forth) said, there are issues concerning employers' liability insurance and we need to recognise sensitive points for small employers while also cracking down on those who simply evade their responsibilities. We shall have only limited time in Committee, but I think that the Bill can do that. We can bring back to the House a better Bill than the one before us so that we can make progress.

There can be two reasons for objecting to my Bill. I do not know which of them the right hon. Member for Bromley and Chislehurst will choose. He may make a principled objection to private Members' Bills, and there is nothing I can say to that, except that it seems strange to take part in a process while disagreeing fundamentally with it.

On the other hand, there are concerns, expressed across the House, about regulation. As secretary of the all-party small business group, I understand that regulation is continually raised by businesses, particularly small ones. The Bill does not seek to extend regulation, which already exists under the Health and Safety at Work, etc. Act 1974. The Bill seeks to make that existing regulation more effective, and the House, given the changes of the past 30 years and the serious problems that have brought business into disrepute in recent years, should be alert to the need to update legislation.

The Bill will make a significant contribution to improving standards and getting rid of some of the cowboy practices that a small number of businesses employ. It is a small number, but those businesses can taint the rest of the business community simply by wilfully disregarding their duties to protect their workers from the dangers and risks in the workplace. I commend the Bill to the House.

1.38 pm

Gregory Barker (Bexhill and Battle) (Con): I warmly congratulate the hon. Member for Edmonton (Mr. Love) on having the opportunity to present the Bill to the House. I gather that his experience working on the construction of the M1 extension in the 1970s led him to take an understandable and keen interest in the health and safety at work agenda, and he has pursued a noble crusade throughout his political life.

The Opposition recognise the vital importance of effective health and safety practices to ensure the well-being of all workers, regardless of their place of work. It is 30 years since the Health and Safety at Work etc. Act 1974 was passed, and it is entirely reasonable, from time to time, to seek to revise and update legislation to make sure that it remains relevant and pertinent.

Our guiding principles in considering the Bill are that its provisions should be clear, unbureaucratic and, perhaps most importantly, just and proportionate. It has two principal purposes, the first of which is to raise the maximum penalties available to the courts in respect of certain health and safety offences. It amends the penalty framework in section 33 of the Health and

Safety at Work etc. Act in the following way: it raises the maximum fine that may be imposed in the lower courts to £20,000 for most health and safety offences; it makes certain offences currently triable only in the lower courts triable in either the lower or the higher courts; and it makes imprisonment an option for more health and safety offences in both lower and higher courts.

Mr. Forth: Does my hon. Friend share my nervousness when he sees a specific amount for a fine or a penalty in such a Bill? Does he share my view that, paradoxically, that builds in inflexibility, which may be undesirable in the long run, and that it is better, if possible, to express penalties in terms of levels, which can be adjusted by statutory instrument? Does he not think that that may be a weakness in the Bill?

Gregory Barker: That is a well made point, and it is no surprise that it comes from my right hon. Friend. One of our principal concerns is the rigidity implicit in the Bill. That is why we believe that it requires stringent scrutiny, not least because of the impact that it could have on small businesses, which might not be able to withstand such fines. The net effect might be not to improve best practice or standards for workers in such a firm, but to drive the firm out of business, leaving family wage earners without a job. As for the maximum fine, the power to impose a fine of up to £20,000 is already available for some offences under the 1974 Act. The Bill extends that power to other offences that could be considered comparable. In Committee, we shall want to make sure that those offences are indeed comparable.

We are concerned about the provisions that are likely to lead to increased custodial sentences. That is a fairly big departure. The Government are presiding over a prison system at breaking point, and we shall want to examine the detail of that part of the Bill very closely in Committee to ensure that our test of proportionality is met.

The CBI, the Federation of Small Businesses and the Institute of Directors have all welcomed the Bill to varying degrees, but they all have concerns about those provisions. We understand and appreciate those concerns, and the knock-on impact that the provisions could have on jobs, enterprise and wealth creation. In Committee, we shall look closely at those elements and seek assurances.

The second purpose of the Bill is to amend the penalty for the main offence under the Employers' Liability (Compulsory Insurance) Act 1969—an employers' failure to insure in respect of liability to employees for injury or disease sustained in the workplace. It also extends the time limit for bringing related prosecutions. That is a difficult area. Hon. Members will be aware of the rise in the cost of employers' liability insurance under the present Government. Indeed, some businesses, especially small businesses, find it impossible to obtain the right sort of liability insurance at all. For example, I am informed that in Northern Ireland, construction and scaffolding companies in particular find it impossible to obtain standard commercial insurance on anything like commercial terms. There may be a time bomb waiting to go off.

Mr. Forth: My hon. Friend is just getting into his stride, but may I remind him of something? He may not recall, because I cannot remember whether he was in the House at the time, that when such a measure was attempted on a previous occasion, the Conservatives opposed it for the same reasons as he is now giving. Given the extreme difficulty that many companies, especially small companies, were experiencing in obtaining employers' liability insurance, increasing the penalties on them at the same time seemed very poor timing, to say the least. Does my hon. Friend expect, as I do, an indication from the Minister about whether the Government judge that it is now sufficiently easy to get the coverage to make the increased penalties appropriate? If the Minister is unable to do that, will my hon. Friend share my disappointment and extreme reservations about the Bill?

Gregory Barker: I hope that the Minister has heard that and will tackle those remarks in her speech. I also hope that she can inform hon. Members about the rigorous market testing and research that the Government will undertake before supporting the Bill. That is important.

I intervened on the opening remarks of the hon. Member for Edmonton to ask whether he believed that the liability lapse occurs through error or maladministration in small businesses, through simple inability to get or afford insurance or because there is a gap between the lapse of one policy and the commencement of another. A policy could lapse when small businesses are out in the market trying to find one and hoping to secure something. Does he believe that the liability lapse is simply down to unscrupulous practice?

Clearly, we have no truck with unscrupulous employers who have no intention of getting liability insurance and are trying to cut corners or make a quick buck the wrong way. However, we are worried about the small, struggling employer who is trying to do the right thing but is unable to get the liability insurance that he seeks in the commercial world.

Mr. A. J. Beith: Surely the hon. Gentleman would not condone even a hard-pressed small business man's sending an employee into potentially dangerous working conditions, for example on a roof or with chemicals, when the insurance was not in place.

Gregory Barker: Of course I would not condone it. However, I am sure that the right hon. Gentleman agrees that that is more understandable and less reprehensible than a criminal case in which someone has no intention of ever getting a policy. It is up to the courts to interpret that, examine each instance and determine an appropriate final penalty for a thoroughly disreputable employer and for one who perhaps falls on the wrong side of the law but in more mitigating circumstances. Again, I refer to the position in Northern Ireland, where the insurance is simply unavailable. It is difficult to generalise when specific circumstances apply to each case. However, let us be clear that we are in no way, shape or form condoning the illegal actions of unscrupulous employers. That is not the concern that we are raising.

There is an additional point that increasing the penalties on firms will make the liability insurance more expensive. It will increase firms' liability and their

[Gregory Barker]

premiums will rise. That could have a knock-on effect of putting insurance further beyond the reach of the smallest firms. We need to ensure that we have considered all those matters before putting the measure on the statute book. That requires close scrutiny in Committee.

The Bill amends the Employers' Liability (Compulsory Insurance) Act 1969 by replacing the maximum fine of £2,500 for each day prosecuted with a maximum fine of £20,000 for the period for which the charge is brought. It gives the Secretary of State the power to increase the fine through subordinate legislation. It extends the time limit for bringing prosecutions under section 5 of the 1969 Act. The current time limit is six months from when the offence was committed. The new time limit will be six months from the date on which the prosecutor considers that he has sufficient evidence to justify the proceedings. The Bill also provides that no prosecution can be brought more than five years after the commission of the offence. We shall want to study those changes in detail in Committee.

To sum up, Her Majesty's Opposition will not oppose the Bill but will let it proceed to Committee. We shall use that time to give it the scrutiny that it needs and deserves. We shall have no truck with bad practice or illegal practice.

Mr. Love: I thank the hon. Gentleman for his comments about allowing the Bill to proceed. Does he accept that if we do not take steps to crack down on rogue employers, they will taint other employers? There is a strong rationale for the Bill.

Gregory Barker: We agree with the rationale that the hon. Gentleman has just articulated, but we are concerned about the detail of the Bill, the knock-on effects and the unintended consequences. We must guard against those effects and in Committee we shall want to ensure that there are no unintended consequences for small businesses, and that if the Bill reaches the statute book, it does what the hon. Gentleman intends, with no adverse effects on the business sector.

Any employer who does not follow basic health and safety regulations should certainly be held to account. We can all agree on that, but it is extremely important to ensure that the changes that would be enacted by the Bill are clear, unbureaucratic and proportionate. Those three tests will determine whether we give the Bill our support in Committee.

1.51 pm

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): On behalf of the Liberal Democrats, I am glad to welcome the Bill and the opportunity it will give us in Committee to review the penalties for health and safety and employers' liability offences.

There cannot be many Members with my experience of dealing with constituents who have been the victim of industrial accidents or who, in the example to which I referred earlier, were working in a mine that had no valid insurance. As hon. Members have said, there are significant differences of circumstance. In some cases, people who are desperate for work take a job from a rogue employer who has no intention of complying and breaks every rule in the book, or such an employer may have taken over a previously responsibly run organisation—as in the example that I gave—such as a National Coal Board mine, and be running it irresponsibly.

Other employers are careless and do not pay much attention to health and safety matters. Others, especially small businesses, are under cost pressures, not least from insurance. Without realising the dangers, they cut corners—whether on insurance or in the instructions they give their employees. One can understand how such things happen and have some sympathy, but from the victim's point of view it makes no difference whether the failure that contributed to the accident through which he was seriously injured was due to a rogue employer or a good employer. If there is no insurance, especially if the business goes bankrupt, he has no access to the compensation that would make his life bearable. I have come across many cases in which the victim of an injury or accident suffers for the rest of his life and is unable to work again.

We cannot condone any failure to observe regulations, but we must recognise the problems for small businesses, in particular, and work out how to help them. Insurance is a problem for many small businesses, which struggle with rising premiums, and both the Government and the insurance industry must consider that, especially in relation to the small craft businesses whose continuation we desperately need.

I should declare an interest as the chairman of a trust that sometimes contracts such businesses. I chair the Historic Chapels Trust, which uses highly skilled people to repair church steeples and high roofs and to decorate high ceilings. People doing such work are exposed to risk, so procedures must be correctly followed to ensure that they have safety provisions—whether harnesses, scaffolding or whatever. They also need insurance and the premiums are escalating all the time, not least due to high awards in court cases and the insurance industry's general fear of the growing litigation culture. Cases may be lost because the claims are unwarranted, but they still cost money to defend. Small businesses are therefore understandably frightened about other threats such as penalties, especially if they have to pay them because of an inadvertent action rather than a deliberate fault.

Mr. Forth: Has the right hon. Gentleman come across any cases in which the skills needed to undertake renovation are in danger of disappearing either because businesses or individuals can no longer get insurance cover or because they are scared off by the increased penalties in the Bill? Has he encountered such cases, or does he fear that they will occur?

Mr. Beith: I do not fear the latter, but the former is certainly a serious problem. The insurance premium has to be paid, while the penalty applies to an offence that an employer does not think he will commit. I have met small business people in both conservation and in small building and decorating work who do not think that they can carry on unless they work for themselves, because they cannot afford the insurance premiums for

their employees. That is a genuine problem and we will lose craft businesses and small local businesses in many areas if we do not address it.

The Bill did not create that problem, although it may add to the pressure on employers. The problem forms part of the background to the Bill, but it does not diminish the requirement that people should be properly protected and insured. The Health and Safety Executive, however, does not always undertake proper risk assessments or correctly compare one risk with another, especially when dealing with public risk.

Like other hon. Members, I have encountered examples of the HSE's absurd insistence. For example, in the railway industry, it has devoted a great deal of effort to stopping the opening of new stations because some trains are slightly longer than the platform. It is just possible that the guard will open all the doors, not just those opening on to the platform, and someone will be foolish enough to fall 6 ft on to the ground, break their ankle and sue the industry. That is an unsatisfactory risk assessment, if we consider the risk of many more people travelling by road. The problem can be dealt with, as can many health and safety problems.

High roof risks can be tackled by the use of harnesses, abseiling techniques and so on. Other problems can be tackled by the use of scaffolding. There is usually a safe way of doing a job, although it is sometimes more expensive. It may require more education and training and more work force supervision. Many industrial accidents happen because workers cut corners. They want to get the job finished, and younger people in particular feel that they can take risks to do so. Their motives are genuine, but they can become victims of an accident.

We support the Bill, but we do not want to support the unrealistic or uninformed risk assessments sometimes undertaken by the HSE. We want proper assessments, the provision of sensible requirements, and serious penalties for people who break them. At the end of the day, it will be for the courts to decide whether there are mitigating circumstances in individual cases, including lack of intention to commit an offence and lack of awareness. The Bill must give a clear signal that businesses both large and small must protect their employees and must have insurance, which may protect them if something goes wrong—a situation that everyone should seek to avoid. If the penalties are not sufficient for current circumstances, we ought to review them, and the Bill provides an opportunity to do so.

The Government clearly support the Bill, as they have issued explanatory notes on it, and are sympathetic to the aims of the hon. Member for Edmonton (Mr. Love). However, they must accept that their responsibilities do not end there—they must consider the problems facing small businesses and enable people in small, skilled businesses to meet their insurance costs and stay in business. The taxpayer may have to make a contribution if the insurance industry cannot find a way out, but discussions should certainly take place between the Ministers responsible and the industry about the way in which we deal with the problem.

1.59 pm

Mr. Andrew Dismore (Hendon) (Lab): I congratulate my hon. Friend the Member for Edmonton (Mr. Love) on introducing a Bill that is well overdue. I must declare an interest as a personal injury lawyer who has dealt with many people who have been injured, and families who have been killed, at work. I remain a consultant to my law firm, although obviously I take no cases while doing what is more than a full-time job as a Member of Parliament.

I feel that, if anything, the Bill does not go far enough. The Work and Pensions Committee, of which I have the privilege to be a member, is engaged in a major inquiry into health and safety. We have had some remarkable evidence. On Tuesday, we took evidence in Scotland, with particular reference to the construction industry. Some of what we were told was frightening. The Health and Safety Executive carried out a blitz on construction sites in Scotland and the north-east. It informed employers of the week, the day and the hour when it would arrive. It inspected some 440 sites and discovered about 250 infringements of health and safety law leading to the issue of improvement or prohibition notices. It intends to prosecute in 10 cases. Although the HSE had given employers so much notice of its arrival, it found those appalling infringements in what is, after all, a dangerous industry. I understand that the biggest problems were with small employers rather than big contractors.

We were told that the average fine following a prosecution after a death at work was about £9,000. That is a travesty of justice. The average penalty incurred by construction companies for a day's delay in delivery is £20,000 under contract. The incentives are all one-way: to cut the corners and get on with the job. That is why my hon. Friend's Bill is so important.

We should perhaps consider more imaginative penalties than fines. Some of the evidence we were given, including evidence from employer organisations, raised the question of whether we should allow courts to disqualify directors of companies that wilfully, and woefully, break health and safety law. Such penalties are already available for infringements of company law or laws relating to company accounts. It is bizarre that they are not available when a company kills or seriously maims someone.

Mr. Forth: It is interesting that the hon. Gentleman should introduce the subject of directors so early in his analysis. I have always found it odd that directors should be held responsible in this context, especially in industries such as construction. Surely the prime responsibility should lie with supervisors, who are there on the job and have a realistic opportunity to ensure that health and safety provisions are adhered to. Is it not strange that the role of directors should be constantly emphasised, when those directly responsible for management on the site are much more likely to bear the real responsibility?

Mr. Dismore: On the contrary, in the past it has always been the fall guy at the bottom who has carried the can. Following the Zeebrugge disaster, Mr. Justice Sheen's inquiry made it clear that the company was riddled with failure from top to bottom. The real health and safety issue is not necessarily the failure of the supervisor on the ground floor but, much more important, the company's overall attitude. Companies should establish proper health and safety systems, and

[Mr. Dismore]

mechanisms to ensure that they are implemented. It is a question of designing in health and safety at the outset in industries such as construction.

The Committee visited the new site of the Royal Bank of Scotland, where such practices are being introduced. We were very impressed. On a building site employing some 3,000 workers, there had been only one reportable accident in the time—nearly three years—during which the site had been operating. That shows what can be achieved if management are committed to installing the right systems throughout. It is an example that could well be followed elsewhere. We ought to give judges the power, in these cases, to order the rectification of the health and safety feature that caused the problem. There is a lacuna in the law in that the Health and Safety Executive can issue an improvement or prohibition notice, but if it prosecutes, the judge does not have a similar power to put things right.

In determining the level of fines for breaches of health and safety law, we ought to take into account the size of the company's turnover. When we fine people for ordinary criminal offences, their means are taken into account. That might also deal with the issue of small businesses.

I very much agree with my hon. Friend's proposals on compulsory employer's liability insurance. I would also like there to be a register of employer's liability policies. That is particularly important in disease cases, such as those related to asbestos. As a personal injury lawyer, I sometimes had to try to track down insurers from 20 or 30 years earlier, a task that often proved impossible. There were no centrally kept records and many of the companies had gone into liquidation or out of business. A central record of insurers would enable people who, many years later, wanted to claim compensation for appalling diseases to do so more effectively.

Much has been said about the high cost of insurance premiums. The difficulty arises not from the cost of the risk that we face today but from the fact that insurers woefully underestimated the risk of claims 20 or 30 years ago. We now see cases of what are called "long-tail diseases" causing insurers to pay out, which is why insurers are now trying to recover losses on policies from 20 or 30 years ago.

Mr. Forth: Notwithstanding the hon. Gentleman's profession, does he think that the increasingly litigious blame culture in which we now find ourselves—one of the few imports from the United States that I regret—is a major contributory factor, and that, one of these days, the Government are going to have to try to tackle the problem, as the United States is trying to do in different ways, even if it would put him out of work?

Mr. Dismore: As I said, in that respect I am not in work at the moment. The idea of a compensation culture, certainly as it applies to the workplace, is simply an urban and tabloid myth. If one looks at the accurate statistics that have become available over the past few years, one sees that the number of claims on employer's liability policies has not only flat-lined but slightly declined, and the total amount paid out has flat-lined. The evidence available through the insurance industry tells the same story as that from the compensation recovery unit, which probably has the most accurate statistics on this question.

My hon. Friend the Member for Edmonton and others referred to the problem of accidents, but the Bill is not simply about trying to penalise employers after an accident has taken place; it is an attempt to create a safety culture and to prevent accidents. It is instrumental that only one in five serious accidents are investigated by the HSE. I hope that the Bill will result in increased powers for safety representatives, who may be able to plug the gap left by the HSE's inability to investigate all the accidents that it would like to investigate. I hope that it will also include the necessary preventive measures. It is bizarre that trade unions cannot directly enforce the regulations on health and safety representatives.

I recall that the document produced in 2000 by the HSE and the Government, "Revitalising Health and Safety", recommended the removal of the requirement for the consent of the Director of Public Prosecutions to bring a prosecution under the Health and Safety at Work etc. Act 1974 or the regulations on safety representatives. If the Government could find the time to do that it would be welcome because it would enable private prosecutions to plug the gap left by the HSE.

In considering penalties, it is important also to consider how we will enforce them—a question that has arisen in one or two other debates today. When I studied criminal law, I learned that the question is not only one of having the right penalties in place; another side of the triangle is making sure that those who commit an offence are more likely to be found out, because certainty of detection is as much of a deterrent as the level of the penalty that follows.

My concern is that the HSE is woefully under-resourced for the job that it has to do, and it may surprise you to know, Mr. Deputy Speaker, that this country has more Members of the House than health and safety inspectors. That may say something about the respective merits of our trades, but I think that most people would be very surprised to learn that. There is an argument for significantly increasing the number of health and safety inspectors so that we can more effectively enforce health and safety law.

The trade union Prospect suggests that there should be a significant increase sufficient to allow each place of employment to be inspected at least once every five years, and once in the first year in a new undertaking. That is a not unreasonable goal for us to try to work towards.

There is widespread support for the proposals introduced by my hon. Friend the Member for Edmonton. The evidence given to the Work and Pensions Committee shows that there is support from the Government, which I hope my right hon. Friend the Minister for Work will confirm in a few moments, although Prospect, the union that organises health and safety inspectors, has commented on the derisory nature of the fines, which have not increased since 1992.

The Institution of Occupational Safety and Health recommended that the HSE examine the case for remedial sentencing, which is the point that I have just made. It feels that employers simply do not meet their

obligations because they have not invested sufficiently in competent advice and training or paid enough attention to that.

Mr. Oliver Heald (North-East Hertfordshire) (Con): To what extent are the courts using the powers available to them in fines and sentencing? My impression is that they go nowhere near the maximum on most occasions. The problem may be the culture in the courts, although there may be good reason for awarding such fines, but would increasing the maximum make any difference?

Mr. Dismore: The hon. Gentleman makes an important point. We have a vicious circle here in that the HSE perhaps does not prosecute as much as it otherwise would simply because the fines are derisory. The fine for killing someone is only a few thousand pounds—the HSE tends to prosecute such cases—but even less for ordinary regulatory breaches, which involve only a few hundred pounds, if that. Rarely do we see million-pound fines. That has happened only once or twice, for the major railway disasters.

The HSE says, "Why do we bother tying up so much inspector time and effort in carrying out those prosecutions when the courts impose so little penalty? Are we not better using that time for enforcement inspections?" Alternatively, it could be used for the new thrust of the Health and Safety Commission policy paper, which was published a couple of months ago. It aims to rebalance the emphasis towards more educational work, to put things in general terms.

I have a lot of sympathy with the HSC in that respect, which has relatively limited resources that I would like to be increased. My hon. Friend the Member for Edmonton has a point, but how are we to change that culture? Increasing the penalties would at least send a message to those involved in sentencing that they have been too lenient. It would also create a wider range of options, along the lines that I have suggested. I recall raising some of those issues with the CBI—my hon. Friend has prayed it in aid—and asking Dr. Asherson of the CBI about that point. She accepted that sentencing had to be looked at carefully and that some elements were out of step.

My hon. Friend has done us a great service in introducing the Bill. This is not the first attempt to put such a Bill before the House, but I hope that it will be the last and that this Bill makes progress.

Gregory Barker: I note that the hon. Gentleman has been speaking for longer than the Bill's promoter and Front Benchers representing Her Majesty's Opposition. I wonder whether he is up to his old Friday tricks again. While he professes support for such a Bill, is he filibustering to talk one out again?

Mr. Dismore: I never filibuster a Bill. If I had been filibustering, I would have been brought to book by the Chair on every occasion it is alleged that I have done so, as the right hon. Member for Bromley and Chislehurst (Mr. Forth) knows.

I was about to bring my remarks to a close, but I have spoken for a little longer than might have been expected because I have taken a number of interventions from around the Chamber. This is an issue that I feel passionately about, having spent my whole working life in this area. I welcome the Bill introduced by my hon. Friend the Member for Edmonton and wish it every success.

2.14 pm

The Minister for Work (Jane Kennedy): This is my first opportunity as Minister with responsibility for health and safety to mark the fact that today the ninth victim of the explosion at Grovepark Mills in Glasgow was recovered from the ruins, leaving 42 people injured, 16 of them seriously. I want to place on the record my deep sadness and dismay at the incident and confirm that the Health and Safety Executive will investigate the causes of the disaster with its usual vigour. No doubt all hon. Members look forward with interest to receiving its report.

I compliment the hon. Member for Bexhill and Battle (Gregory Barker) on his first outing at the Dispatch Box. I am pleased with his constructive approach, as, no doubt, are other hon. Members. We join him in supporting the Bill, although I grant that there are some issues that he will want to raise, not least with me and my hon. Friend the Member for Edmonton (Mr. Love), in Committee, should we get to that stage, which I sincerely hope we will. All hon. Members, including the right hon. Members for Bromley and Chislehurst (Mr. Forth) and for Berwick-upon-Tweed (Mr. Beith), approached the issue with a constructive attitude, and I hope to deal with one or two of their concerns.

For the avoidance of any doubt, let me stress that the Government very much welcome the Bill. The proposals are entirely consistent with our overall health and safety strategy, and are additional and complementary to our other work. The courts are prevented from imposing adequate penalties in some of the most serious health and safety cases. It is important to remember that someone injured by a breach of the Health and Safety at Work, etc. Act 1974 is no less a victim than someone who is assaulted. It is vital that the courts reflect the growing condemnation that society reserves for businesses and individuals who gain at the expense of people's health and safety, or who fail to insure against the possibility of harm being done to those whom it is their duty to protect. It is wrong that a relatively small number of businesses can gain a commercial advantage from putting at risk the lives of their workers and members of the public, or from failing to insure their liabilities to their employees.

The Bill would not change the requirements on business, as my hon. Friend the Member for Edmonton said, but it would help to ensure that sentences for health and safety offences can more easily be set at a level that deters those tempted to flout the law. It is for the courts to decide the appropriate penalty for the health and safety offences brought before them. By extending the £20,000 maximum fine available to the lower courts and making imprisonment an option for most offences, the Bill would give the courts the full scope to exercise their discretion and judgment. It would also significantly improve the main penalty provision of the Employers' Liability (Compulsory Insurance) Act 1969.

Penalties currently imposed by the courts on employers who fail to insure are low, yet the offence can have very serious consequences. Employees who fall

[Jane Kennedy]

victim to an employer's failure of health and safety management would much prefer not to have been disabled or made ill. It is a great injustice if they cannot be compensated because their employer broke the law by not insuring his liabilities. Not only does non-compliance reduce the protection for employees, but it transfers the liabilities to the taxpayer when the employer is negligent and gives the unscrupulous an unlawful competitive advantage.

The House knows that we recently conducted a major review of employers' liability compulsory insurance, and we are working to deliver the resulting recommendations. Hon. Members expressed concerns about the level of premiums that businesses will face. I reassure them that we recognise that too many businesses have faced steep price increases, late renewals and premiums that fail to reflect their health and safety record. The market has not failed, but it has not worked well enough. We are taking forward the recommendations of the industry review, the detail of which I shall reserve for our discussions in Committee, when hon. Members will have an opportunity to probe further the Government's approach to the problem.

We have shown that we have recognised the problems in the market. We are committed to helping companies to find the appropriate cover, but as well as helping responsible businesses, we need to provide an effective deterrent to this type of offending. The Bill seeks to provide one. We welcome it, and I hope that it receives a fair wind.

2.20 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): What a marvellous day in the House of Commons, with lots of Bills under consideration and lots of progress being made. I am sure that that is a very good thing.

I start by answering the question that the hon. Member for Edmonton (Mr. Love) asked, because it gives me the opportunity to put on record yet again one of my very favourite quotations. He asked me whether I opposed all private Members' Bills, and my answer is to give a quotation from none other than Winston Churchill himself. In 1931, before the Select Committee on Procedure, he said:

> "I am not very anxious to help private Member's Bills. I have seen a great many of them brought forward, and in most cases it was a very good thing that they did not pass. I think there ought to be a very effective procedure for making it difficult for all sorts of happy thoughts to be carried on to the Statute Book."

Sir Winston Churchill, none other. I have always subscribed very much to that view, and that is my answer to the hon. Gentleman.

Those here present who are here every Friday, of whom I can see only one, namely the hon. Member for Hendon (Mr. Dismore)—*[Interruption.]* And of course yourself, Mr. Deputy Speaker, I do apologise. Those Members will concede that I have on occasion been happy to allow progress to be made by—*[Interruption.]* And, I am reminded, that also here present is the Government Whip, the hon. Member for West Carmarthen and South Pembrokeshire (Mr. Ainger), lurking silently and sinisterly just to make sure that everything is as it should be. I apologise to him for not giving him that credit.

I hope that those hon. Members will recognise that I have on occasion been happy to support private Members' Bills and to allow them to make progress. Where I think that a private Member's Bill is modest in scope, is uncontroversial and involves no cost to the taxpayer, I believe that it should in most cases make progress. That has always been my view and it remains my view. However, if such a Bill is, by contrast, controversial, complex or significant in its scope, then I think that it should properly be a Government Bill.

This Bill almost certainly comes into that category. It is all very well for—*[Interruption.]* The Minister is sighing. I welcome her to her new responsibilities. She will not know this, but I myself was the Minister responsible for health and safety, way back in the good old days between 1990 and 1992 in the old Department of Employment, so I know a little of what I speak and of what I am about to say. I visited construction sites with my hard hat on as the Minister with responsibility for the Health and Safety Executive, and I was responsible for the HSE's budget. Today, my remarks will not be made out of complete ignorance or prejudice, which I know that some Members believe is often the case. On this occasion, they might actually be slightly informed.

Mr. Dismore: On the question of being informed, the right hon. Gentleman said that he was the Minister with responsibility for the Health and Safety Executive between 1990 and 1992. Will he clarify whether he supports the work of the HSE and wants to help it to improve its enforcement activities?

Mr. Forth: The hon. Gentleman would have to ask the HSE what its view was at the time. I hope that I discharged my responsibilities in a proper manner and gave it full support as the sponsoring Minister.

In a spirit of generosity to the Minister, I just want to remark that she looks so disappointed that the Bill is not going to float through the House today and into Committee, where she is so anxious to be able to let us know the Government's attitude. I am sorry, but her hon. Friends have already taken up quite a lot of time today—longer than I will have been on my feet by the time it gets to 2.30 pm, I should remind her. The House has been extraordinarily generous in its attitude to Bills today, but that generosity has just run out. The Minister will have to find another way forward. She will either have to persuade her hon. Friend the Member for Edmonton to find a different way to get the measure to make progress or—here is a really radical thought—perhaps the Government should make this a Government Bill.

This is a Government Bill anyway, we all know that. We all know that an alarming proportion of the Bills that pass through this House are Government Bills in very thin disguise, except for the many, many Bills that, as I reminded the House earlier, are killed by Ministers. The Minister should be aware of the fact that on every private Members' Friday this year, her ministerial colleagues have talked out six Bills from the Front Bench—I can provide her with the list of them that I have compiled, if she wants to see it. The other two were talked out by the hon. Members for Hendon and for Greenock and Inverclyde (David Cairns). The Minister must therefore not be too disappointed if this Bill does

not make progress today, because her colleagues—Ministers in this Government—have been responsible for the demise of several Bills already this year. But I do not want to get too bogged down in that matter, Mr. Deputy Speaker. You want me to get on to the Bill, and I shall be only too happy to do so.

We have already seen, from the analysis that has been offered to us by the promoter of the Bill, and by the hon. Member for Hendon and the right hon. Member for Berwick-upon-Tweed (Mr. Beith), that there is a real tension between what we want to achieve and the downside risks involved in trying to achieve it. This is something that often surfaces in public and governmental life: a desire to see an objective obtained, either by legislating—as we have just seen in the case of the Sex Discrimination (Clubs and Other Private Associations) Bill—or by imposing penalties. We often have to measure this kind of thing against the likely results that could arise.

In this case, it has already emerged that one of the real risks of the Bill is that businesses—mainly small businesses—could be so adversely affected by it that we might suffer a significant loss of employment. I well recognise the dilemma involved. The right hon. Member for Berwick-upon-Tweed gave us an example in his excellent speech of a small business involved in a hazardous pursuit—in this case, mining—being faced with the dilemma of whether to continue with insurance cover, which can be very difficult and expensive to maintain, or to go out of business because it could not obtain or afford such cover, in which case the unfortunate man whom the right hon. Gentleman mentioned would be unemployed instead of risking being seriously injured down the mine.

That is a dreadful dilemma, to which there is no obvious answer. There will certainly be no obvious answer to the people most directly involved. It is all very well for us to theorise about these matters, with a Bill in front of us and the best of intentions—as ever we have in this place—but we must always have regard to the realities of the people out there who are struggling to make a living, striving to build a business and undertaking the difficult responsibilities involved in employing other people. So when we come to consider this kind of measure, we should look at all these things in the round.

In that regard, the hon. Member for Edmonton was typically honest and straightforward in saying that, among the representations that had been made to him were a number from the CBI, the Institute of Directors and the Federation of Small Businesses, all of whom predictably said, "Of course we agree with the objectives of the Bill, but—". That "but" is very important. They seemed to be arguing, on the one hand, that the custodial sentences built in to the Bill may well be too harsh, and on the other, that small businesses could be so adversely affected by the Bill that many of them could be driven out of business altogether.

It is also worth noting—this is just a footnote at this stage—that at the very time when complaints are being made about bulging prisons, the excessive prison population, and people being in prisons who should not be there, we are introducing yet another measure that at least has the potential to put more people into prison. It is for us to judge whether custodial sentences are desirable, and we shall make that judgment if the Bill makes any further progress, but let us at least take a sideways glance at the fact that at the same time as we and our colleagues are complaining bitterly about people being put in prison, we are being urged to support a Bill that would exacerbate the problem.

Employer's insurance forms a major part of the Bill. As I said in an earlier intervention, we should look at the advisability of incorporating into the Bill a specific amount in regard to fines and penalties. I have often come across this issue over the years—

It being half-past Two o'clock, MR. DEPUTY SPEAKER *adjourned the debate without Question put, pursuant to Standing Order.*

Debate to be resumed on 16 July.

Remaining Private Members' Bills

CIVIL SERVICE BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 16 July.

GENETICALLY MODIFIED ORGANISMS BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 18 June.

CRIMINAL JUSTICE (JUSTIFIABLE CONDUCT) BILL

Order read for resuming adjourned debate on Question [30 April], That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 21 May.

Health Services (West Worcestershire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Ainger.]*

2.31 pm

Sir Michael Spicer (West Worcestershire): I begin by thanking the Minister for his courtesy in seeing me earlier this week. For each of us it was a useful dress rehearsal for the debate.

There are two root causes of the health service crisis in West Worcestershire and, in particular, of the problems facing my constituency. The first is the extraordinary overspend by the Worcestershire Acute Hospitals NHS Trust, especially by the new Worcestershire Royal hospital. The second is the retrospective decision last year by the Government to cap the funding of eight out of 13 South Worcestershire primary care trust GP-based capital projects.

Since the national health service is a centrally directed public service funded almost exclusively by the taxpayer, the Government must ultimately take responsibility for a situation that in Worcestershire threatens to cut the present quality of health services. That is despite the fact that the Government have raised taxes, ostensibly in order to provide for better health services. Worcestershire is a good example of the coincidence of taxes going up steeply and the quality of services threatening to decline.

Two particular matters are currently in the forefront of the minds of many of my constituents. The first is the question of the threat to the provision in my constituency of new GP medical centres in Malvern, Upton-upon-Severn and Pershore. These centres were part of a list of 13 projects submitted for approval by the Government, of which only five were actually approved. The Government argue that at no time did they indicate that all 13 would be approved. I am told that that does not accurately reflect the practice that was in place before the Government changed the rules, in this instance after some of the preparatory contracts had been placed.

The position before the rules were changed was that the non-cash-limited programme received almost automatic approval once it had been cleared by the local health authority. This may not have been good practice, but it was the system under which health authorities made their plans and let out their contracts. I do not necessarily quarrel with the Government's judgment in tightening these rules. I do question the way in which they did it. What has thrown the system in Worcestershire into disarray has been the fact that the new rules were introduced without warning and with a retrospective effect on local plans and contracts. I understand that that may even have made the South Worcestershire primary care trust liable to be sued for damages.

One particular GP practice scheme has been put at risk, and if it does not go ahead it will have a severe knock-on effect that could threaten the building of the new community hospital at Pershore. Capital has been allocated for the building of the Pershore hospital by the Wychavon district council on the basis of the return in rents from the hospital itself and the medical centre that is to be housed in the overall premises. Without the rent from the medical centre, which is now under threat, the building of the hospital is unlikely to go ahead, at least for the time being. That will cause grave anguish and if it happens it will be a tragedy for the people of Pershore, who deeply value their existing community hospital and who have been led to believe that a start to building a new one will be made later this year.

The Government now say that it is up to the strategic health authority and the primary care trusts in Worcestershire, Warwickshire, Coventry and Herefordshire to prioritise their investment projects within the overall budget. As a matter of fact, they are trying to do just that in a meeting that is going on as we speak. The task would have been made immensely easier if the policy had been introduced in a less erratic fashion and with proper warning. False hopes would not have been raised and contracts would not have been entered into. Those involved would have been able to plan on a more realistic basis. As it is, an immense amount of work has gone into preparing the projects, some of which will, presumably, be delayed well into the future at best. Frankly, that is not good enough. The Government should be prepared to reconsider their position—certainly with respect to the four medical centres that it had been thought would be built in my constituency over the next few months. Under the old rules, they certainly would have been.

The second big issue facing the health service in Worcestershire is the uncertainty that now surrounds the future of the general practitioner contracts, which were signed nationally months ago. The Government and their local agencies are legally committed to them. In the case of Worcestershire, there is grave doubt on the part of health officials—and, indeed, among the doctors themselves—about how the contracts are to be fully implemented.

Three aspects of the contracts are causing particular concern. First, there is the so-called quality formula, by which doctors are paid for achieving standards in respect of a range of some 1,050 quality points. Some might argue that that is a pretty bizarre way of paying doctors, but it is what the agreed contracts say. The particular problem for the South Worcestershire PCT is that funding the quality aspect of the contracts is based on the notion that doctors will achieve, on average, 750 quality points. In Worcestershire, where the quality performance has been high, doctors are averaging around 900 points. That alone is putting pressure on the PCT budget.

Then there is the vexed question of out-of-hours service. There does not seem to be even a basis for an agreement here. It is not yet clear how many GP practices want to take part in the service—or, critically, at what hourly rate. Some people are talking about £80 an hour to cover the cost of doctors being called out at night, but the PCT does not have the funds from central Government to pay those rates without cutting other services. The same is true of the more discretionary elements in the contract, such as preventive counselling services, GP operative services, drug abuse prevention and so forth. Each of those and similar discretionary services are at risk—at least in their present form.

I am told that all this adds up nationally to underfunding the agreed GP contract arrangements to the tune of about £1 billion. If so, this is another

example of central Government laying down detailed targets and directions without providing the necessary funding to meet them.

The Worcestershire health service has a particular problem, in that it must try to meet the requirements in the context of closing an acute hospital deficit of more than £200 million for a two-year period. It is no good the Government passing all the blame to its local agents—for that, in a nationalised health system, is exactly what they are: local offices of a central Administration. Under a centralised command system—which is what the NHS is, however it is dressed up—the responsibility lies at the centre and with the Minister. This is especially true of a Government prone to setting detailed targets and giving strict instructions on objectives. Such a Government are especially ill suited to claiming that it is someone else's fault down the line when things go wrong, as they certainly are in Worcestershire.

It is true that more money has been allocated, but the problem is that the imposed costs have grown faster than the revenue. For this reason, there are now the makings of a financial crisis in the health services in Worcestershire, and it is the Government's job to find a way out.

Matters may not be quite so dire where the finances are to an extent ring-fenced. An example is the proposed building of a new community hospital in Malvern. In this case, a business plan can be created whereby the proceeds of the sale of the existing hospital are applied to make the project viable. The Minister need merely give the plan his blessing and encourage all concerned to implement it as soon as possible—preferably within the next few months.

As for the rest, the Government must either lower their sights and shut down the rhetoric and hyperbole, or up the ante, which will mean even higher taxes. This is a dilemma of their own making: it was they who claimed that the nation's health problems would be cured simply by throwing more money at them. Live by spin and die by spin. The problem for the Government is that the reality has taken over from the spin. In Worcestershire at least, the money has not matched the rhetoric and there is now a crisis in the health service. I look forward to the Minister's response.

2.42 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): First, I congratulate the hon. Member for West Worcestershire (Sir Michael Spicer) on securing this debate and on the interest that he has shown in the matter. As he said, we have already met this week, we have exchanged comments at oral questions on a number of recent occasions, and we have corresponded. The same goes for some of his Worcestershire colleagues. I know that he takes a great interest in this.

Before I answer the hon. Gentleman's specific points, let me put the health situation in his constituency in context, because, with the greatest respect, his final comments took it well out of context. First, I must emphasise that South Worcestershire primary care trust is responsible for commissioning health care in west Worcestershire. We have shifted the balance of power to the front line of the health service, quite deliberately, so, contrary to his opening comments, Ministers no longer make local decisions—they are made by local people with local knowledge. The idea of a central command and control system is something that this Government abandoned. I do not know whether he is suggesting that, were his party to return to power, it would reinstate it, but I know that it would be a disaster.

That process of local decision making and substantial extra resources have meant that the dedicated and hard-working NHS staff in Worcestershire have been able to deliver some remarkable achievements. It is a shame that the hon. Gentleman does not mention them a little more often.

For example, in 1997 it was common for patients to wait 18 months or longer for in-patient treatment, but in the South Worcestershire primary care trust area since March 2003, no patient has had to wait more than 12 months for in-patient treatment, and by the end of March this year, no patient was waiting more than nine months. Waits for appointments with GPs are coming down, too. In December 2003, all patients in south Worcestershire could be offered an appointment with their GP within two days. Out-patient waits are also coming down. At the end of March, nobody was waiting for more than 17 weeks for a first out-patient appointment. At Worcestershire Acute Hospitals NHS Trust, 98 per cent. of patients suspected of having cancer are seen by a specialist within two weeks of an urgent referral. Since the PCT was established in 2002, the number of GPs has risen from 172 to 201. At the acute trust, the number of consultants has risen from 144 at its formation in September 2000 to 175. There are also more nurses, therapists, midwives and health care assistants. I could go on and on.

Let me also put the record straight on funding. In 1996–97, the former Worcestershire health authority spent £623 per head on health services for its population. By 2002–03, South Worcestershire PCT spent £894 per head. The final accounts for 2003–04 are not yet available, but South Worcestershire PCT received an 8.9 per cent. increase for 2003–04 and a further increase of 9.7 per cent. for 2004–05, and it will receive another increase of 9.2 per cent. for 2005–06. That will, by then, equate to an allocation of £1,061 per head. In other words, there has been something in the region of a 70 per cent. increase in spending per capita on health services for the residents of south Worcestershire. Whatever tough decisions and problems have to be faced, they are the problems that come with managing growth, not the problems of past years when decision makers had to manage decline and decide which services to cut. That is the context in which we must discuss the specific issues raised by the hon. Gentleman.

I shall start with the GP contract. I am aware of local media speculation that there is a risk of doctors being laid off. Frankly, it is untrue and misleading to say that South Worcestershire PCT will have insufficient funds to honour the new general medical services contracts. There has even been a suggestion that there is a £1 billion shortfall nationally. That is completely unfounded. The new contract is accompanied by an unprecedented increase in the funding available for primary care. Over the three years of the deal, investment in primary care will rise by a third, and that investment is protected by the gross investment guarantee. The new GMS contract represents an

[Dr. Stephen Ladyman]

excellent opportunity for GPs. Over the current three-year period, funding in primary care across the UK will increase by 33 per cent. from £6.1 billion in 2002–03 to £8 billion in 2005–06.

I should also point out that the contract was negotiated and agreed by the British Medical Association and the NHS Confederation, and all the GP practices in south Worcestershire have signed up to it. Revenue streams are in place to pay for primary care services. We have given practices permanent protection through a minimum practice income guarantee so that no practice loses out under the new formula. South Worcestershire PCT has been allocated £21.8 million to provide primary care services for 2004–05, some £5.4 million of which is for the minimum practice income guarantee. Under the new system, resources will be allocated more fairly on the basis of patient need, practice work load and costs. That surely represents progress and reflects the Government's determination to modernise the NHS.

Sir Michael Spicer: Part of what the Minister is saying is, "It's not me, guv. All this is not my responsibility." If that were the case, one would be tempted to ask what the point of his job is and why he does not do something else. Of course, it is not the case. The fact is that the Minister gives out the money, and he who calls the piper plays the tune.

The Minister will surely accept that the GP practice arrangements were largely negotiated by the Government. He is being disingenuous in saying that he has no power or responsibility and that it has all been devolved. The local people are agents of his, in effect.

Dr. Ladyman: My job, and the job of my colleagues in the Department of Health, is to set the national framework within which local decisions must be made. In the old days, I agree, Ministers at the centre set the national framework and made decisions about how it was to be implemented locally. Now, though, we have a quite clear distinction between my responsibility as a Minister to agree national priorities and set the framework and the responsibility of local managers to deliver and to make the choices that matter to local people. I am sorry that there appears to be someone in his local PCT, presumably someone in a position of seniority, who ought to know what their responsibilities for managing the local situation now are, but does not seem to have grasped that yet, and still thinks that they can harp back to the old days, when we took all the decisions, the responsibility and the blame. That is now very much the job of people in the local PCT.

The hon. Gentleman is right to say that we negotiated the GP contract, but we did that with the NHS Confederation, which represents all the people on the front line, and with the representatives of the doctors themselves. Having done that, we then provided the money needed to implement it. I believe that the local PCT has the resources that it needs, and the power to implement the contract in a way that will benefit the local population.

The other part of the issue that the hon. Gentleman raised was the quality and outcomes framework, which is part of the general medical services contract. GP practices are being rewarded for their performance against a number of quality indicators by scoring points. A point is worth £75 in 2004–05 and £120 in 2005–06 for the average practice. Practices could score a maximum of 1,050 points.

Practices receive three types of payment: quality preparation payments to help practices get ready for the new scheme, quality aspiration payments, which are paid up front to help fund practices' quality achievement, and quality achievement payments—a reward for the final level of quality service achieved. Practices will agree with their PCT what level of points they aspire to achieve for the year ahead, and I am informed by West Midlands South strategic health authority that the average score for GP practices in south Worcestershire is 940 points, which reflects the perceived high standard of primary care provision in the area covered by the trust.

It remains to be seen how well practices perform against their aspirations. We have no way of knowing at this stage of the year whether practices will achieve their aspirations. As one would expect, some will perform better and some will perform below expectations.

The NHS Confederation and the general practitioner council agreed that a budget of more than £500 million for quality arrangements across primary care would be realistic. That sum forms part of the gross investment guarantee. From this, primary care trusts have already or will soon receive full funding for the quality preparation and quality aspiration payments that they need to make.

Funding for quality achievement payments is currently held by the NHS bank. This is in line with the principles of "Shifting the Balance of Power", and is sensible as accurate allocations for achievement cannot yet be made, and the differences between aspiration and achievement will need to be managed.

Sir Michael Spicer: The word "managed" is a euphemism for saying that if the notional amount were 750 quality points and the budget were based on that, if others, because of good quality in the past, have a much higher total of quality points, there will be a shortfall in the money. The result of that could be a deterioration in quality, because presumably people will try to get lower points, if they can, which is surely a step backwards.

Dr. Ladyman: That is not the situation. The money for achievement is being held by the NHS bank, and it will be distributed according to where it is necessary to meet the quality points targets in any particular area. There is no reason to believe, and I certainly do not believe, that the hon. Gentleman's PCT will be underfunded when the achievement money is ultimately distributed.

I believe that high-quality primary care is worth paying for, and I am advised that the South Worcestershire primary care trust has identified the quality payments as a priority for investment, so I do not share the hon. Gentleman's concern that the scheme will impose unacceptable pressure on the trust's finances.

As for health centre developments, under the new contract there have been some changes to the method of funding GP premises development schemes. However, it

is important to understand that the new contract was launched on 1 April 2004 and that decisions on the allocation of funding for new premises had to be taken well in advance of that date. It was for that reason that the mid-financial year date of 30 September 2003 was chosen as the point by which contracts had to be signed if health centre developments were to be funded under the old system. It was also important to use the date of 30 September so that the business cases for those developments could be properly evaluated. That decision was taken retrospectively to ensure that there was no "dash for the cash", with trusts submitting bids that were not robust.

Given the interest that the hon. Gentleman has taken in the issue, perhaps he should know that none of the eight bids submitted by South Worcestershire primary care trust in March this year to West Midlands South strategic health authority was robust enough. For example, I am informed by West Midlands South strategic health authority that the local authority rates were not included in the costings. In other words, even if we had not introduced a cut-off point, the bids would have been inadequate at the end of the year. It is frankly baffling that anyone could form the view that the PCT was in a position to enter into contracts. I should also like to stress that there has never been an open-ended commitment to fund all GP aspirations for premises developments.

However, based on information provided by the NHS, we have allocated significant funds to PCTs to support them in meeting existing commitments. The new arrangements include additional funding for new developments that will be prioritised and agreed locally. In 2004–05, nationally, a total of £534 million has been made available for primary care premises, due to rise to £655 million in 2005–06.

Under the new arrangements, decisions about prioritisation of growth funding for premises development in West Midlands South strategic health authority rest with a planning group comprising the eight PCT chief executives or nominated deputies. They have already met to agree the criteria for deciding the funding for individual projects and they are due to meet before the end of May to assess all the bids. Before that meeting, the chief executives have been asked to prioritise the schemes in their PCT.

South Worcestershire PCT will use the draft criteria that were decided in the group to assess its schemes. Of the eight south Worcestershire developments that have gone forward to the new working group, I understand that there are five health centres in the hon. Gentleman's constituency. The hon. Gentleman said that there were four but I am happy to discuss that with him later.

Two health centres are in the constituency of the hon. Member for Mid-Worcestershire (Mr. Luff) and one is in the constituency of my hon. Friend the Member for Worcester (Mr. Foster). Each hon. Member is doing his very best to lobby for his constituency interest. That is right and proper but it also demonstrates why it is right and proper that the decisions on prioritisation are taken locally.

Finally, I would like to say a few words about Worcestershire Acute Hospitals NHS trust, and especially about its financial position. I know that the hon. Member for West Worcestershire believes that that has generated what he perceives to be a crisis in the local area. I take a different view. Hon. Members will know that the trust was recently criticised by the National Audit Office for its financial management. The NAO report related to the 2002–03 financial year. Since then, the Worcestershire Acute Hospitals NHS trust has appointed a new chief executive and director of finance. A financial recovery plan has also been agreed with the West Midlands South strategic health authority and the trust is expected to break even at the end of the current financial year. The strategic health authority has told me that it has confidence in the new team to deliver the balance.

The hon. Gentleman is bound to be concerned about the financial contribution that South Worcestershire PCT will have to make towards the trust's recovery plan. Following my meeting with the hon. Gentleman earlier this week, I asked West Midlands South strategic health authority to confirm the amount that South Worcestershire PCT will be contributing towards tackling the financial difficulties at the Worcestershire Acute Hospitals NHS trust. I am now informed that each of the Worcestershire PCTs will be contributing 2 per cent. of their total allocation. In the case of the South Worcestershire PCT, that equates to £4.4 million, and the PCT has agreed to that. However, the South Worcestershire PCT's funding allocation will have grown by an unprecedented £60.6 million over the current three-year period, which places the amount they must contribute in context.

I should also like to reiterate that the health community in Worcestershire, along with the strategic health authority, must resolve the issues themselves as otherwise the burden would fall on the users of health services further afield.

I hope I have shown that we are putting decision making where it needs to be—in the hands of the local NHS —and that although the challenges raised by the hon. Gentleman must be faced they are not insurmountable. The money is there and I believe his fears are baseless. I have no doubt that we shall discuss the matter further in the weeks to come and I am happy to meet him again once he has had an opportunity to reflect on my comments and to see how things develop locally.

I can assure him that the local PCT is genuinely in a position for decision making. It has the power to make decisions and the resources with which to make them.

Sir Michael Spicer: The figure that the Minister gave as the contribution towards the hospital is more than would be required to build the health centres.

The motion having been made after half-past Two o'clock, and the debate having continued for half an hour, MR DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at Three o'clock.

House of Commons

Monday 17 May 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Iraq

1. **Dr. Vincent Cable** (Twickenham) (LD): What estimate he has made of the expected cost to the Government of maintaining a military presence in Iraq in financial year *(a)* 2004–05 and *(b)* 2005–06. [173149]

The Secretary of State for Defence (Mr. Geoffrey Hoon): Before I answer Question 1, may I apologise for the absence of my hon. Friend the Minister for Veterans, who is representing the Government at today's commemoration at Monte Cassino?

Of the £3.8 billion the Chancellor has set aside for operations in Iraq, £850 million was spent in 2002–03 and a further £1.5 billion was drawn down in supplementary estimates in 2003–04. Precise future costs are difficult to forecast.

Dr. Cable: After that vague reply on the future, why can the Secretary of State not be as honest with the House about the cost of the war as Mr. Rumsfeld is being in the United States? Will he confirm that net costs to the taxpayer currently run at about £125 million a month, excluding Ministry of Defence and Department for International Development costs incurred through the occupation?

Mr. Hoon: The hon. Gentleman knows that I am always honest with the House. The figures that he sets out are roughly consistent with those that I indicated for 2002–03 and 2003–04. He is an economist by trade, but I am sure that he is good at long multiplication.

Mr. Tam Dalyell (Linlithgow) (Lab): Will the Secretary of State promise the House that, whatever else may be skimped on and however much it costs, equipment to protect our forces from the searing, debilitating heat in Iraq from June to September will not be skimped on? We ask a great deal of our soldiers, who should not suffer in that heat because we have failed to act.

Mr. Hoon: I am grateful for my hon. Friend's concern and know that he speaks from a good deal of experience. I assure him that all MOD Ministers and, indeed, the chiefs of staff are prepared to make such an undertaking and that conditions for soldiers in the field today are infinitely better than they were when he served his country.

Mr. Peter Viggers (Gosport) (Con): What is now our mission in Iraq?

Mr. Hoon: Our mission in Iraq is to restore Iraq to the Iraqi people, to ensure a peaceful handover on 30 June and to ensure, as best we can, that we build a democratic, effective society in Iraq that allows it rightfully to rejoin the international community.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The right hon. Gentleman knows that the sums are very large. He will understand that many hon. Members feel that we should not be in Iraq in the first place and are concerned by the lack of a clear strategy. Does he think that the budgetary proposals should be subject to a specific vote in this House of Commons?

Mr. Hoon: Such opportunities are, of course, available, if hon. Members choose to use the procedures. The right hon. and learned Gentleman has been in the House a great deal longer than me and probably knows the rules better than I do. Such opportunities are available to hon. Members, should they choose to pursue them.

Royal Air Force

2. **Mr. Jonathan Djanogly** (Huntingdon) (Con): If he will make a statement on manning levels in the RAF. [173150]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): On 1 April 2004, the trained strength of the regular Royal Air Force was 48,740, which represents a deficit of 830 against the current requirement.

Mr. Djanogly: The reduction in the RAF's manning requirement, some 4.5 per cent. over the past four years, is the largest out of all the services. Despite that, the manning deficit is, as the Minister says, growing. Does he consider that effective management and, given the proposed base closures and the scrapped Typhoon and joint strike fighter orders, does he have any idea of future RAF required numbers?

Mr. Ingram: The hon. Gentleman lives in a dream world and is extrapolating his argument from predictions. Recruitment for all three services clearly faces some difficulties and we throw a lot of effort at it. The more people speak up for the armed forces, the greater the chances of success; constant carping and criticism undermine both retention and recruitment.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is the Minister aware of the concern in Norfolk about the proposed closure of RAF Coltishall and the removal from service of the Jaguar? That comes on top of the Eurofighter, which has had its cannons removed on cost

grounds, and the joint strike fighter, which is apparently too heavy to land with a full payload. Does he feel that he is letting the RAF down?

Mr. Ingram: I know who has let down the RAF in the past and we are recovering from those errors of judgment, which occurred across the three services. Again, the hon. Gentleman bases his arguments on press speculation, and I suggest that he wait for a decision—if a decision is made—and make a judgment call on it. His approach adds to the negativity created by the hon. Member for Huntingdon (Mr. Djanogly).

Angus Robertson (Moray) (SNP): The Minister knows that large-scale restructurings are taking place among various trade groups in the Royal Air Force and that the defence airfield review teams—DARTs—have been examining different base structures. I am sure that he agrees that it is important to have a communications strategy to tell people on the bases about impending changes in a robust and informative way. Is he confident that such a communications strategy exists to minimise unnecessary anxieties on bases such as RAF Lossiemouth and Kinloss?

Mr. Ingram: I would be worried if we were not communicating the matters that we are currently considering. Of course, the end-to-end strategy, which takes into account land and air, has identified significant areas of potential efficiency within uniformed personnel and the civilian support elements, whether directly in support or in industry. I hope that the hon. Gentleman would support such measures to ensure that we extract maximum efficiency so that every pound that has been spent goes to the front line. That is part of what drives our actions. I shall examine existing communications because I appreciate that much effort has gone into ensuring that our people are fully aware of why we are acting, the possible consequences and the benefits that can flow from it.

Mr. Gerald Howarth (Aldershot) (Con): Since manning depends on the aircraft available, when does the Minister expect the Typhoon and the seriously overweight joint strike fighter, to which my hon. Friend the Member for Huntingdon (Mr. Djanogly) referred, to be in full operational service? Is not it the case that, if the proposed savage cuts reported in the press occur, they will reduce the RAF to a level below the critical mass necessary to maintain a credible air superiority capability for the United Kingdom?

Mr. Ingram: The answer has not changed from that about which the hon. Gentleman has been told. There is nothing new to change the in-service date. Again, he refers to press speculation and extrapolates from that a doom-laden scenario for the RAF. Let us talk up the RAF for a bit.

Bosnia and Herzegovina

3. **Mr. John Wilkinson** (Ruislip-Northwood) (Con): If he will make a statement on the progress made in delineating tasks between the EU and NATO in Bosnia and Herzegovina. [173151]

The Secretary of State for Defence (Mr. Geoffrey Hoon): Work continues on the precise delineation of tasks between the EU and NATO in Bosnia and Herzegovina in anticipation of the withdrawal of the stabilisation force, SFOR. We would expect the EU force in Bosnia to provide the security framework to enable political and economic development to continue. NATO's continuing role will be to focus on defence reform, including advising the Bosnians on NATO accession and some operational tasks, including counter-terrorism and support of the International Criminal Tribunal for the Former Yugoslavia.

Mr. Wilkinson: Does the Secretary of State agree that, if the EU is to take over the principal stabilisation role from NATO by the end of the year, as planned, the EU force will have to have sufficient manpower and resources to carry out its job effectively and that there should be no overlap, turf wars or differences of approach but co-ordination and co-operation between the EU and NATO in Bosnia? Will a British officer command the EU force?

Mr. Hoon: Let me deal with the general principle first. The hon. Gentleman is right that there needs to be absolute clarity about the responsibilities of the EU force and any continuing EU activity in the area. That is why, as I said to hon. Members a few moments ago, we are engaged in detailed discussions to prevent any such overlap and confusion of roles. We are working towards that before any decision is made on the future of SFOR, as he acknowledged in his question. That decision has not yet been made.

Mr. Jim Marshall (Leicester, South) (Lab): My right hon. Friend knows that the EU wishes to be perceived as a major player in the international sphere on maintaining security. Does he believe that that is sufficient reason for dividing security between the EU and NATO in Bosnia and Herzegovina? Since we are considering a Berlin-plus operation, will any non-EU European NATO allies be involved in it?

Mr. Hoon: In a sense, my hon. Friend answered the first part of his question with his reference to Berlin-plus. Arrangements have been established to allow the EU to take advantage of the military assets available to NATO. That was part of the agreement known as Berlin-plus and it will underpin any EU operation in the Balkans. It is important to recognise that not all EU members are necessarily members of NATO. It is right that we should take advantage of their military capabilities to develop the sort of operation for which Europe in particular should be responsible in its sphere of influence. The Balkans is clearly within that. It is right and proper that, if it is decided to end SFOR, the EU should take over.

Infantry (Urgent Deployments)

4. **Tim Loughton** (East Worthing and Shoreham) (Con): What assessment he has made of the *(a)* adequacy and *(b)* availability of British infantry to respond to additional urgent deployments. [173152]

The Secretary of State for Defence (Mr. Geoffrey Hoon): A number of British infantry units are routinely held in reserve at very high readiness to deploy. This

ensures that the Army always has prepared troops available to respond to additional urgent deployments. The adequacy of this system was perfectly illustrated by our extremely swift response to the recent difficulties in Kosovo. The spearhead land element, in this case the 1st Battalion the Royal Gloucestershire, Berkshire and Wiltshire Regiment, deployed to theatre in less than 24 hours, undertaking its first patrol the very next day.

Tim Loughton: That of course is nothing new, but given the massive overstretch facing the infantry battalions of the British Army as a result of the concurrent operations overseas, and the fact that they now face the prospect of non-combat activities in the UK to deal with fuel tax protesters and possibly another firemen's strike, at what point does the Secretary of State anticipate that infantry availability will run out?

Mr. Hoon: The absolute determination of the Opposition to talk down the skills and successes of our armed forces is remarkable. I have just given the hon. Gentleman an excellent illustration of just how ready and available our armed forces are. Within days, they are able to go out on patrol and conduct extremely effective operations in Kosovo, but what happens? The hon. Gentleman talks them down. That is becoming typical of the Opposition as a whole.

Mrs. Alice Mahon (Halifax) (Lab): Will the Secretary of State give the House a vote on the possible deployment of more troops to Iraq? If not, will he give us an assurance that any such deployment will be in the areas where our troops are now, and not in the positions that the Americans are asking us for?

Mr. Hoon: My hon. Friend has been in the House for much longer than I have and knows full well that decisions on whether votes are taken are a matter for the House. We keep under constant review the question of the number of troops required in Iraq. We have from time to time increased that number in response to specific requests from commanding officers on the ground. Nothing has changed about the situation. I am sure that she and other hon. Members recognise that, if there were an urgent request for extra troops, it would be the responsibility of the Government to satisfy that request, before the possibility of any House of Commons vote.

Bob Russell (Colchester) (LD): In how many countries are British troops currently deployed?

Mr. Hoon: Quite a number.

Mr. Keith Simpson (Mid-Norfolk) (Con): I thank the Secretary of State for that accurate answer. Members on both sides of the House recognise the fact that infantry battalions are the workhorses of the British Army. They are vital in both military operations and peacekeeping. There are few other armies in which the infantry can move as easily from one aspect of operations to another as our troops can. However, the Select Committee, the chiefs of staff and the former Chief of the Defence Staff have all indicated time and again that the Army is suffering from serious overstretch, particularly in the infantry. The decision to put the 1st Battalion the Black Watch on stand-by for reinforcing Iraq is an illustration of just how serious that situation is. That regiment has just returned from a tour of duty in Iraq and is now the UK land forces training battalion at Warminster. If the MOD now has to deploy training units, what infantry will be left for further urgent deployments?

Mr. Hoon: Here we go again. The Opposition are absolutely determined to talk down every aspect of the considerable success of the armed forces. Whenever I give illustrations—as I do repeatedly from the Dispatch Box—of just how successful we are, not only in the armed forces but in the management in the Ministry of Defence, all we get from the other side is this determined effort to run down our armed forces.

Mr. Brian Jenkins (Tamworth) (Lab): Does my right hon. Friend agree that, if we ask our armed forces to undertake duties on behalf of our country, we should reward, defend and protect them? If it comes to a point at which they are overstretched, can he estimate how much it would cost to equip and man the extra five infantry regiments that the Opposition are talking about, and where would the money come from?

Mr. Hoon: My hon. Friend is right to draw attention to the fact that the Opposition appear determined to cut the size of the defence budget. In those circumstances, I am sure that the people of this country would draw the appropriate conclusions about whether they could possibly trust this country's defence to the Opposition.

Iraq

5. **Charles Hendry** (Wealden) (Con): If he will make a statement on the security situation in Iraq. [173153]

9. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): If he will make a statement on the situation in Iraq. [173157]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The whole House will join me in condemning the recent violence and especially the bombing in Baghdad this morning that resulted in the death of Iraq governing council member Izz al-Din Salim. The undemocratic actions of a minority, often perpetrated against fellow Iraqis, will not deter them or the coalition from continuing down the path that we have set out to achieve a democratic transition in Iraq.

Away from the headlines, we are continuing to make steady progress in Iraq. Some 80,000 Iraqi police are helping to provide security to their people. Almost 20,000 reconstruction projects have been completed. Following years of neglect, Iraq's infrastructure is being modernised, with bridges, pylons, railways and water pipelines being constructed right across the country. But we recognise that improving the security situation is crucial to the continuing success of reconstruction. This continues to cause concern, with more than 100 engagements between insurgents and coalition forces just the weekend before last.

On 1 July, authority will pass to an Iraqi interim Government, who will prepare the ground for full elections to a transitional assembly some time around

the turn of the year. Iraq will then have, for the first time in many years, a representative, democratic body, chosen by all the people, working on behalf of the entire country. In preparation for this, many Iraqi Ministries have already passed to Iraqi control.

Charles Hendry: I am grateful for the Secretary of State's detailed reply, but does he understand that most people now regard the Government's approach to Iraq as increasingly incompetent? The Government seem to be acting on a day-to-day basis, rather than working to any coherent strategy. Ministers seem not to understand what is going on; they seem more concerned about how they explain that the buck does not stop with them. Does he understand the serious effect that that must be having on the morale of our troops in Iraq, who continue to do the most courageous and professional work despite the lack of political backing from their masters?

Mr. Hoon: The strategy has been clearly set out on many occasions. I was able to repeat only the highlights. No doubt in the forthcoming debate, we will have the opportunity to identify precisely what the Opposition are complaining about. Aside from the bluster that we sadly have heard repeatedly from the hon. Gentleman, and consistently from Opposition Front Benchers, I have not a single idea as to what the Opposition say about Iraq.

Mr. Carmichael: Further to the Secretary of State's answer to the hon. Member for Halifax (Mrs. Mahon), when the House consented last year to committing British troops to war in Iraq, it did so on the basis of that country possessing weapons of mass destruction and progress being made in the wider peace process in the middle east. Progress on both fronts has been difficult to come by. Does he accept that, if a more substantial commitment of British forces is to be made, or if those troops who are already there are to be used differently, it is essential that the House has a say in that first?

Mr. Hoon: It is important that I correct the hon. Gentleman. As he will recall, if he checks the record, we committed forces to Iraq to deal with the failure of Saddam Hussein's regime to co-operate fully with international resolutions, particularly those set out by the United Nations. Certainly, they concern weapons of mass destruction, and efforts are continuing to identify the nature and location of those weapons. However, the hon. Gentleman must understand that we have to deal with attacks on coalition forces, and, as we have seen so tragically this morning, attacks on individual Iraqis, who are all trying to rebuild that country.

The simple question for the Liberal Democrats is, what action would they take now? It is all very well trying to rewrite history, as the hon. Gentleman has done, but what would they do with the situation that British forces now face?

Harry Cohen (Leyton and Wanstead) (Lab): May I put to the Secretary of State a point that I have put to him before? Mass unemployment among Iraqis gives a real kick to the lack of security in Iraq and the American policy of privatisation and favoured contractors does not provide jobs for Iraqis. Will he, on behalf of the UK Government, put distance between the UK and US policies, so that we argue for jobs for Iraqis?

Mr. Hoon: My hon. Friend needs to recognise that the largest single employer in Iraq is the coalition provisional authority, which is the authority responsible for the distribution of large amounts of international aid, the great majority of which comes from the United States. The CPA employs large numbers of Iraqis on reconstruction projects of the kind that I have just set out.

Mr. Gordon Prentice (Pendle) (Lab): Saddam Hussein is going to be returned to the Iraqi interim government in six weeks. Who will guard him: Iraqis or coalition personnel?

Mr. Hoon: Some of those details are still to be resolved between the Iraqis and coalition forces, but I emphasise that there will be a full transfer of authority on 30 June. It is for the Iraqis to determine the way ahead on these matters and the British Government in particular will co-operate fully in that respect.

Mr. Edward Garnier (Harborough) (Con): Can the Secretary of State assure me that, in the current security situation in Iraq and in any anticipated developments over the next few months, British deployments will still be for six months only, and not for nine months?

Mr. Hoon: Decisions of that kind are taken in response to circumstances on the ground, but I have not seen any need to change the current length of deployments.

Chris Bryant (Rhondda) (Lab): The Secretary of State will know that some people argue that the British Government should distance themselves from the Bush Administration in their policy on Iraq. Does he believe that to do so, far from assisting the establishment of security in Iraq, would further undermine the likelihood of security and stability for the people of Iraq?

Mr. Hoon: I agree entirely. We are working together as a coalition and all those who make complaints must answer the question of what they would do. Anyone who seriously suggests early withdrawal from Iraq must recognise that they would be responsible for any conflict that followed.

Mr. Nicholas Soames (Mid-Sussex) (Con): My right hon. and hon. Friends will wish to associate themselves with the remarks made by the Secretary of State about the dreadful bombing in Iraq this morning.

Given that it is hard to exaggerate how disastrous the last two weeks have been for the Government, and now that their policy on post-conflict Iraq has been so brutally exposed by the absence of any clear political strategy, will the Secretary of State take this moment to set out to the House and the wider country the Government's strategic objectives for the next 45 days until the transfer of power and for the subsequent period until elections?

Mr. Hoon: I answered that question right at the start of Question Time, but I shall take the opportunity to

repeat myself, as I shall again in the debate to follow. It is important that we are able on 30 June to hand over to the Iraqi people not only sovereignty, but authority—the ability to take real decisions on the future of their own country. That will lead towards a situation by the end of this year or early next year in which there can be elections and a Government elected for all the people of Iraq. As we do that, we need to become less and less responsible for security as more and more Iraqis assume that responsibility for themselves. We will, however, be there to assist the Iraqis in delivering that security for the benefit of the Iraqi people.

Mr. Soames: The truth is that the Prime Minister and the Secretary of State have accepted almost limitless liability for what happens in Iraq in exchange for very little control over events. At one moment the Prime Minister claims that he is in discussion with the Americans over further troop deployments, but within hours his spokesman denies it. The next moment we are told that we are staying to see this through, but we are subsequently told that the Prime Minister and President Bush are speeding up plans to withdraw troops from Iraq and hand over security to the Iraqis. What kind of message does that send to our troops on the ground and to the Iraqis themselves? Are the Iraqis to co-operate with the coalition, or should they simply sit out our presence and hope for the best when we leave? Does the Secretary of State agree that the absence of a clear political strategy has been the single most serious failing of the occupation? Let us not make it the main feature of the post-occupation period, too.

Mr. Speaker: Order. I must say that in future I expect shorter supplementaries.

Mr. Hoon: Thank you, Mr. Speaker. The hon. Gentleman was clearly warming up for his speech later.

The importance of this matter should not be underestimated. I cannot understand from the Opposition what they would do differently. It is all very well to stand there blustering about the absence of a clear political strategy, but one has been set out time and again.

Clearly, we have responsibilities to the Iraqi people to ensure that there is the possibility of reconstruction and improvement in the face of determined terrorist attacks, not only against coalition forces but against the Iraqis themselves, as the events of this morning so vividly and tragically demonstrated. It is important that the Opposition think through their opposition; at the moment, they are simply opposing, with nothing whatsoever constructive to say.

6. **Adam Price** (East Carmarthen and Dinefwr) (PC): Whether UK armed forces personnel have been based at the Abu Ghraib detention facility since 1 May 2003. [173154]

The Secretary of State for Defence (Mr. Geoffrey Hoon): Three members of the United Kingdom armed forces were based at the Abu Ghraib detention facility between January and April 2004.

Adam Price: The US Administration have admitted the use of so-called stress positions in the interrogation of Iraqi detainees, a practice that they say has now stopped. Did the service personnel mentioned by the Secretary of State report the use of those techniques? If so, to whom did they report and what action was taken? Is there any evidence that stress postures were used by British service personnel in the interrogation of Iraqis at any other detention centre?

Mr. Hoon: This matter has already been reported to the House but I repeat the information so that the hon. Gentleman is not in any doubt. The investigation by the US authorities was into events that took place between October and December 2003. As I have told the House already, the three British service personnel were at Abu Ghraib for a limited period after the events under investigation and did not, therefore, witness any of the events that have been the subject of so much speculation in the press—to which, from the way in which the hon. Gentleman asked his question, he is clearly trying to add. Moreover, the American investigation was already under way by the time that those three service personnel arrived at the facilities. Given that, it would be remarkable if they had seen any of those so-called techniques in use. They had no complaints and they did not report the use of such techniques to the American authorities because they did not witness their use. Nor did they report them to any UK authorities.

Mr. Eric Joyce (Falkirk, West) (Lab): Can my right hon. Friend confirm that all allegations of mistreatment by British troops of Iraqi citizens are thoroughly investigated?

Mr. Hoon: I can give that assurance. The moment that serious and substantial allegations are made, proper investigations have got under way. Those investigations continue. Should they lead to a situation in which it is judged by an independent prosecuting authority that charges should be preferred, that would obviously follow.

Sir Nicholas Winterton (Macclesfield) (Con): After 30 June, when we will rightly pass authority for so much to the Iraqi council, will the Abu Ghraib detention centre and other detention centres be staffed by Iraqis?

Mr. Hoon: I have indicated to the House that those are matters that are still under discussion, but in principle the answer is yes. Authority will pass to the Iraqis to be increasingly responsible for their own affairs and it is obviously important that that is seen to be the case on the ground. However, I emphasise to the House that matters are still subject to negotiation.

Dr. Nick Palmer (Broxtowe) (Lab): I am sure that my right hon. Friend will agree that it is essential that we are seen to be behaving correctly in Abu Ghraib and elsewhere. In his discussions with our coalition partners, will he ask them to ensure that we are aware of any future allegations of systematic misconduct that may be laid against any member of the coalition?

Mr. Hoon: Certainly it is important that there is a full and frank exchange of information when such issues arise and I take note of my hon. Friend's suggestion.

7. **Mr. Anthony Steen** (Totnes) (Con): What arrangements have been made for counselling troops in units that have suffered casualties in Iraq. [173155]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Military personnel deployed to Iraq receive pre-deployment and post-deployment briefing on mental health issues. Trained mental health professionals have also been deployed and are available to military personnel in theatre. However, psychiatric debriefing is not routinely offered to individuals or units who have been exposed to combat.

Mr. Steen: Surely when young servicemen lose colleagues in the theatre of war, they should not so much be offered as receive, from non-military personnel, guidance, help and support. They should be able to work through their anger and distress and that should not be recorded as a weakness by military personnel.

Mr. Ingram: There are extensive arrangements in place to deal with all those issues. Procedures were put in place after the last Gulf war that were found to have no real clinical advantage and as a result they were not continued. It is about ensuring that, if a request for help is made, it is made available. It is also about monitoring by senior officers and others in the chain of command of what is happening to those under their command. The way in which we handle such situations is very sensitive and they are taken seriously, but no significant complaints—or any complaints—have been made to date that would support the way in which the hon. Gentleman has raised that question.

Mr. David Chaytor (Bury, North) (Lab): May I ask my right hon. Friend about the recording of casualties in Iraq? Does he feel that there is a moral, if not necessarily strictly legal, obligation on the occupying forces to record civilian deaths as well as military deaths; and does he feel that the failure to record Iraqi civilian deaths has an adverse impact on Iraqi people's perception of the occupying forces?

Mr. Ingram: The question was about the counselling of our troops. I do not know whether my hon. Friend is suggesting that their being asked to do certain things, then doing them, causes them additional stress.

On the counting of civilian deaths, Iraq is a most difficult environment in which to operate. Where face-to-face conflict has taken place, there may be no indication that a civilian casualty or death has occurred, but a body is then removed from the scene and buried almost immediately. Some people are saying that we should take those bodies out of the ground and examine them for medical and other evidence. That is a completely nonsensical approach.

This is a very difficult situation and we do our best to ensure that proper counting takes place. Indeed, we are currently trawling all our records to ensure that we have not missed any matters that may have been reported. We are trying very seriously to deal with this, but I hope that my hon. Friend recognises just how difficult the environment is.

Mr. Paul Keetch (Hereford) (LD): On behalf of my right hon. and hon. Friends, I associate myself with the Secretary of State's remarks about this morning's appalling outrage in Iraq.

The Minister knows that in addition to the casualties in Iraq from the initial war-fighting phase and the ongoing peacekeeping support operation, several members of the British forces have tragically been killed in accidents. What facilities for counselling are available to their families? Given that our forces are effectively on duty in Iraq for 24 hours a day, does he agree that the partners of any British troops killed in Iraq should be entitled to a full war pension?

Mr. Ingram: We have identified some shortfalls in the way in which the counselling of families is approached. That is why the point-of-contact approach of those who report injuries or fatalities to families has been looked at again to see whether there is a more appropriate way of dealing with such situations and to ensure that all personnel who have to carry out an undoubtedly very difficult task are appropriately trained and understand the sensitivity of the issue. It is a learning process, and we have taken on board some valuable lessons in recent months and years. That process can never rest, because we are likely in future to turn up new problems that we must revisit. We have to try to get it right at all times and to understand the sensitivities involved.

As regards pensions, I will write to the hon. Gentleman.

8. **Mr. Harry Barnes** (North-East Derbyshire) (Lab): If he will make a statement on his assessment of the reports by *(a)* the International Committee of the Red Cross and *(b)* Amnesty International on the role of British troops in operating prisons in southern Iraq. [173156]

11. **Mr. Peter Luff** (Mid-Worcestershire) (Con): If he will make it his policy to ensure that all reports received from Amnesty International and the International Committee of the Red Cross concerning the behaviour of British forces are drawn immediately to the attention of Ministers. [173159]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The Ministry of Defence receives millions of individual items of correspondence each year. Clearly, it would be impractical for Ministers to see it all, and we must therefore rely on officials' judgment to select those items that require ministerial attention. Some correspondence and reports from organisations such as those mentioned in both questions will fall into this category; others can be dealt with by officials. However, I would normally expect Ministers to see the kinds of reports that were mentioned.

I have seen two reports from the International Committee of the Red Cross that deal with the role of British troops in operating detention facilities in southern Iraq. One raises two serious issues affecting UK armed forces that had been dealt with well before the report was received; the other is a more recent working paper.

I am not aware of any Amnesty International reports that deal specifically with the way in which we operate our detention facilities, but it has reported allegations of abuse in UK custody that have been investigated and replied to. Two recent reports from Amnesty make serious allegations about the conduct of UK personnel more generally, covering the period since British troops went into Iraq. Those are being investigated and will be dealt with in the same way.

Mr. Barnes: The Secretary of State's reply is somewhat different from the one given by the Minister of State during the debate on Thursday, which, as regards Amnesty International, was merely centred in a one-page letter sent about seven months ago about one incident. Should not reports from Amnesty International be seriously considered by the House? Traditionally, Amnesty International has been held in the highest regard by the labour movement, so what it has to say should be taken on board and examined.

Mr. Hoon: I emphasise that we have received a number of reports, letters and a dossier from Amnesty International—some from the UK section and at least one letter from the Italian section. Each was replied to, once appropriate investigations were completed; for example, the most recent letter we received from Amnesty prompted us to conduct yet a further investigation of all our files relating to Iraq to establish whether Amnesty had raised any new matters in its correspondence. One of the problems that we have faced with that particular organisation is that it has recycled many previous cases in new items of correspondence. Nevertheless, we treat each of those matters very seriously and give each the appropriate investigation.

Mr. Luff: The Secretary of State's attitude to this question today is rather different from that of his Minister of State last Thursday. In the words of the popular song, "Sorry may be the hardest word", but would not the Minister have been well advised to use that word last Thursday rather than seeking to twist the word "report" away from any recognisable dictionary definition of it? Would not the Secretary of State, too, be well advised to say sorry to our troops in Iraq for his failure to put proper procedures in place to ensure that he and his Minister of State were fully aware of accusations, ill founded or well founded, made against those troops by reputable international organisations?

Mr. Hoon: I do not accept that for a moment. I am sure that if the hon. Gentleman understood more about the way Departments operate he would thoroughly understand that Ministers have investigated those matters, in detail and at length, whenever allegations have been made at an appropriate stage.

Jeremy Corbyn (Islington, North) (Lab): Could the Secretary of State help me? I am very, very confused as to what happens to reports from the International Committee of the Red Cross. The reports are obviously serious and important and come from an international organisation of enormous repute, so can he tell us what has happened to those officials who apparently decided either that Sir Jeremy Greenstock did not need to see the reports or that they were to be sent to joint staff headquarters, the Foreign Office basement, or wherever? What procedures have been put in place to ensure that in future Ministers—Ministers—see such reports when they are produced?

Mr. Hoon: My hon. Friend asks a fair question about the situation. We ask officials to exercise their judgment. When officials in the Ministry of Defence saw the report they judged, in the light of the two serious allegations concerning UK soldiers, that those matters were well in hand; indeed, investigations had begun about five months before. Nevertheless, as I made clear in the answer that I have just given the House, it is important that Ministers see such reports and appropriate action has been taken to ensure that that happens in the future.

Dr. Julian Lewis (New Forest, East) (Con): It is surely unacceptable for the Secretary of State to try to use his officials as a bombproof shelter for him and his fellow Ministers. Is it not a fact that anybody with any appreciation of the situation in Iraq must know that the worst thing for coalition aims is that abuses of this sort rally the population behind the insurgents? It should have been blindingly obvious that those reports should have been at the top of the Secretary of State's agenda; and his failure, and that of his colleagues, to treat them with due gravity is partly responsible for the fact that, having won a military campaign, we are now losing the political settlement afterwards.

Mr. Hoon: I suggest that the hon. Gentleman discuss with those of his Front-Bench colleagues who have some experience of government what happens when officials assess reports. In this case, I have taken appropriate responsibility. I am not—as the hon. Gentleman is—seeking to blame officials. Officials looked at the report and made their judgment. I accept that they must exercise their judgment and that Ministers are responsible for their judgment. That is what happened in this case, and no matter the amount of effort by the Opposition to turn this into some sort of ministerial responsibility as far as the actual decision is concerned, it simply will not wash. The hon. Gentleman should talk to those who have been in government. We can all recall occasions on which Conservative Members have had to come to the House and apologise for their failures in government, so the hon. Gentleman really ought to know better.

Huw Irranca-Davies (Ogmore) (Lab): Does the Secretary of State agree that the work of the Red Cross and Amnesty International in highlighting abuses across the world is held in very high regard on both sides of the House and that there is an urgent need to investigate these allegations? However, does he also agree that they remain allegations and that, until they are proven otherwise, it is of great disservice to the troops who are still serving in Iraq and to their families back home to pretend otherwise?

Mr. Hoon: My hon. Friend is absolutely right. I thank him for that note of common sense in this debate, a note of common sense that the Opposition have sadly been incapable of demonstrating on this issue, as they are determined to score very poor political points. It is important that the people against whom allegations are made be given the opportunity of responding to those allegations and that thorough investigations be conducted. That is precisely what the Government set out.

Persian Gulf (Deployments)

10. **Patrick Mercer** (Newark) (Con): How many British armed forces personnel are deployed to the Gulf region. [173158]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): There are some 10,000 British armed forces personnel deployed to the Gulf region.

Patrick Mercer: I am grateful to the Minister for that answer, but may I refer him to the reply that the Secretary of State gave to my hon. Friend the Member for Mid-Norfolk (Mr. Simpson)? Despite what the Government say, a number of units have received unofficial warning orders to go to the Gulf as reinforcements. One of those units is that fine regiment, the Black Watch, which neither I nor any of my colleagues would dream of talking down. The fact remains that colleagues and friends of mine in that regiment tell me that, because of Government indecision, they are having to train almost in secret for these operations and they are making very unfavourable comparisons with precisely the same level of Government dithering that went on before the war started last year. Will the Minister now come clean and give our soldiers the warning orders that they require so that they can be launched properly prepared and properly trained into dangerous circumstances?

Mr. Ingram: I am surprised at the hon. Gentleman, given his experience of the Army—if certainly not of government. If he is alleging that we do not properly train our service personnel and that we put untrained personnel in harm's way, he has forgotten everything that he knew when he was in the armed forces. I do not know whom he has spoken to who says that that is now our approach. We will always train our personnel to the best of our ability and their abilities. Once any decision is taken to deploy our troops, the best and most available troops will be ready and trained to take on whatever tasks are available. We saw that to great effect in the recent deployment to Kosovo.

David Taylor (North-West Leicestershire) (Lab/Co-op): The House would agree that the breathtaking incompetence verging on treachery that was displayed by certain sacked newspaper editors has imperilled large numbers of British troops not only in the Queen's Lancashire Regiment but elsewhere and has, therefore, made greater deployments to southern Iraq more likely. Specifically, will the Minister comment on the suggestions that, as Spanish troops are withdrawn, the sphere of responsibility of British forces will be widened to include Najaf province and Najaf city? What would the implications of that be?

Mr. Ingram: We have made it clear all along that an issue has to be dealt with because of the withdrawal of Spanish forces. That area is now covered by US forces, and we have said that how we deal with the issue in the longer term must be the subject of discussions within the coalition. I am sure that my hon. Friend understands the reasons for that. If and when we announce any change to our posture, the House will be duly notified, as my right hon. Friend the Secretary of State has said.

Iraq

12. **Mr. Andrew Robathan** (Blaby) (Con): What *(a)* special and *(b)* specific training has been given to non-Royal Military Police soldiers who are being employed as guards in detention camps in Iraq. [173160]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Specialist handling of detainees by non-Royal Military Police soldiers is provided by members of the Adjutant-General's Corps (Military Provost Staff)—the AGC (MPS)—who receive training relevant to their role running the military corrective training centre in Colchester. The expertise of the AGC (MPS) is in the field of custodial care.

The United Kingdom is bound by military law to include the law of armed conflict in military training programmes, which includes the handling and treatment of prisoners of war. All personnel are trained to observe the values and standards expected of the British Army, which includes the concepts of decency and respect for others. During pre-deployment training all units are briefed on procedures for dealing with prisoners of war and, since October 2003, each combat unit is mandated to have eight to 10 senior non-commissioned officers trained in the handling of prisoners of war.

Mr. Robathan: Up to a point, that is a good answer, but can I probe a little further? As I understand it, a large number of people employed as prison guards in the detention camps, who are guarding not prisoners of war but civilian detainees, are not from the Adjutant-General's Corps. For how long is the ordinary infantry soldier, who did not join to be a prison guard, trained? How many ordinary infantry soldiers are acting as prison guards? For how long are they expected to act as prison guards?

Mr. Ingram: The hon. Gentleman asks some impossible questions—I mean, how long is a piece of string? On the basis of what my right hon. Friend the Secretary of State said about the new provisions post-30 June, we will, of course, alter some of the characteristics on which his questions are based.

On the extent of the training, the hon. Gentleman will know from his experience that the training process runs right through from phase 1 to when people may be required to undertake that custodial role. They are made aware of the culture into which they are going and the nature of the approach that they have to adopt towards anyone who is in their custody, which is to accord them the highest respect, both in human rights terms and in other ways.

Our detention centre has an extensive programme that takes account of all that. It is why the ICRC's second report, which has been mentioned, said after that inspection that the conditions are fairly good. We cannot go further than that because we do not discuss the detail of ICRC reports, but I am confident that we are putting in a lot of effort. That is why we have put an additional resource in the hands of combat units that may arrest people by giving each combat unit senior non-commissioned officers who have specialist knowledge and skills.

Civil Service Relocation

13. **Hugh Bayley** (City of York) (Lab): What *(a)* civil service and *(b)* military responsibilities he plans to relocate from London and the south-east to the northern regions of England. [173161]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): The Ministry of Defence continually examines ways of improving military capability and value for money for the taxpayer, including the size and location of our estate. We are now undertaking further examination of where estate rationalisation may be possible, and we will, of course, take account of the Lyons Review.

Hugh Bayley: Will my right hon. Friend pay tribute to the important role performed by the Defence Vetting Agency? Does he recall how efficiently the agency created its new headquarters at Imphal barracks in York and the assistance it got from the York Inward Investment Board, or york-england.com as it now calls itself? Will the MOD continue to work with the York Inward Investment Board on the possibility of bringing more jobs to Yorkshire?

Mr. Ingram: My hon. Friend is right. The Defence Vetting Agency is a good example of the transfer of staff to the regions, in this case York. He refers to york-england.com, which is very active in ensuring that there is a collective view on how the opportunities that Yorkshire and the northern region for which it has responsibility can best be served. There was a meeting between MOD personnel and york-england.com at a seminar on 5 May, and relocation opportunities were discussed in the light of the Lyons report. Those ongoing contacts will be maintained.

Miss Anne McIntosh (Vale of York) (Con): To assist the Minister with that task, should he not be aware of the number of military personnel and civilian personnel at the four existing defence establishments in the Vale of York? Will he therefore reconsider his reply to me and give me those figures at the first available opportunity?

Mr. Ingram: I do not have the figures to hand. There is a significant military presence, with a good number of military bases, within York and the immediate surrounding area. I think there are about 14,000 military personnel in and around the York area. I shall write to the hon. Lady with the precise figures.

Gibraltar

15. **Mr. Lindsay Hoyle** (Chorley) (Lab): What role the armed forces will play in the 300th anniversary celebrations in Gibraltar. [173163]

The Secretary of State for Defence (Mr. Geoffrey Hoon): As I was able to set out on my recent visit to Gibraltar, the armed forces are playing a full part in commemorating Gibraltar's tercentenary this year. Bands of the Royal Marines, the Royal Engineers and the Royal Air Force, the Royal Gibraltar Regiment and other military units from the United Kingdom, Royal Navy ships and the Royal Fleet Auxiliary are taking part in a total of more than 20 events throughout the year.

Mr. Hoyle: Will my right hon. Friend restate his commitment to Gibraltar and ensure that it remains an overseas territory?

Mr. Hoon: My hon. Friend campaigns tirelessly on behalf of the people of Gibraltar and I commend him for his efforts. I am delighted, not least in this tercentenary year, to commit myself and the Ministry of Defence, on behalf of the Government, to continuing good relations with the people of Gibraltar.

Wind Farms

16. **Mr. Ian Liddell-Grainger** (Bridgwater) (Con): What his policy is on the positioning of wind farms near military ranges. [173164]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): The Ministry of Defence fully supports Government policy and targets for renewable energy. We do not oppose wind farm developments unless the safety of MOD personnel or the public, UK defence systems or our operational capability appear to be adversely affected. That applies to both onshore and offshore developments.

Mr. Liddell-Grainger: Is the Minister aware that there is a helicopter range just off the coast of Somerset, and that West Somerset district council is about to receive an application for 12 wind turbines, 300 ft high and 128 ft across, just down the coast from the range? Has the Minister not thought what damage could be done, first to the helicopters and secondly to the wind farm, should things go wrong?

Mr. Ingram: I have. As I made clear in my answer, we have to ensure that there is compatibility between these twin objectives. I am advised that we have received applications for some 15 wind farm developments in Somerset; all the 11 objections raised were connected with radar interference, and none related to interference with range activities. It is not only the Ministry of Defence that is concerned about radar interference; civilian operations can also be affected by wind farms. We have to weigh our clear objective on renewable energy against the way in which wind farms can affect military or civilian overflights.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): In that case, does my right hon. Friend recognise that it would be helpful if the Government were involved in the research on the effect on radar of wind farms at sea? It is clear that sufficient work has not yet gone into ensuring that we are well aware of the impacts of those structures, both on shipping and on radar installations.

Mr. Ingram: My hon. Friend is very experienced in these matters, and I bow to her greater immediate knowledge. She may have seen some research that I have not seen. All of us in the Government must make sure that we have a guaranteed approach that takes into account all the points of scientific and practical interest

which must be resolved. I am sure that those who have direct responsibility for carrying out the risk research will hear what my hon. Friend says, and I know that she will continue to pursue Government action on the matter.

Mr. Edward Leigh (Gainsborough) (Con): The Government have just announced a major increase in the deployment at RAF Scampton. Star Energy has made an application to site half a dozen wind turbines, each as tall as Lincoln cathedral, within half a dozen miles of that major RAF base. Will the Minister explain his strategy? Will his officials take an interest in the matter? Is there a minimum distance requirement connected with radar or operational safety with which he can acquaint the House? This is obviously a matter of the utmost importance.

Mr. Ingram: The hon. Gentleman is right: it is a matter of the utmost importance that when we are relocating activity, in this case in the RAF, we take account of the region into which it is being moved. New applications for wind farms are covered by the response that I gave to the previous questions: we need to make sure that there is compatibility between the twin, or in some cases multiple, objectives that the Government are trying to deliver. We therefore take an interest in these matters. A decision has been made about RAF Scampton and is in the process of being finalised, and any change to the environment is something in which we would take a close interest.

NATO

17. **Mr. John MacDougall** (Central Fife) (Lab): If he will make a statement on the issues that will be discussed at the Istanbul NATO summit in June. [173165]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The summit at Istanbul will address NATO's current operations. It will also offer the opportunity to strengthen NATO's partnerships with other countries and continue the drive to transform the alliance and its capabilities. In addition to the Heads of State and Government meeting, Defence Ministers will meet to review progress and direct the further reform of NATO.

Mr. MacDougall: Does my right hon. Friend recognise that the summit is taking place at a vital time for both NATO and the wider world—a time when NATO and UK forces are involved in Afghanistan and the Balkans? Will he comment on NATO's role and value in the international environment?

Mr. Hoon: I am grateful to my hon. Friend for asking that question and making important points about the future commitment of NATO. It is vital that we sustain and support its existing responsibilities, while recognising that NATO itself must reform to deal with the new types of threat that we face around the world. I am pleased that the UK has been leading the way in that process. Istanbul is a major way stage in that reform.

Opposition Day

[11TH ALLOTTED DAY]

Iraq

Mr. Speaker: I have selected the amendment in the name of the Prime Minister.

3.31 pm

Sir Menzies Campbell (North-East Fife): I beg to move,

That this House notes with concern the deteriorating security situation in Iraq and the Middle East and the impact on public opinion in Iraq of the reports of mistreatment of Iraqi citizens and detainees; believes that progress in Iraq is only possible if the role of the United Nations is expanded and enhanced and the transfer of sovereignty to the Iraqis on 30th June is real and visible; recalls that on 18th March 2003 when this House endorsed military action against Saddam Hussein it did so on an understanding that progress on the road map for a peace settlement between Israel and the Palestinians would be a priority for Her Majesty's Government; expresses its disappointment that recent events have made the achievement of a negotiated two state solution more difficult and less likely; recognises the bravery and professionalism of British armed forces serving in Iraq in difficult and dangerous circumstances; calls upon Her Majesty's Government not to commit any further troops unless requested by United Kingdom commanders in Iraq for the purposes of securing the safety of British forces and the fulfilling of Britain's legal obligations under international law towards the inhabitants of Iraq; and further declares that any such troops should remain under United Kingdom operational command and within the area currently under United Kingdom control.

It is worth recalling that we went to war against Iraq on a threat and a promise. The threat was that of weapons of mass destruction, and the promise that of progress in the middle east peace process. But neither threat nor promise has been fulfilled. No weapons of mass destruction have been found, and none appears likely to be found now. The Iraq survey group has disappeared from view and its head has resigned. The road map has been rolled up. Unilateral action by Mr. Sharon has been approved and a negotiated settlement in the middle east seems further away than ever.

There is more. The coalition of which the United Kingdom is a member is shamed and embarrassed by the treatment of detainees while in the custody of the United States, and we may yet suffer domestic shame and embarrassment when current inquiries are completed. Here in the United Kingdom, there is no acceptable explanation of why Ministers did not see communications from the Red Cross and Amnesty International. The handover date of 30 June now depends on the efforts of Lakhdar Brahimi and the United Nations—the same United Nations that was sidestepped by the coalition in spring 2003. There is some irony there, which will, no doubt, not be lost in Manhattan.

Violence in Iraq is on the increase, as British troops found at the weekend when they had to bayonet their way to safety. The tragic death this morning of the head of the Iraq governing council is yet another demonstrable success for terrorism. In the minds of many Iraqis, the army of liberation is delivering much less than it promised. At Falluja, the United States has had to acknowledge the failure of the doctrine of decisive force. Thousands of Iraqis have died since March 2003, but we do not even afford them the dignity of keeping an accurate estimate of their numbers.

It is indeed a brave new world, and it is hard not to be angry—angry for Britain and its reputation; angry for the brave young men and women who are serving in difficult and dangerous conditions in Iraq; angry, too, for a House of Commons that was persuaded to support military action on a flawed prospectus and, as we now know, with no clear strategy for the aftermath of conflict.

Mr. Edward Leigh (Gainsborough) (Con): We were told last week—the reports were, no doubt, inspired by the Government—that extra troops were to be deployed to Iraq, perhaps in Najaf. However, there were reports this weekend that, on the contrary, we were no longer in for the long haul and that we were talking about withdrawing troops before 2005–06. Does the right hon. and learned Gentleman agree that the Government owe the House an explanation of their strategy and of what we are planning to do with a country for which we have taken responsibility?

Sir Menzies Campbell: There is no way to answer the hon. Gentleman's question other than in the affirmative. I shall set out some conditions that are appropriate in the event that additional troops are thought necessary, but he has put his finger on something that I hope the Secretary of State will explain, not just to the House but to people outside.

It is hard not to be angry that, in the name of a coalition of which the United Kingdom is a member, detainees have been subject to degrading and inhumane treatment, for which no one takes political responsibility. Asking Private Lynddie England to take all the blame seems a little unfair.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the right hon. and learned Gentleman agree with the proposition that, if the United States Government deny people in Guantanamo bay their civil and legal rights, it is perhaps not surprising that junior soldiers feel the same way, and that that is a severe indictment of that Administration?

Sir Menzies Campbell: The right hon. and learned Gentleman has made that point on previous occasions in the House and I have supported him on some of those occasions. There are still British citizens in Guantanomo bay and they are entitled to due process and a trial according to the accepted principles of law. If no such trial is available to them, they should be returned to the United Kingdom so that we can consider whether or not there are adequate grounds for prosecution.

I am angry about these matters, not because I was deceived, but because my scepticism and that of many others is increasingly justified. I am angry because our relationship with the United States, put into sharp focus in recent times, should be a partnership of influence, and we should not be so subordinate that we often appear to be subservient. What sort of relationship is it if we are actively discouraged from public criticism of the US Administration and their ultimate responsibility for the

[Sir Menzies Campbell]

humiliation or, as one writer put it, debauchery towards the Iraqis in their custody? In the House, we have to rely on the feline ambiguities of the Leader of the House.

Geraint Davies (Croydon, Central) (Lab): While concurring with the sentiments of the right hon. and learned Gentleman about Guantanamo bay and the mistreatment of detainees there and in Iraq, does he not agree that all decent people in the House and beyond hope and pray for peace and democracy in Iraq? Is it not distasteful that his party is putting success or failure in Iraq at the top of its Euro-election campaign agenda, so that real failures such as the assassination this morning or imaginary failures such as the forgeries in the *Daily Mirror* are desirable to fuel electoral success? Is that not shameful opportunism when there is a need for genuine debate?

Sir Menzies Campbell: I have not met a single elector who objects to the issue of Iraq being raised in relation to the European elections. In the course of the campaign, I have met many people who wish to raise the question of Iraq and Britain's role. They wish to express their anxiety about the nature of present events and the long-term consequences for the United Kingdom.

What sort of relationship allows Members of Congress more licence to criticise the Bush Administration than it does the British Government? The harsh, unpalatable truth for Washington is that only the United Nations can save us all. All the coalition eggs are well and truly in the UN basket. If Brahimi fails, what is the alternative strategy? I do not have an answer to that question, but those who took military action against Iraq ought to have one, because it is by no means certain that the efforts of Lakhdar Brahimi will be successful.

Clare Short (Birmingham, Ladywood) (Lab): Ambassador Brahimi has been asked to appoint an interim Government who are truly representative of the Iraqi people, and we all hope that he succeeds. There is more hope if he appoints that Government rather than the coalition, but that does not address the problem of troop withdrawal. We have not said that if the interim Government ask us to withdraw our troops we will do so; we have said that we hope that that would come about. Mr. Brahimi had the same authority in Afghanistan, but he had no authority over the US troops, and the situation in Afghanistan is deteriorating. His authority to appoint an interim Administration does not necessarily mean that we will get an exit strategy for our troops, but that has not been made clear.

Sir Menzies Campbell: My view is that it would be difficult for a provisional Government, appointed by Lakhdar Brahimi, to exercise the sort of responsibility that the right hon. Lady suggests, but I am in absolutely no doubt whatsoever that, when we get to the stage of a democratically elected Government of the Iraqi people, that institution must have total responsibility for the conduct of Iraq. Indeed, at that point, I would say that the United Kingdom and others should begin a phased withdrawal of their troops. The responsibility for Iraq, given to the Iraqi people, must be whole and complete.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): Will the right hon. and learned Gentleman give way?

Sir Menzies Campbell: If the hon. Gentleman will forgive me, I will continue.

In New York, we should be arguing for a Security Council resolution that is maximalist, not minimalist—arguing along with France and Russia for the maximum transfer of authority to the provisional Government—but the transfer of sovereignty to the Iraqi people must be about substance, not simply ceremony. The raising of flags and patriotic music will be no adequate substitute for real authority.

The right hon. Member for Birmingham, Ladywood (Clare Short) mentioned the exit strategy. Let me suggest principles that should most certainly apply. First, all our effort should be directed to supporting the United Nations in establishing a provisional Government, to whom as many functions as possible should be transferred. Secondly, once a provisional Government have been established, all our efforts should be directed to supporting the United Nations in the preparations for the elections. Thirdly, as soon as an Iraqi Government have been democratically elected, under United Nations supervision, United Kingdom troops should begin a phased withdrawal.

Hugh Robertson (Faversham and Mid-Kent) (Con): The right hon. and learned Gentleman will be aware no doubt that the Iraq governing council, no less, has accused the United Nations of massive institutional fraud over the oil-for-food programme—a fraud that is estimated to be about $64 billion. Bearing it in mind that that fraud has directly enriched Saddam Hussein and his supporters, undoubtedly involves members of the Security Council and, indeed, the UN itself and has probably provided money to fund the very insurgency that our troops are now fighting, does he believe that the UN is an entirely suitable body to carry out that task?

Sir Menzies Campbell: I ask the hon. Gentleman to suggest an alternative. I do not know that there is any queueing up, and I do not know that there is any alternative strategy on offer either. He is quite right to point to the disgrace of the fraud in relation to the oil-for-food programme. Perhaps he should consider whether he is entitled to say that members of the Security Council may have been involved—that is a rather sweeping statement—but he is certainly right to highlight the fraud. I for one am most certainly disappointed that the extent of the fraud was so considerable and that moneys may well have been diverted in the directions to which he has referred, but if he has an alternative to Lakhdar Brahimi, let us hear it, because it is only in him, in the United Nations and in the Secretary-General of the United Nations that any prospect rests of keeping the date of 30 June, chosen not for its intrinsic merit, but rather for its importance as a

signpost in the American domestic political campaign. That date can be kept only if the United Nations ensures that it is kept.

Mr. Edward Garnier (Harborough) (Con): The one thing that puzzles me about the line of argument that the right hon. and learned Gentleman and his fellow Liberal Democrats advance is that the United Nations—while it may or may not have some moral authority, depending on one's point of view—has no resources other than those provided by its membership. There is no army or police force belonging to the United Nations. Where are the army and the police force that he wants and needs to enhance the security situation in Iraq, outside the current coalition? There are no volunteers who will simply put on blue berets and come and do the job that he wants them to do.

Sir Menzies Campbell: I do not think anyone has suggested a blue beret force in the circumstances of Iraq.

Mr. John Wilkinson (Ruislip-Northwood) (Con): Who is going to do it?

Sir Menzies Campbell: Exactly. As the hon. Gentleman says, who is going to do it? It is not possible to have a blue beret force, but we could have had a Security Council resolution in the same terms as that which was adopted for the first Gulf war, which provided that all necessary means should be used for the expulsion of Iraq from Kuwait, which accepted that the United States would be in command, but which insisted that that force had to report back and be subject to the authority of the Security Council. That most certainly would have been a much more politically attractive solution than the one that was arrived at, of a self-generating coalition going in the circumstances that we now know and side-stepping the United Nations.

Angus Robertson (Moray) (SNP): Is the right hon. and learned Gentleman aware that there are a number of countries with distinguished United Nations military service that have said that they would be happy to commit troops in a circumstance that was fully authorised by the United Nations—countries such as Pakistan, Indonesia and Malaysia, which have a particular credibility in the Muslim world? Would that not be an attractive proposition, to try and get the maximalist United Nations mandate that is propounding, and help us move with international credibility to a new phase of peacekeeping?

Sir Menzies Campbell: There is no doubt that if such countries were to become part of a coalition authority, they would require a maximalist United Nations resolution, but I hope that the hon. Gentleman is not suggesting that there is the possibility between now and 30 June, for example, of putting together a UN force with blue berets. In my judgment that is not practical. That is why I have referred not only on this occasion but on others to the advantage of an arrangement similar to that used in the first Gulf war.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am touched by the right hon. and learned Gentleman's faith in United Nations resolutions. How would he answer constituents of mine, refugees from Iraq, who said that if one mistake was made, it was in the first Gulf war, when we stopped at the border in compliance with the UN resolution?

Sir Menzies Campbell: If I may say so, I do not think that the hon. Lady was in the House at that time. She would not have found much support for that view. She would not have found much support for that view from President Bush's father or from Mr. John Major, who was the Prime Minister at the time. The consequence of doing what she suggests is that the coalition that had been created for the expulsion of Iraq from Kuwait would have broken up. In addition, the Iraqi forces at that time were much more effective than those we found when the military action took place last year and there would have been the risk of very substantial casualties. The arguments against going to Baghdad in 1991 were overwhelming at the time, and in my judgment have not been diminished in any way since.

Mr. Wareing: Does the right hon. and learned Gentleman agree that if the occupation continues after 30 June, and all that the Iraqi people are being offered is another appointed Government—appointed by whoever—that will be viewed by the Iraqi resistance in rather the same way as the Vichy regime was viewed by the French resistance in wartime France?

Sir Menzies Campbell: But it is not practical to have elections between now and 30 June. That is the date of the agreed handover to a provisional Government. *[Interruption.]* It might meet the hon. Gentleman's point if there were a sufficient and detailed commitment to—*[Interruption.]*

Mr. Speaker: Order. Allow the right hon. and learned Gentleman a hearing. It is unfair to him when there are so many conversations going on.

Sir Menzies Campbell: What would meet the hon. Gentleman's point would be if it was clear that the move towards elections was serious and was being undertaken; that there was voter registration and that the necessary institutions were being established. But I do not think that it is possible to achieve what he would like to achieve in the time available.

As soon as an Iraqi Government have been democratically elected, UK troops should begin a phased withdrawal. But in the meantime, I am firmly of the view that we should commit no further forces to Iraq unless at the request of British commanders on the ground; unless for the purpose of securing the safety of existing British forces in Iraq; unless for the purpose of fulfilling legal obligations incumbent upon us under international law, including, if necessary, a fresh resolution from the Security Council; unless any such troops remain under United Kingdom operational command; and unless any such troops are deployed within the area currently under United Kingdom control.

There should be no question of British forces extending their role and responsibility in Iraq. There should be no question of British forces providing a substitute for any forces that may have been withdrawn

[Sir Menzies Campbell]

by other coalition members. We have made more than an adequate contribution. I suspect that many hon. Members think so; I am certain the whole country thinks so.

Operational command of such troops should remain with United Kingdom commanders. General Sir Michael Jackson, with characteristic frankness, a fortnight ago described differences in doctrine between ourselves and the United States and we have seen illustrations of those differences. We should not put our forces into a position in which they may have to choose between following an order or following their training and their instincts.

It is now commonplace for some to argue for immediate withdrawal. To those I say this: consider the consequences of that. Inevitably, terrorism and violence would flourish and instability could easily spread throughout the region. But more significantly, the United Nations' effort, which is the only political track presently available, would be fatally undermined.

To be against immediate withdrawal is not to be in favour of an open-ended commitment. The Iraqi people must be given the responsibility for themselves and their government as soon as possible. I commend the motion to the House.

3.52 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the work being done by the UK and its Coalition partners to establish stability and security in Iraq; regards any mistreatment of Iraqis by Coalition forces to be unacceptable; recognises the bravery and professionalism of British forces in Iraq in assisting the Iraqi people in rebuilding Iraq; applauds the work of the UN Secretary-General's special adviser, Lakhdar Brahimi, for his contribution to helping establish a sovereign Iraqi Interim Government which will assume power by 30th June; and supports the Government in its efforts to secure a new Security Council resolution and deliver the wishes of the Iraqi people for a sovereign, stable and democratic Iraq."

On behalf of the Government, I should like to repeat our regret following the death this morning of Izzedine Saleem, president of the Iraq governing council. Our thoughts are with him and with his family at this terrible time, to whom we extend our condolences.

Izz al-Din Salim was a tireless advocate for Iraq and for its people. He was exiled from his home by Saddam Hussein and, until last year, lived in London, where he worked as a writer and activist in the service of his people. When the former regime fell, he returned to Iraq as head of the Islamic Dawa party in Basra, where he earned the respect of local people and the coalition.

Izz al-Din Salim's death is an enormous loss to Iraq. It is too early to say whether this morning's attack was specifically targeted at him. In any event, it is a further tragic demonstration of the callousness of the minority who seek to challenge the rule of law and undermine the establishment of a democratic, peaceful Iraq. It demonstrates why we are determined to deal with those who perpetrate these criminal acts of terrorism. It demonstrates that these attacks are against the Iraqi people themselves, just as much as against coalition forces. We are working with the Iraqi people, and together we will succeed.

Izzedine Saleem's death also demonstrates why the coming months are critical for the future of Iraq.

Ann Clwyd (Cynon Valley) (Lab): I join my right hon. Friend in offering my condolences to the family of Mr. Salim. I spent half an hour talking to Mr. Salim last Thursday. He was a gentle scholar who had contributed a lot to the governing council and to the future of a democratic Iraq. It was said earlier that his death was a triumph for terrorism, but it is the complete opposite. It will be a triumph for terrorism unless we stay the course, and Mr. Salim and all the members of the governing council, and all those who are fighting for the future of a democratic Iraq, would, I think, feel exactly the same. We must stay the course.

Mr. Hoon: Like me, my hon. Friend has met a number of members of the governing council, which is united in its determination to resist terrorism and criminal acts. I emphasise that the attack was against the Iraqi people, whom we cannot afford to let down, and I entirely support my hon. Friend's point.

We are attempting to transfer authority, after decades of tyranny, to an elected, representative Government in Iraq. I specifically refer to the transfer of authority, rather than simply sovereignty, because sovereignty resides with the people of Iraq and cannot be taken from them, although their rights have frequently been usurped over the years.

On 30 June, authority in Iraq will pass to the Iraqi interim Government; the extent of the authority that we will be able to hand to them has been subject to recent debate. On 1 July, the coalition provisional authority and the Iraqi governing council will dissolve. The interim Government will, however, initially limit themselves, by confining their work to the effective day-to-day administration of Iraq's affairs, which is only right. Decisions about Iraq's longer-term future should be left to the elected transitional Government—as every Iraqi to whom I have spoken agrees. That is why we are moving forward with that strategy, and the Iraqi people should have the opportunity to choose those who will decide their future.

Donald Anderson (Swansea, East) (Lab): To what extent will the interim Government have strategic control of the new multinational force after the transfer of sovereignty?

Mr. Hoon: I hope that my right hon. Friend will accept that I will deal with the precise security arrangements in a moment. Obviously, some discussions about the precise level of control remain, but I assure him that we are alive to the issue. We will try to find a sensible solution that meets the needs of coalition forces and secures their safety, but recognises that authority has properly passed to the Iraqis.

Mrs. Anne Campbell (Cambridge) (Lab): I have received several e-mails from constituents over the past few days claiming that the British Government are about to send 4,000 extra troops to Najaf. Will my right hon. Friend confirm or deny that point?

Mr. Hoon: Again, my hon. Friend anticipates a passage in my speech that I shall reach in a moment. As

I have done on a number of occasions, I assure her and the House that the Government have taken no decisions on any number of extra troops. I will inform the House in the usual way as soon as any such decision is taken, if it is taken.

Mr. Gordon Prentice (Pendle) (Lab): My right hon. Friend says that the nature of the Iraqi Government is a matter for Iraqis. Does he have a view on whether that Government should be secular? Would he be concerned if religious parties were to form a Government next January?

Mr. Hoon: In a different context, my hon. Friend would be the first to say that the nature of any Government should be a matter for the people in question, and that is my answer to him.

Mrs. Alice Mahon (Halifax) (Lab): On the constitution and an elected Iraqi Government's right to decide the nature of the state, is it true that, once elected, the Iraqi Government will not have the right to rescind previous changes such as the wholesale privatisation of the public sector in Iraq?

Mr. Hoon: An Iraqi Government will consider such matters when they are established with democratic legitimacy conferred by elections. The interim Government's main task, acting under the transitional administrative law that we and the Iraqi leaders worked so hard to agree, will be to prepare the ground for full elections to a transitional assembly around the turn of the year. For the first time, Iraq will have a representative body chosen by all its people that works for the country as a whole. The assembly will be responsible for choosing a transitional Government and for preparing a constitution in time for general elections towards the end of 2005.

Clare Short: Ambassador Brahimi made it clear that elections cannot be held without security. If an interim Government are appointed, there may be so much chaos that elections are not possible. Does my right hon. Friend share that worry, and what should be done?

Mr. Hoon: I do not share that worry, but it is a risk that we have to address. That is why our forces, alongside Iraqi forces, are working so hard to deal with the security situation. I am sure that my right hon. Friend would support them in their efforts to do that precisely to allow elections to take place in accordance with the schedule.

It has always been our intention to involve the United Nations in the process. We are working towards a new Security Council resolution. We expect it to be agreed before the transition and to emphasise the new arrangements for full Iraqi authority. Any new resolution will take account of the views of United Nations Security Council members, other international partners and, most important, the Iraqi people. We expect that it will clearly mark the next stage in the transition towards democracy in Iraq, confirm the mandate of the multinational force and specify the future role of the United Nations, including support for the political process and assistance in preparing elections.

Mr. Hogg: Does the right hon. Gentleman agree that one of the strategic purposes of the resolution must be to attract other countries, which do not currently do so, to provide soldiers for Iraq? Consequently, the language and the nature of the resolution must be drafted with that principally in mind.

Mr. Hoon: I would regard that as an incidental advantage of such a resolution; I would hardly describe it as the main reason for it. If, as a result of passing a new Security Council resolution, other countries are willing to deploy their forces to Iraq, I will strongly support it. I am sure that that also applies to the Iraqi people.

United Nations international staff are already operating in Iraq and in the region. One team, headed by Lakhdar Brahimi, has been consulting Iraqis on the formation of the interim Government; the other, headed by Carina Perelli, has been examining options for the electoral process.

We also believe that the United Nations has a vital role to play in preparing for elections and giving advice on the constitutional process in 2005. We would welcome United Nations involvement in the full range of humanitarian and reconstruction tasks in Iraq. We very much value the United Nation's constructive attitude towards Iraq's future, expressed by the Secretary-General down. It is all the more commendable following the terrible tragedy that the United Nations suffered last August.

Regrettably, as we make both political and economic progress, some continue to oppose the process: former Ba'athists, terrorists and others willing to use extreme violence, sometimes for personal gain. I assure the House that we will not allow the violent few to hold hostage the prospects and fortunes of the many Iraqi people who want peace and progress. We are determined to do what we can to provide security in Iraq, for it is only within a secure and stable environment that reconstruction and political life can flourish.

Mr. Henry Bellingham (North-West Norfolk) (Con): I am grateful to the Secretary of State for saying that. It will be essential to have troops on the ground to ensure that that happens. I have constituents who are currently serving in Iraq and are worried about the possible extension of six months to nine months. Will he answer that point?

Mr. Hoon: I am sorry that the hon. Gentleman was not present during Defence questions, when I dealt with that. There is no reason at this stage to extend the usual tour of duty for British soldiers in Iraq. However, if circumstances on the ground make it necessary, we will have to make that decision. However, no such decision has yet been made.

Helen Jackson (Sheffield, Hillsborough) (Lab): The continuing violence must hugely worry civilians in Iraq. I realise that it is not Government policy to count the number of civilians killed and injured, but will coalition forces undertake that now, or in future under the authority of the United Nations, to build confidence among Iraqi civilians that things are getting better, not worse?

Mr. Hoon: As I believe was suggested earlier, it is extraordinarily difficult to count precisely the numbers

[Mr. Hoon]

killed or injured when engaging coalition forces. Perhaps I could give my hon. Friend an example from recent events. Yesterday, British forces were attacked in al-Amarah with 15 mortar rounds. I am pleased that they were able to respond effectively. Two British soldiers were wounded and several militia—we estimate 30, but that is necessarily an estimate that cannot be made with great precision—were killed. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) came pretty close to suggesting that British forces in that position were required to go back into danger and ordered to count the dead bodies of those who had attacked them in the first place. I simply appeal to him to be realistic.

Sir Menzies Campbell: If that was the inference that the right hon. Gentleman derived from what I said, let me say that I did not intend in any circumstances to give that impression. There is, however, a legitimate question as to whether we keep a count of the civilian casualties, because of their nature and because of the consequences for public opinion in Iraq and elsewhere in the middle east.

Mr. Hoon: The right hon. and learned Gentleman leapt to his feet in a passable display of indignation, but I wonder how he would, in practice, do what he suggests. It is all very well to make these suggestions, but somebody actually has to do it. I have said that we do our very best to make a reasonable estimate of the number of casualties, but when soldiers come under attack, they return fire. They cannot be expected to go back and count precisely how many people they have killed.

Mr. Patrick McLoughlin (West Derbyshire) (Con): If the Secretary of State were to instruct troops to go back to count the casualties, does he think that people would believe the numbers that were given?

Mr. Hoon: I think that we have probably dealt with this issue in sufficient detail, although I see that another hon. Member is anxious to intervene.

Sir Nicholas Winterton (Macclesfield) (Con): I am rather disappointed that, in the debate so far, we have been so negative about the role that UK troops have played in Iraq. I believe that we have done a magnificent job. Will the Secretary of State advise the House of the role that he foresees over the next six weeks and beyond 30 June for British forces, who I believe are the finest in the world? We need to say that, to give them encouragement for the very difficult work that they are undertaking. I have a great belief in our forces.

Mr. Hoon: I entirely agree. I was rather allowing the facts of the engagement I mentioned to speak for themselves. British forces came under attack from an overwhelming force. They were ambushed and responded in kind, achieving a considerable military success, at a cost of two lightly wounded British casualties. That was a remarkable success. I also agree with the hon. Gentleman's other observations about the abilities of Britain's armed forces.

This weekend, Basra and Nasiriyah saw a number of attacks against the coalition resulting in injury to three British soldiers and the loss of one Italian soldier. Right hon. and hon. Members may have seen reports over the weekend of a failed mortar attack against British forces in Basra that resulted in three Iraqi civilians being killed and three more wounded. This tragic incident highlights once again the indiscriminate nature of the attacks being carried out, not only against coalition forces but against the Iraqi people themselves.

The Falluja brigade has been formed from former Iraqi soldiers. It is a temporary organisation designed to provide security in the town, patrolling alongside US forces. Our objectives in Falluja remain unchanged: to ensure that armed groups can no longer intimidate local people and to confiscate heavy weapons from lawless insurgents. In Najaf, we should remind ourselves of what lies behind the recent tensions. Iraqi prosecutors investigating the murder of a senior cleric, Ayatollah Abdel Majid al-Khoei, have strong grounds for the arrest of a number of suspects linked to al-Sadr, including al-Sadr himself.

In the meantime, al-Sadr's illegal militia have been harassing local people in several cities, including Basra and al-Amarah, unlawfully occupying public buildings and terrorising women on the streets and in universities. We have attempted to disarm al-Sadr's militia peacefully and, when necessary, by force. Our efforts are having some success. We judge that al-Sadr's support, while vocal and violent, is indeed limited and may well be on the wane. In both Falluja and Najaf, we continue to seek political solutions where possible and will, of course, respect the nature of the holy sites.

Mr. Tam Dalyell (Linlithgow) (Lab): What care is being taken not to damage the great shrines at Najaf and Karbala? Apart from any cultural considerations, risking such damage really is playing with Shi'ite fire.

Mr. Hoon: I entirely agree with my hon. Friend about the sensitivity of the holy sites, which is why we are taking great care to respect them. This also seems relevant to the attitude of the Shi'a towards al-Sadr himself, because the overwhelming majority of them do not support or approve of his behaviour. In that disapproval lies the political solution that I have set out.

Lembit Öpik (Montgomeryshire) (LD): I listened with interest when the Secretary of State said that, in certain parts of Iraq, the Government and the Army will seek to find political solutions. To what extent are the Government determined to apply the lessons learned in Northern Ireland—some of which have been very useful and constructive—to the situation in Iraq? Or does he feel that there are no comparisons to be drawn?

Mr. Hoon: There are never exact comparisons, but I certainly believe that British troops on patrol in Iraq daily apply the lessons that have been learned so painfully over a long period in Northern Ireland. The other, wider point to make is that there will not ultimately be a military solution to this kind of crisis. Whatever security action we take on the ground has to

be supported and complemented by an appropriate political process. That is precisely the strategy that I am setting out on behalf of the Government.

Tony Baldry (Banbury) (Con) *rose—*

Mr. Hoon: Perhaps I may make a little progress. I have given way a number of times, although I will give way in due course.

Security sector reform is a crucial part of our strategy to allow the Iraqi people to rely less on coalition forces. We are making strong progress, and our armed forces are playing a vital role. As the House will recall, I announced last year that we would send extra forces to Iraq for just that task. They are supported by civilians from the United Kingdom and by contributions from our allies, and are doing an excellent job. It is not just the coalition in Iraq that recognises the importance of this work for Iraq's future. A substantial police training centre for Iraqi officers is operating in Jordan and producing large numbers of graduates each month. Other countries have also privately offered help, and we are exploring their proposals.

There are now close to 80,000 trained Iraqi police, as well as tens of thousands of other security personnel, including border guards, facilities protection staff and civil defence forces. In the British area, more than 12,000 police have been recruited, and we have trained some 8,000, either in Jordan or in the police training centre that we established with our Danish coalition partners. Six battalions of the Iraqi civil defence corps—some 5,000 people—have been recruited, trained and equipped, as have 5,000 border police, which is some 60 per cent. of the assessed requirement. Raw numbers, however, can seldom provide the full picture.

On the ground, real, tangible progress has been made, with Iraqi police on patrol across the country. Those police are an enormous credit to Iraq and have shown great bravery and resolve in the face of vicious attacks. For example, after the recent terrorist outrages in Basra, which killed more than a dozen schoolchildren, the Iraqi police stabilised the situation and are now investigating. The Iraqi Ministry of Health, which has fully passed to Iraqi control, provided medical care on the scene.

Tony Baldry: The Secretary of State is describing the action that has been taken on security and military grounds, but it is quite clear that one of the problems that we have had in Iraq is the concept of the coalition forces being occupiers. The UN resolution refers to them as occupiers. All of us in the House are supposedly politicians, and we know that we have to win people's hearts and minds. Will he give the House some idea of the thinking and the work that is being done to win the hearts and minds of Iraqi people, so that they cease to see the coalition as occupiers and regard us as part of the process that will lead sooner, rather than later, to their liberation?

Mr. Hoon: I am grateful for the hon. Gentleman's observation. He will know, probably as well as I do, that the word "occupier", which is not the happiest word in this context, is one that we are required to use by virtue of the Geneva conventions. It sets out our status. Obviously, that will change on 30 June, which is why we are working in such a determined way towards that date. However, he is also right, in the sense that we are helping with the reconstruction of Iraq. The coalition provisional authority reports that around 20,000 reconstruction projects have been completed—building Iraq's infrastructure, generating jobs and getting its economy moving. The United Kingdom is involved in some 2,700 of those projects, and every day the quality of life in Basra gets better.

Mr. Kenneth Clarke (Rushcliffe) (Con): Following the same theme as my hon. Friend the Member for Banbury (Tony Baldry), this is a very valuable description of the security situation, but it seems to be in pursuit of a totally unchanged political policy. I detect no tone of any change. After June, as we get a UN resolution, what attempts are going to be made to internationalise the problem? Does the Secretary of State agree that we need the support of the Russians, the French, the Muslim countries, if we can get it, and perhaps some Asian countries? Are other countries going to be involved in the political resolution, or will that remain totally in the hands of the occupying forces and people who are free to contribute troops and money, if they wish to join in?

Mr. Hoon: At least two of the countries that the right hon. and learned Gentleman mentions—Russia and France—will have to sign up to the Security Council resolution, so they will be engaged in a debate, and indeed in the political process set out in any new Security Council resolution. As I indicated to the House earlier, one of the incidental benefits of such a resolution is the possibility of more countries providing troops on the ground and, therefore, more countries being prepared to engage in the reconstruction effort.

That is crucial in providing employment for Iraqis, which gives them a stake in the development of their country and which is proving remarkably successful. I can give the House a long list of achievements. About 90 schools have been refurbished in our area of responsibility and a further 140 refurbishment projects are under way. We have completed 65 general health projects, 16 hospital projects and 32 health centre projects. A programme is under way to refurbish something as mundane as petrol stations in southern Iraq. Some 21 berths in Umm Qasr port are open to deep-draft ships. A grain-receiving facility has been renovated and can now process up to 600 tonnes of grain an hour. A whole range of projects has been set up across the country to deliver precisely the improvements asked for.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): Should not my right hon. Friend correct the misleading impression given by the former Chancellor of the Exchequer, the right hon. and learned Member for Rushcliffe (Mr. Clarke), that only British and American troops are in Iraq? I have just come back from Budapest, and I know that Hungary has troops in Iraq under Polish command, whom it will continue to keep there. Some 27 other countries have troops in Iraq. Should not that fact be spread more widely by the Government to counteract the propaganda that only Britain and America are there?

Mr. Hoon: My right hon. Friend is absolutely right to say that 30 countries are providing troops and sharing

[Mr. Hoon]

security responsibilities as they work closely alongside Iraqis. I would be willing to see that figure enlarged by other countries providing forces to Iraq.

There has been speculation in recent weeks that more UK forces may be on their way to Iraq, either to replace Spanish troops who have recently left or to provide more command capability. In fact, US forces have replaced the Spanish contingent. As far as our own area is concerned, we judge that we have sufficient forces in Iraq, although we always keep that under close review.

We are considering, with partners, the levels and disposition of forces in the context of the crucial period we are now entering, from the establishment of an interim Government through to the election of a transitional assembly and Government early next year. We have not yet reached any conclusion on what that may mean for our own military contribution. If we decide to make any significant change, we shall, as I have already indicated, inform the House in the usual way.

Mr. Nigel Evans (Ribble Valley) (Con): Winning hearts and minds is one of the important things that British troops have to do. Recent events have made that far more difficult because of stories appearing in newspapers that have proved to be false. I am the Member of Parliament who represents Fulwood, which is home to the Queen's Lancashire Regiment. Does the Secretary of State accept that the great anguish and frustration felt by members of the regiment and their families has been relieved by the fact that the stories proved to be fake? Will he assure the House that the *Daily Mirror* is fully complying with the investigation now taking place so that those who are culpable may be brought to justice and so that everyone may know that what was published in the newspapers over the past two weeks put the lives of our servicemen, which were already at stake, under even greater tension?

Mr. Hoon: I, too, have received strong representations from the hon. Gentleman's constituents and from those of surrounding constituencies that provide recruits for the regiment. The Mirror group has certainly said that it will fully co-operate with the investigation, but I have not yet seen the results of that.

Mr. Michael Ancram (Devizes) (Con) *rose—*

Mr. Hoon: I must make progress. A great number of hon. Members want to speak, but I shall give way to the right hon. and learned Gentleman.

Mr. Ancram: I am grateful to the right hon. Gentleman. I wish to raise a matter on which he may need some notice before replying, but which is germane to the debate.

A story is running on the wires, on Associated Press in particular, that a roadside bomb containing sarin nerve agent has exploded in Iraq near a United States military convoy. Brigadier-General Mark Kimmitt said:

"The Iraq Survey Group confirmed that a 155 millimetre artillery round containing sarin nerve agent had been found. The round had been rigged as an IED (improvised explosive device), which was discovered by a US force convoy. A detonation occurred before the IED could be rendered inoperable. This produced a very small dispersal of the agent."

There were no casualties.

As we are constantly talking about weapons of mass destruction, I thought that the right hon. Gentleman should have the chance to take advice on that incident and inform the House of the background to it.

Mr. Hoon: I am grateful to the right hon. and learned Gentleman for setting out that information for the benefit of hon. Members. I have been in the House since business started today, so I have not had an opportunity to receive that information. In due course, no doubt, I shall be able to verify it. It certainly indicates the kind of risks and threats that coalition forces face and the extreme lengths to which some fanatics who oppose us are prepared to go to cause loss of life.

Paul Flynn (Newport, West) (Lab): Will my right hon. Friend give way?

Mr. Hoon: I really must make progress and reach a conclusion, so I hope that my hon. Friend will forgive me if I do not give way.

I regret that allegations in recent weeks about the conduct of some coalition forces have marred our record in Iraq. No one who saw those photos from Abu Ghraib could fail to be shocked. The President of the United States and the United States Defence Secretary have apologised for any mistreatment, and I am fully confident that the United States' investigations will be comprehensive and thorough. Mistreatment of prisoners is wholly unacceptable. In an environment where insurgents are prepared to murder police officers, humanitarian aid workers, civilian contractors and innocent children, our own standards cannot be allowed to fall. Allegations have also been made against UK forces and they are investigated as soon as they are received.

Hon. Members have rightly raised concerns about the effect that recent allegations will have on our standing in the Islamic world. I can assure the House that we are considering how we can ensure that we make it clear to the Iraqi people how seriously we take these charges, and how determined we are to deal with them. The governor of Basra, however, whom I met only a few weeks ago, has said that he has not registered a single allegation of human rights abuses by British forces.

We will continue our mission in Iraq. I have no doubt that when we succeed—and succeed we shall—the lives of ordinary Iraqis will be improved beyond anything they could have dreamed of under Saddam Hussein. We are making further progress every day. It would be wrong of us to falter now.

Richard Younger-Ross (Teignbridge) (LD) *rose—*

Mr. Speaker: Order. I think that the Secretary of State has finished.

4.21 pm

Mr. Michael Ancram (Devizes) (Con): I, too, wondered whether the Secretary of State had finished or was giving way yet again.

I welcome the debate, although it is a disgrace that it is not being held in Government time. Had the Government had the courage to initiate such a debate, and as Iraq is not for them or us a cynical European or local government election issue, we could have had a full day's debate on this important and urgent matter.

As both the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) and the Secretary of State indicated, this debate is being held in the grim shadow of the tragic assassination today of Izz al-Din Salim by those who still seek to prevent the peaceful return of Iraq to the Iraqis. They must not be allowed to succeed.

I shall start with two comments. First, we were right to support the Iraq war. The threat posed to international peace and security was acknowledged and real. Iraq and its peoples needed rescuing from Saddam. Those two facts were not going to change and if we had not done it last year, we would still be looking to do it in the future, at almost certainly greater risk and cost. It is worth remembering that, if the Liberal Democrats had had their way, Saddam would still be murdering his people, still destabilising that volatile region, still posing a threat to international peace and security and still requiring to be dealt with.

Clare Short: Will the right hon. and learned Gentleman give way?

Mr. Ancram: I give way to the right hon. Lady, who voted for the war in the Cabinet.

Clare Short: We do not have votes in the Cabinet. We do not have much discussion, either. Everyone tends to justify their own actions, but surely the lesson is that being willing to use force to back up the authority of the UN to support the people of Iraq in getting rid of Saddam Hussein, perhaps by indicting him, could have been done more carefully, in a more considered way and with more international co-operation. The people of Iraq would be much better off if that had happened. Should we not all face up to that and stop trying to justify every position that we have taken in the past?

Mr. Ancram: I will take a lot from the right hon. Lady but I find it difficult to take that when she stayed in the Cabinet throughout the war, regardless of the fact that there had been no second UN resolution.

Support for the war, however, does not and cannot entail placid acceptance of everything that has followed. That support cannot—nor should it, in a democratic Parliament—inhibit us from criticising the conduct and drift of the post-conflict programme.

Secondly, the Prime Minister hit rock bottom last week when he inferred that our criticism of him was a criticism of our armed forces. We have always made it abundantly clear that we not only support the effective and courageous manner in which our armed forces are carrying out their responsibilities in Iraq in the face of great difficulties and dangers, but are immensely proud of their professionalism and dedication.

The whole House will share my disgust at the malicious attempts in some quarters to damage the reputation of our armed forces in Iraq by making untrue or faked allegations that also endanger their lives. With the editor rightly gone, I hope that the *Daily Mirror* lessons have been well and truly learned. Of course, where there are serious and genuine allegations of abuse, those responsible must be rooted out and dealt with firmly and effectively. We can have no time for such people.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): The right hon. and learned Gentleman said that at the time when war was embarked upon, Iraq represented a real danger to other countries. Can he tell me of any country, apart from Israel, that recorded in any international forum any threat that it felt itself to be under from Iraq?

Mr. Ancram: The words that I used were, "The threat posed to international peace and security was acknowledged and real." That is because during the previous 12 years, 17 United Nations resolutions had been passed under chapter VII of the UN charter, which relates to threats to international peace and security and which allows, under article 43, for military action to be used to deal with such threats.

Several hon. Members *rose—*

Mr. Ancram: I want to make a little progress. This is not our debate and I am conscious that many hon. Members want to speak. Those who know me will be aware that I am usually very generous in taking interventions.

Mr. Kenneth Clarke *rose—*

Mr. Ancram: However, I shall give way to my old friend, the former Chancellor.

Mr. Clarke: I am grateful for that privileged treatment and I shall try not to abuse it.

Given that I agree with my right hon. and learned Friend that our attitudes today cannot be determined by whether we were in favour of the war in the first place, does he agree that even if the war was justified, the present situation has been made infinitely worse by the painful lack of planning for what was to follow after the occupation and the incompetence with which the interim Government have at times conducted themselves in trying to impose security on the country? Is it not important that the House should address itself to the problem that we now face: how do we get from being an unpopular occupying force to being part of a genuinely international effort to create a stable Iraq?

Mr. Ancram: My right hon. and learned Friend has either been reading my mind or reading my notes from a distance, because he pre-empts what I am about to say.

This debate is important because of the crisis of public confidence that has been brought about by the lack of direction, lack of candour and general incompetence in the Government's handling of Iraq. That has its roots in the Prime Minister's refusal to hold a proper inquiry into the Government's use, in the run-up to the war, of intelligence on weapons of mass destruction. It has been further deepened by the incredible failure of the Prime Minister and his senior colleagues to keep abreast of the

[Mr. Ancram]

serious reports on prisoner abuse by the Red Cross and Amnesty International, and by the extraordinarily conflicting reasons for that failure that were given in the House last week—including, as hon. Members may recall, the Secretary of State for Defence saying that he had not read the Red Cross report because it had been given to the Government in confidence. That is compounded, as my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) says, by the Government's failure a year ago to set out a clear post-conflict plan—for which, incidentally, I had been calling since the debate in this House on 24 September 2002.

Strategy is still being developed on the hoof. Last Wednesday, the Foreign Secretary chose to announce—not in this House, but on "BBC Online"—that British troops would leave Iraq if the new post-30 June interim Government asked them to do so. Having called for the transfer of power to be real, not cosmetic, Conservative Members welcome that announcement—but why was it not made in Parliament and why was it not made earlier? There remain other unanswered questions that I shall come to shortly.

Today, we find Downing street apparently briefing about—hon. Members can choose their phrase depending on the newspaper that they read—"gear changes" and "new exit strategies". To me, exit strategies are redolent of failure at a time when we need a clear, positive plan with a clear end game for achieving our overall objective: to return Iraq to the Iraqis under a representative and democratic Government.

If we are to understand the strategy, we first need to know the full details of the handover on 30 June. To whom will it be made and who will have been responsible for making that decision? Given the role of the United Nations representative in the handover, what will be the role of the coalition in the run-up to the handover?

We believe that, even in the remaining six weeks, there is still a need for a high-powered United Kingdom political representative in the coalition, working alongside General McColl on the military side, to ensure that the UK political voice is clearly heard and heeded.

We need some answers now, to show that the handover will be a real transfer of sovereignty. How does the Foreign Secretary's statement on withdrawing UK troops if requested by the interim Government conform to what I understand was the crucial Brahimi agreement with Ayatollah Sistani, which was reported in Sir Jeremy Greenstock's article in *The Economist* on 7 May, namely, that the unelected Government who will emerge from the handover and precede elections will not have sovereign freedom to affect the future of the Iraqi state? How is that consistent with saying that they can decide whether coalition forces stay or go?

We also need a clear security strategy to restore public order and stability in Iraq, not least, as has been said, because of the forthcoming elections next January. What will be the position of our troops if we are asked to remain after 30 June? Will they be, in the old phrase, "in aid of the civil power" at that power's request? What is a realistic assessment of when Iraqi security forces will be capable, in terms of numbers and training, to impose and maintain the necessary degree of security? Despite the fact that the Secretary of State told us again today that no decision has been made about whether further deployments of British troops will be needed, what is the likelihood of a requirement for more UK troop deployments and in what capacity? We should at least be given an indication.

Mr. Roger Gale (North Thanet) (Con): Does my right hon. and learned Friend agree that it is one thing if further troops are necessary at the behest of British commanders to secure the safety and positions of British forces, but that many of us would be gravely concerned if there were to be an open-ended commitment for the deployment of British troops anywhere in Iraq at any time?

Mr. Ancram: I am grateful to my hon. Friend for that question. He, too, must have such good eyesight that he can read my notes. I was just coming to a point that has been discussed over the weekend and raised in the debate: whether the House should vote on future deployments. I am firmly of the view, which I suspect is shared by my hon. Friend, given what he has just said, that the House should never try to second-guess operational decisions or requirements on the ground. However, where a decision is to be taken that would substantially or materially change the nature of our military involvement, which could include a request to undertake operations that are outside our current area or not under our command, seeking the opinion of the House would probably be justified. That does not indicate that we would oppose such deployment, but that we should want to consider it on its merits.

Paul Flynn: I welcome the statement that the right hon. and learned Gentleman has just made. Does he agree that the information that he gave the House earlier shows that there has indeed been a substantial change in the level of danger into which we are sending our troops? Does he also agree that a valuable precedent was established when the House voted to send our soldiers to Iraq to kill and, tragically, to be killed? Is it not clear that many of the assumptions on which those decisions were based were false and that there is a need for a new decision if more troops are to be sent?

Mr. Ancram: I do not accept that our troops were sent to Iraq to kill and be killed; they went there to restore stability and democracy in that sad country after many years of a vicious and evil regime. I have said what I said about voting. I very carefully judged my words and do not want to add or detract from them.

We need a credible economic strategy to create employment and to remove a major cause of resentment, which is itself a recruiting sergeant for dissent and worse. Lack of income is fostering enormous resentment in various parts of the country. As Jeremy Greenstock wrote, the guiding slogan for the coalition should be "security and jobs, stupid".

What plans are there to promote a comprehensive, long-term, job-creating investment programme? What plans are there to ensure a credible humanitarian strategy? For instance, what is the current situation in the hospital in Basra in relation to reported shortages of personnel and equipment?

Would not reconstruction be more acceptable locally if it was bottom-up rather than applied top-down?

We also need to ensure that anything that is done by the coalition that is not consistent with the objectives for which we went to war ceases. The objective of removing the threat posed to international peace and security by Saddam Hussein has been achieved, but the objective of creating a stable, democratic and prosperous Iraq is not yet achieved.

Mr. Hogg: My right hon. and learned Friend needs to be very careful. The stated purpose for going to war was to ensure compliance with United Nations resolutions. I did not happen to agree with it, but that was the stated purpose. No doubt the restoration or creation of democracy was an intended by-product, but it was not the lawful justification for the war.

Mr. Ancram: My right hon. and learned Friend has, on many occasions, made the case against regime change. The terms of the United Nations resolutions acknowledged and recognised that Saddam Hussein was a threat to international peace and security and was required to be dealt with. That was the justification upon which we backed the decision to go to war. Indeed, I understand from the Foreign Secretary that that was also the position that he took at the time.

We should, however, acknowledge, as the Secretary of State for Defence did, the substantial body of work of reconstruction that is actually being carried out in Iraq. Electricity is now more equitably distributed and more stable than it was under Saddam Hussein, who used to feed most of it into Baghdad for political reasons. Basra alone now receives 21 hours electricity each day, and the sweet water canal system that provides drinking water to 1.75 million residents of Basra city has been renovated. The number of telephone subscribers, including mobile users, is 33 per cent. greater than it was before the war. Some 2,500 schools have been refurbished and 70 million textbooks have been reprinted. Almost all of Iraq's 240 hospitals are functioning, more than 1,200 clinics are open and more than 3 million children under the age of five have received vaccinations. That is solid progress and we should recognise and welcome it.

As several hon. Members have said, however, we must recognise what is undermining those efforts. In the vital battle for hearts and minds, perception matters. How the coalition is perceived matters, so how the coalition acts matters, too. There is a difference between what is seen as an army of liberation intent on restoring the state to its people and what is seen as a conquering army with all the heavy-handedness that can accompany that. I am always wary of commenting from afar on specific military actions without experiencing the real threat on the ground and the nature of the insurgents that are being faced. Nevertheless, I believe that the military conduct of United Kingdom forces has, in this regard, been exemplary.

Chris Bryant (Rhondda) (Lab): Will the right hon. and learned Gentleman give way?

Mr. Ancram: I shall not give way again because, as I said, many other Members wish to speak in the debate.

There is no doubt that confidence right across Iraq has been shattered by the horrific incidences of prisoner abuse, particularly in the Abu Ghraib prison. We roundly condemn them. Such behaviour has no place in the conduct of the army of a democratic state. They are not only unacceptable in themselves, but highly damaging to the coalition's credibility in Iraq. One thing that would help to prevent further such abuses is, independent monitoring of all detention facilities in Iraq. When the Minister replies to the debate, can he specifically confirm that all and every part of coalition detention facilities throughout Iraq are open to unfettered inspection by the Red Cross? I repeat: all and every part of coalition detention facilities. Perhaps he can also clarify whether, after 30 June, responsibility for these detention facilities will pass from the coalition to the interim government.

I come finally to the underlying theme of this debate—the Government's relations with the United States. I bow to no one in my belief that our special relationship with America is crucial to our national interest. I believe in a true partnership with America, based on shared values, shared traditions and, frequently, shared interests. Shortly, Europe will be reminded of what, 60 years ago, the United States, as liberators, did for our war-ravaged continent and the debt of gratitude that we owe to them. Our relationship, however, must always be, as it always has been, a partnership in which frankness is at the core.

We are constantly given the nudge and the wink that that is the case for the Prime Minister, but we are never given the evidence. Even the closest of allies have differences of opinion and emphasis. A candid friendship, except when confidentiality is essential, should not be afraid of such differences—and the advice that follows on from them—being known.

The Prime Minister, however, seems to have established a new doctrine of international relations. He never admits in public whether the differences even exist, let alone the discussions he has had on them. That reticence is not necessary. Margaret Thatcher let Ronald Reagan clearly know of her displeasure at the United States invasion of Grenada in 1983. She quickly made her concerns known after the Reykjavik summit in 1986 between Presidents Reagan and Gorbachev. How can the British people ever know what influence a British Prime Minister has brought to bear on our American allies if he never discloses it? Is it surprising that people wonder whether any influence has been brought to bear at all?

Although the outlook in Iraq is, for the moment, bleak, we must never fall into the Liberal Democratic trap of just being negative. With them in power, Saddam would still be in place, he would still be murdering and he would still be threatening. Thank goodness he is not. Of course, things could be better. If the Government had planned more effectively when we pressed them to, if they had not dithered on the way forward and if they had not been so incompetent in keeping a grip on what was happening in Iraq, things today would be better. However, although time is short, we can still get it right. The cause we fought for was right and the objectives at

[Mr. Ancram]

which we are still aiming are right. For the sake of the people of Iraq and of international peace and security, we must ensure that they are achieved.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I remind all right hon. and hon. Members that Mr. Speaker has imposed an eight-minute limit on all Back-Bench speeches.

4.41 pm

Mrs. Barbara Roche (Hornsey and Wood Green) (Lab): For very many Jewish people of my generation, the major influence has been the holocaust and the second world war. That has certainly influenced my political views. The enduring view of that conflict and the holocaust is that the international community of the day knew what was happening in the concentration camps and knew that the train lines were carrying Jewish people and others from all over Europe to their certain death and destruction, and failed to act. That is an abiding issue for me, my community and many others. Similarly, in recent times, the failure of the international community to take any action until it was far too late led to the genocide and holocaust in Rwanda. I use the word "holocaust" advisedly. I hardly ever use it because to use it in a loose way defiles the memory of those who died.

For me, the Saddam's regime was horrific. I also represent a constituency with an enormous number of Iraqis, including many Iraqi Kurds. My hon. Friend the Member for Cynon Valley (Ann Clwyd), with her great experience of the situation in Iraq, spoke so well of their plight. The husband of one of my constituents—a very brave woman—was an officer in Saddam's army. He was a dissident. He was called in. He was tortured. While he was being tortured, his wife was brought in and raped in his presence. After the rape, he was executed. She managed to get out of the country. We subsequently managed to get her children out of the country and into this country. She is a brave and wonderful woman.

Getting rid of Saddam Hussein was the right thing to do. That is why the events of recent weeks are so disturbing.

The accounts of what happened and of what was done by the American forces are absolutely dreadful. There are two accounts of those events. Either it is claimed, "We were only obeying orders"—a claim that again has an awful resonance for those who remember the events of the last century—or, as I now believe, institutional torture was authorised at a very high level. None of us who saw those pictures—there are probably more to come—can stand by and let that torture happen. I certainly cannot, and I suspect that the whole House cannot. That means that we, on behalf of the Iraqi people, have to make it clear to the Americans in the strongest possible terms how we feel about events. It means that Donald Rumsfeld has to resign now and the practice of using private contractors in Iraq for intelligence purposes must cease. Given what we have heard over the weekend, it also means that we need to ask the Americans if it is correct that filming took place of other appalling incidents in Guantanamo bay involving British citizens who were detainees there.

These dreadful events have overshadowed the magnificent contribution that so many of our British armed forces have made in the most difficult circumstances. There is no doubt that major acts of reconstruction are taking place and that our forces, with their long experience of engaging with civilian populations, have sought to win the hearts and minds of the Iraqi people. There is obviously a great deal of self-sacrifice on behalf of those people, and I congratulate our forces on that. We must be under no illusion, however: with the Americans' recent record, none of that message will get through, either to the Iraqis or to the public in this country. That is why we have to protest in the strongest possible terms.

What does that mean? We cannot simply desert the Iraqi people—that would be wrong—but on 30 June we have to hand over the maximum amount of authority to the Iraqi interim Government. That interim Government must be seen not as a puppet regime but as an interim Government who truly reflect the Iraqi people. We must make sure that the interim Iraqi Government have control over the security forces in Iraq if the country is to prosper and survive. The UN has to have the maximum power and control, and we all need to use our best endeavours to bring that about. On the deployment of troops, we of course need to listen to what British commanders on the ground are telling us, but we must also take into consideration the will of the Iraqis and the interim Iraqi Government, and we must do that in consultation with the UN.

The situation is so grave that this is not the time to seek narrow political advantage—it is too serious for that. We all have to resolve to work together for the Iraqi people. Iraq is a country with a brave, intelligent and able population, where parliamentary democracy once flourished. We must do everything possible to help it and to restore it, but, more importantly, we must do all that we can to give the Iraqi people control over their own lives and destinies.

4.49 pm

Mr. John Maples (Stratford-on-Avon) (Con): I would say to the hon. Member for Hornsey and Wood Green (Mrs. Roche) that if there is a moral imperative on countries such as ours, where human rights are respected, to intervene in countries where they are not, there is an awfully long list of the latter—and that that was not the justification for the war. Saddam Hussein's was a particularly unpleasant regime, but there are many more unpleasant ones around the world—for example, in Sudan, where rather more people are being killed.

From the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) we heard something of an "I told you so" speech. I suppose he is entitled to make such a speech in the circumstances, but I am not sure that it was terribly helpful. From the Secretary of State, we heard an "It's all going according to plan" speech, but it clearly is not—if there was ever a plan in the first place. Those such as I who supported the war from the start—I still do—are deeply troubled by the fact that there seems to be no effective plan. We keep making the same mistakes and do not learn from them.

Now, we hope that on 30 June, Mr. Brahimi will somehow bail us out of the problems that we have encountered. Why it has taken us until 15 months after

the end of the war to reach the point of handing over power to a more representative Iraqi Government—or transitional authority, or whatever it is to be called—I simply do not know. We persevered for more than a year with a group of people who were largely selected by the United States and who did not have the confidence and support of the Iraqi people. That caused problems, and the actions of some of the American forces, their interrogation techniques and some of the ways in which we have set about enforcing security, have exacerbated those problems.

However, we have to start from where we are. Whether or not one supported the war, there are two objectives that we should want to achieve. The first is to leave behind a reasonably peaceful Iraq where the rule of law is respected, at least to some extent, and which is starting down the road to democracy. We now have a duty to try to leave that behind us. The other policy objective is related to one of the reasons why I supported the war: I believed—perhaps "hoped" is a better word—that a reformed Iraq might act both as a beacon and as a rebuke to other countries in the region whose Governments are pretty awful.

None of the 22 Arab countries has anything resembling a working democracy; in none is the rule of law respected; and all are giving rise to a brand of Islamic terrorism that presents a serious danger to us. It is difficult to escape the conclusion that the rise of Islamic fundamentalism and terrorism is connected with the nature of the regimes in those countries. I am not suggesting that we could set up Jeffersonian democracies in Egypt and Saudi Arabia tomorrow, because I suspect that the people would elect Mr. bin Laden and his lieutenants. That is a measure of the problem facing us. However, if we do not start down that road, the existing regimes will be overthrown by Mr. bin Laden and his lieutenants and we will face worse than the ayatollahs in Iran for a generation to come.

Reform in the middle east is desperately needed. If we can leave behind us an Iraq in which the rule of law and human rights are observed and which is something approaching a democracy, it might reinforce our efforts to secure reform in the region. That is the only way to get long-term stability in the region and long-term security of our interests.

Clare Short: Does the hon. Gentleman agree that democracy will not be achieved in the middle east until the Palestine-Israel situation is resolved? The reason why the US supports oppressive regimes in Egypt, Jordan and other countries is that their peoples are so angry about the suffering of the Palestinians that democracy would give rise to countries that are hostile. If we resolve the Palestine-Israel situation and get all weapons of mass destruction out of the region, a process of democratisation can start. Without such resolution, that process cannot start.

Mr. Maples: I have said a great deal in the House and elsewhere about the middle east peace process. I have strong views, which I have taken up with the Prime Minister in writing and in speeches. However, I have only eight minutes and cannot deal with the subject now, save to say in defence of the United States that nobody could have tried harder to bring about peace in the region than President Clinton did in the last year of his Administration.

We have to try to leave behind us a stable and, hopefully, democratic Iraq. We are relying heavily on Mr. Brahimi to give some authority to the transitional administration and to ensure that it has a large measure of credibility and support among the population—more than the governing council, which was established by the provisional authority.

It is worth viewing the security threat in that light. The security threat comes in part from criminal gangs, in part from supporters of the old regime and in part from Islamic terrorism. The latter is, to some extent, sustained by Shi'ite clerics and by outsiders, but it also has overtones of nationalism—resentment of the presence of American troops. If the new authority has greater credibility and support, the security threat will diminish. Arabs, and Iraqis in particular, will deeply resent terrorists killing other Iraqis who have the support of the local population. Now the killers' excuse is that the governing council is the puppet of the United States and that its members are collaborators.

I do not buy that as a reason for killing them, but nevertheless I accept that it may have some political resonance. If the governing council, which clearly has the support of the people, is moving towards the implementation of a constitution and preparations for elections within a year or so, there is a chance that the security threat will diminish. Iraqi security forces will increasingly have the authority and political support to deal with the threat. If terrorism is seen as an attack on home-grown politicians, they will have the backing of the population of their home country in trying to deal with it.

It is difficult to see that happening without the presence of coalition forces beyond 1 July. We said that we would leave soon after that date, but I hope that we did not mean what we said, because there would be no chance of leaving behind us a stable Iraq. There are clearly forces bent on chaos or civil war, which is not in our interests and will certainly not send the right message to the region. As for sending more forces to Iraq, I would expect that to be done only if our military commanders wanted it. They should be sent only to the Iraqi region for which we are responsible and should be deployed in sufficient numbers to be commanded by a senior British officer, not parcelled out among other commands in Iraq.

If the threat is reduced, there is a chance of achieving stability in the region, which is a prize worth hanging on to for a bit longer. To those who say that we should abandon the enterprise because it reinforces failure, I would reply that the consequences of failure, whether reinforced or not, are terrible for the credibility of British and American foreign policy; for the credibility of our threat to use force; and for our long-term objectives. If we back off now, the message across the region will be, "Britain and the United States do not like this at all, but they are not going to do anything about it." That message, however, will suggest to people in those countries who are in favour of democracy and human rights that there is no support outside the region for what they want to do, thus handing the region over to two forces—the forces of the status quo, which are undemocratic, corrupt and nepotistic, and the forces of extreme revolution in the hands of Mr. bin Laden and his supporters.

[Mr. Maples]

It is worth reflecting on the consequences of abandoning our policy, both for us and for our alliance with the United States. If we leave the US alone in its enterprise it will probably retreat into isolationism. Most of Mr. Bush's critics in the House feared that he would pursue that policy when he was elected, but now they are criticising him for pursuing an interventionist policy abroad. British foreign policy and defence are built on our strong alliance with the United States and to abandon that alliance will leave us floundering in the middle of the Atlantic without the security of European defence co-operation, about which the present Government, the previous one and I share some scepticism. We have no alternative but to try to see the enterprise through and I believe that the objectives are worth pursuing.

4.58 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): In that fateful vote on 18 March 2003, I supported the Government's deployment of troops. That was the first time ever that the House of Commons was allowed to vote on the deployment of troops and the Government should receive credit for that. It is also important to remember that they won that vote with a very substantial majority. Given subsequent events, however, some people have asked me whether I would vote the same way again. Two or three newspapers have phoned me to ask that very question, but I have not seen the results in print because—I suspect—they did not get the answer that they wanted.

I would do exactly the same again—I told them that—because those of us who voted in favour thought very long, hard and carefully before doing so and we knew exactly what we were doing.

Like all hon. Members and everyone beyond the House, I abhor the torture and humiliation of the Iraqi prisoners and I say so, but I also abhor the execution of Nick Berg. Not everyone says that, by the way; not everyone who condemns the other torture condemns that as well. However, the torture—albeit awful—is of a totally different order and extent to the vicious murder of thousands and the torture of many more by the Saddam Hussein regime, to which the mass graves testify.

Of course the situation in Iraq is difficult. There is sabotage by external terrorists who do not want us to succeed. Criminals are inevitably exploiting the situation. Thankfully, Iraqi opinion is turning against extremists and terrorists, and we should be pleased about that. I got the impression that the Liberal spokesman wants everything to go wrong to prove that he was right and so that he can say, "I told you so."

Mr. Dalyell: It was not the critics in the House, but Senator Edward Kennedy who described the Abu Ghraib prison as "under new management"—but the same as Saddam. It was Senator Kennedy, not us.

Mr. Foulkes: Of course, Senator Kennedy is a well-respected man; he has his own history to deal with.

As well as the sabotage and the criminal elements, thousands of children are being educated at school. Many ill people are being treated in hospitals. Oil and water are flowing again, in spite of attacks. Electricity supply is restored. Of course that does not hit the headlines, but it is the increasing reality in Iraq.

In this extremely difficult situation, where do we find the Liberal Democrats? As usual, they are on the bandwagon of opportunism. *[Interruption.]* The hon. Member for Richmond Park (Dr. Tonge) can sigh and moan, but it is true. Not just in the House of Commons, but on the stump in the European elections, they are showing cynical opportunism. As we heard from their spokesman today, they are coming up not with a solution, but with constant, carping criticism, undermining the morale of our servicemen and women.

Mr. Paul Keetch (Hereford) (LD): May I tell the right hon. Gentleman that I have visited Iraq since the start of conflict and the troops there have told me that they have been very grateful to Liberal Democrats and others who have been putting their side of the argument? May I remind him that the Liberal Democrats pointed out that our troops did not have the right kit and the right boots when the right hon. Gentleman's Government sent them to war to fight?

Mr. Foulkes: When the hon. Gentleman was talking to those troops, he did not understand the irony that they were using to make their point. They are a cleverer lot than he gives them credit for. He and the Liberal Democrat foreign affairs spokesman have taken a very interestingly different line on that from time to time.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my right hon. Friend give way?

Mr. Foulkes: No, I am not going to give way.

In contrast to the Liberal Democrats, our troops are helping not only to keep the peace in difficult circumstances, but with reconstruction and rehabilitation. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) did not even mention or recognise that, let alone give them credit for it; nor did he come up with any constructive and practical suggestion for the way forward. Indeed, he spoke like the lawyer he is, to put a straitjacket on our troops. If it is necessary to reinforce our forces for effectiveness, for their safety or to extend their tasks, the Government should do so.

At least the right hon. and learned Gentleman did not call for immediate withdrawal. I suppose that we should be thankful for that small thing, although some—including my right hon. Friend the Member for Livingston (Mr. Cook), who, given his time in office, ought to know a great deal better—call for that immediate withdrawal. That is the height of irresponsibility. It would result in a bloody, all-out civil war, in which thousands of people would die, and the danger of a return to dictatorship.

Mr. Kilfoyle: It is rare for me to defend my right hon. Friend the Member for Livingston (Mr. Cook), but my understanding of what he said is that he hoped that after elections there would be a withdrawal, not an immediate withdrawal after 30 June.

Mr. Foulkes: I bow to my hon. Friend's correction. Perhaps I shall have to correct my remarks in relation to

my right hon. Friend the Member for Livingston. I shall check the record. There are some who are calling for an immediate withdrawal, which would certainly result in bloody civil war, as I said. That, incidentally, is not just my view. It is also the view of leaders of socialist parties whom I met at the Socialist International executive in Budapest on Friday, and not all of them supported the intervention by Britain, the United States and the other countries that supported us. As my hon. Friend the Member for Cynon Valley (Ann Clwyd) said in an intervention, we must stay the course. That was a telling phrase. Following the assassination of the leader of the governing council, it is even more vital that we reaffirm our intention to do so.

I conclude where I started. One of the world's worst dictators has gone. Some people have said—as did the hon. Member for Stratford-on-Avon (Mr. Maples)—that there are many other dictators. At least there is now one less. Because we cannot get rid of them all does not mean that we should not get rid of one of them. I am glad to see that the hon. Gentleman agrees with that.

Now, Iraq is moving, albeit hampered by terrorists and by the faint-hearted, towards democracy and prosperity. That is something of which the House and our Government should be proud. I support the Government in their determination to see it through.

5.6 pm

Dr. Jenny Tonge (Richmond Park) (LD): The previous speech was most enjoyable, in the usual Dr. Pangloss style of the right hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). We heard, as usual, that all is for the best in the best of all possible situations.

It is important for the House to examine the reasons we were given a year ago for going to war with Iraq. Weapons of mass destruction, we were told, were ready within 45 minutes to destroy us. Dossiers were published to support that view. In my family, where there are three scientists—albeit two medics and a geologist—those dossiers were looked at carefully and thought to be extremely faulty and very bad science indeed. I wonder whether there are any scientists at all in the Cabinet if they could accept the sort of rubbish that was peddled at the time.

Nevertheless, many in the House accepted those dossiers and the reason given. We know that there were no weapons of mass destruction. If there were, where are they now? We do not hear the Government speculate very much on where they might have gone. The whole situation in Iraq has been such a shambles over the past 12 months; if the Government were so sure that there were weapons of mass destruction, it is extremely worrying that we have no hint of where those weapons might be now.

We were also told, as Dr. Pangloss reminded us, that human rights were being abused and that Saddam Hussein was a monster. I entirely agree. That means it is even more important that our campaign should have been conducted in the most impeccable way, and that there should have been faultless behaviour by the Americans and ourselves in Iraq. The reverse has been true.

Mr. Harry Barnes (North-East Derbyshire) (Lab): Can the hon. Lady imagine what would have occurred if photographs of abuse in prisons, which was far worse under Saddam Hussein, had come out? If such photographs had been available during Saddam Hussein's regime, they would have been used as part of the humanitarian justification for the invasion of Iraq.

Dr. Tonge: The hon. Gentleman makes a point, but I am getting a little tired of hon. Members saying that the human rights abuses allegedly being committed by the Americans, even if not by our troops, are somehow better or not so bad as those committed by Saddam Hussein. Abuses of human rights cannot be graded. The abuse of human rights is an absolute. We no longer have any moral authority. I was reminded of that last week while we were tackling the Sudanese Foreign Minister on the abuse of human rights in Darfur when I noticed faint smiles on the faces of the Sudanese delegates. It is difficult to claim the moral high ground when such things have been going on in Iraq.

We were also told that somehow Iraq had a connection with world terror and Osama bin Laden, but since the invasion of Iraq world terrorism has increased. The supporters of Osama bin Laden, who had no previous connection with that country, are now in there. We in Britain are more at threat than we were a year ago when we went to war.

Mr. Dalyell: Osama bin Laden did have a contact with Iraq, and the contact was that on two separate occasions he made serious attempts to assassinate Saddam Hussein. That was the relationship.

Dr. Tonge: I rather suspected that the hon. Gentleman would make that very intervention. He has said that many times.

Huw Irranca-Davies (Ogmore) (Lab): The hon. Lady will perhaps appreciate the intent of my intervention when I say that the question of the moral authority of our troops under the Ministry of Defence and the Secretary of State for Defence is entirely different from that of Saddam Hussein and his regime, in that here we investigate the allegations and act on them when they are proved. I challenge the hon. Lady to say that Saddam Hussein would have done the same.

Angus Robertson: Why did the abuses happen in the first place?

Dr. Tonge: As the hon. Gentleman says, why did they happen in the first place? Who gave the authority for American soldiers to abuse soldiers in this way? Was it just because the same thing was happening in Guantanamo bay? Why were the British Government so weak and feeble in trying to get our citizens out of Gantanamo bay? It rather suggests that they are colluding in American treatment of prisoners of war.

Liberal Democrats have been accused of being opportunist, but on the doorstep people say that they have been told lies about weapons of mass destruction by the Government, that at the very least Britain has colluded with human rights abuses in Iraq, and that we have endangered the safety of British citizens by increasing terrorism. The Government should be ashamed of their record in the past year, and if they have no shame, I am ashamed on their behalf—truly ashamed.

[Dr. Tonge]

The Prime Minister could save his soul. We have heard very little about the middle east peace process, which is mentioned in the motion. The Prime Minister could save his soul and his Government by breaking with George Bush and Ariel Sharon and by using every means to put pressure on Israel to withdraw from the territories of Palestine that it has occupied since 1967. That is a key issue that has not been addressed this afternoon.

If the Minister were to tell us that the offered withdrawal from Gaza is a step in the right direction, I would merely laugh in his face given what has been going on during the last week with the bulldozing of houses, sometimes with people in them—a scorched-earth policy—and the killing of leaders in that area before withdrawal is even considered.

When the Minister replies, cannot he acknowledge the visit of the delegation from the Palestinian assembly, which is in Britain this week, and accept once and for all that the road to peace in Iraq and the wider middle east, as well as the road to solving the threat of terrorism in this world, still lies through Jerusalem?

5.14 pm

David Winnick (Walsall, North) (Lab): The sadistic abuses in Iraq revealed in the past week or so have undoubtedly set back hearts and minds in that country and throughout the region. We must thoroughly investigate how such acts could take place in the very prison where Saddam had his torturers and murderers. I find it difficult to believe that those who carried out the abuses and worse did so without the knowledge of senior officials and that they acted on their own initiative.

In order to ensure that people in the middle east, especially in Iraq, understand how seriously the issue is taken in the United States, the best course of action would be for the Secretary of State for Defence and his deputy to resign. That would show that when America says that it is sorry, it really means that it is sorry, and that the person in charge takes responsibility.

Chris Bryant: If my hon. Friend means that Donald Rumsfeld should resign, I agree with him, but he did not make that clear and seemed to suggest that the British Secretary of State for Defence should resign. Does he distinguish between systematic abuse by American soldiers, which is abhorrent to those Labour Members who, like me, have been members of Amnesty International for many years, and the incidents involving British soldiers, which may have been one-offs?

David Winnick: No comparison is possible between what the Americans did and the allegations against British soldiers, which should be investigated. I hope that I made it clear that the United States Defence Secretary and his deputy should go, and go quickly.

I do not regret supporting the destruction of Saddam's regime. The hon. Member for Stratford-on-Avon (Mr. Maples) described that regime as "unpleasant"; it was not only unpleasant but outright murderous, and should have been dealt with much earlier. I was in the House when the controversy occurred over whether military action should be taken to liberate Kuwait. Some of my hon. Friends opposed that action, and I am not sure what the hon. Member for Richmond Park (Dr. Tonge) would have done had she been in the House. In 1991, I hoped that Iraq would be liberated, but I accepted that that was not possible because the coalition would have fallen apart. Had such action been possible, it would have been justified.

Lord Ashdown, the former Liberal Democrat leader, took the lead in urging action to stop the Serbian crimes in Bosnia and Kosovo. He was right, but some Labour Members—perhaps me, for that matter—were a little slow, and the Prime Minister has gone out of his way to praise the way in which the former Liberal Democrat leader understood the need to deal with the crimes that were being committed. Action was taken rather late in the day, but if Milosevic and his cronies were guilty, how much worse were the crimes of Saddam? If one supported what was done in Kosovo—some hon. Members did not—how can one object to action to destroy the regime in Iraq, which was far worse, far more criminal and far more murderous?

Mr. Keetch: Twelve months ago, Liberal Democrat Members did not rule out military action against Iraq in all circumstances. We said that it was not the right time and that the inspections conducted by Hans Blix should be allowed more time—what is more, Hans Blix also believes that he should have been given more time.

David Winnick: The Saddam regime had from 1991 onwards to comply. If Security Council members, including this country, had acted more effectively, we would not have got into the position that we reached. I made it clear at the time that, apart from weapons of mass destruction—Hans Blix was by no means satisfied that there were none, and the hon. Gentleman agrees with that—on the ground of human rights alone, I agreed with my hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche) that we were right in the action that we took.

I agree with much of what the hon. Member for Richmond Park said about Palestine. I recently had a debate on the subject in Westminster Hall. The actions of the Israelis over the past few days were deplorable. We have seen on television Palestinians forced out of their homes, those homes bulldozed and the people forced to live in tents. The more the United Kingdom speaks out against Sharon's actions, the better things will be. I am pleased that more than 100,000 people in Israel demonstrated their distaste and dislike of and opposition to Sharon's policies. I support a sovereign Palestinian state, which should come about as quickly as possible. I made my views clear, as the hon. Lady knows because she listened to me, only a few days ago in Westminster Hall.

Mistakes were made after the liberation of Iraq and far more should have been done to provide basic facilities. I believe that there was a slowness and that we did not explain our intentions to the people to Iraq. That

did not help. I agree that the United Nations should be given a far more active political role in preparing the future of that country. The deadline of 30 June must remain but it should be only the first step towards an Iraqi Government, who need far more legitimacy than the current governing council.

I supported the action last year and, as I have said, I make no apology for the way in which I voted in March 2003. However, I believe that there is a danger that the longer the occupation lasts the more suspicion will grow in Iraq and the region that the United States in particular wishes to stay for a long time. There is a danger that the occupation will be perceived as indefinite and that every excuse will be found to continue a military occupation. People in Iraq who are not terrorists or insurgents and said that it was right to take action to destroy Saddam's regime as well as those in the wider middle east will conclude that it was not simply a question of ousting Saddam. All sorts of conspiratorial theories will be presented that the action was a means of turning Iraq into a satellite of the United States or the coalition. There is great political danger in an indefinite occupation of Iraq.

Once the 30 June deadline is reached and the governing council is given more legitimacy, I hope that every step will be taken to ensure that the Iraqi Government's political role is given far greater emphasis than is currently intended. In so far as it is possible, I hope that more countries, especially Muslim countries, will be included in the transitional period. We all want the same outcome: a sovereign Iraq, a country that is not occupied and an elected, democratic Government with legitimacy. Those are the objectives for which my colleagues and I voted last year. That is why I emphasise that we must be very careful, not only because of the current terrorism, to ensure that the occupation has a limit and that the people of Iraq can rule themselves without outside occupation or interference.

5.24 pm

John Barrett (Edinburgh, West) (LD): As this nightmare unfolds on our televisions and we watch women, men, children, civilians and contractors dying daily, it is worth remembering again why the House sent in the troops. At least we had a vote on the issue, as the right hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) said, but the picture that was painted at the time was that weapons of mass destruction existed and presented a threat. Do the Government—does anyone—still believe that that is true? What happened to the 1,400 people who constituted the Iraq survey group? If they had found anything of note, the Government would be trumpeting their report. Why the silence? The right hon. and learned Member for Devizes (Mr. Ancram) mentioned one round—is that it?

When those who opposed the war questioned the Prime Minister, the reply was often, "At least we have captured Saddam Hussein", as though that alone justified military action. The Government cannot have it both ways. We are in a coalition, and I must remind the Government that it was US soldiers who captured Saddam. If the US forces' success on that occasion is something that we want to share, we must also accept that they, as part of the coalition force, have been accused of shameful actions, and that some of them have perpetrated almost indescribable acts involving prisoners in Iraq. We cannot say that that has nothing to do with us, because it has been done in the name of the coalition.

We were given four reasons for going to war: the threat of weapons of mass destruction and the non-compliance with UN resolutions; the fight against terror; the humanitarian crisis; and Saddam's reign of terror. People say, "At least Saddam's reign of terror is over", but if that vote on weapons of mass destruction were to be repeated today, now that we know that the 45-minute threat related only to battlefield weapons and that the two trucks that were supposedly mobile laboratories were in fact sold to Iraq by us for meteorological purposes, there is no way that we would go to war based on the dodgy dossiers, the dodgy evidence, the Prime Minister's word or anything similar, because trust in the Government has gone.

The argument moved on to the fight against terror as a reason for going to war, but the terrorists have been fuelled by recent events. Those who wanted to portray the west as inhuman now have all the recruiting material they need. They have material—including photos and videos—to last them a long time. Donald Rumsfeld sends a shiver down my spine; what must he do to those in Iraq?

Hon. Members mentioned the reconstruction plan and said that the humanitarian grounds were reason enough for going to war in Iraq, but Iraq is not yet the relatively wealthy country that it should be. Before any trouble, it had a standard of living similar to that of Spain or Portugal, but it has not yet returned to that position. The end of Saddam's reign of terror has been cited as the only success, but the toppling of a dictator would never have won international support as a reason for going to war. If that was the reason that we went to war, we should be at war constantly.

What next? There must be either an exit strategy or more troops. The present situation is a nightmare. If the troops were pulled out tomorrow, the country could implode. Any terrorists not in Iraq would make their way there, and Osama bin Laden would probably be among the first. Civil war could break out. The Kurds might see an opportunity to establish their own homeland. Those who are suffering most would continue to suffer. Would sending more troops alleviate that?

The only way forward is to involve other countries through the UN. If that does not happen, we and the USA will have to send more troops just to protect those who are already there. I have already mentioned the consequences of pulling the troops out. We are left between a rock and a hard place. We must get other Muslim and Arab nations brought in on their terms, so that they can play a part in the drive for peace. We and the American Government are part of the problem as well as part of the solution. We cannot move the troops out today because that would make things worse, but if they stay indefinitely it will inflame an already dire situation.

How many more people must die on each side before this comes to an end? We need to hear what the Government plan to do next. We heard earlier from the Secretary of State that we cannot estimate the number of casualties, but on this day, the anniversary of the

[John Barrett]

battle of Monte Cassino, at which it is estimated that 200,000 people died, surely we can estimate the number of civilian deaths in Iraq.

5.29 pm

Mr. Harry Barnes (North-East Derbyshire) (Lab): I think that we should get away from two simplistic approaches to developments in Iraq and what needs to be done. One comes from those who supported the invasion, but who excuse or explain most of what has occurred since as not a great problem, or claim that it is outweighed by the severity of the Saddam Hussein regime, and say therefore that what has taken place is basically okay. My right hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) expressed such a view. We need to get away from and beyond that.

At the other extreme, there are those who opposed the war, who might be in danger of damning almost everything that has happened since, or of using what Wittgenstein called a one-sided diet of examples all the time about what is wrong in terms of humanitarian and other considerations, and who might say, "I told you so." It is as though things have not developed or moved. In both those camps, there needs to be shift and movement.

I was pleased to hear the contribution of my hon. Friend the Member for Walsall, North (David Winnick), because no one has been more strident than he has in defending the right to invade Iraq. He strongly emphasised his deep concerns over what has been revealed about humanitarian problems—not just those on the American side of the coalition, which need to be investigated fully and properly and acted on and which arise from Amnesty and Red Cross reports. He also stressed that there had been problems, that things had not gone right all along and that we were not always clear in connection with those. I think that there are those on both sides who recognise that we are in a different situation once the attack has taken place, and it is very important that we respond to changing developments.

I opposed the war, but I am keen to see the reconstruction of Iraq and its development into a free society with civic institutions and free provision. In that I associate myself—I can do a little bit in certain areas—with the new Iraqi Federation of Workers Trade Unions, which is a free trade union movement that works in difficult circumstances. It is challenging many trade unions in the Arab world, many of which are state controlled and, to some extent, replicas of what existed under the Ba'athist regime. The federation is not all that acceptable within Arab territories, and there is a still a remnant of Ba'athist trade unionism, which existed in Iraq and needs to be confronted.

The federation does not do too well in dealing with the Americans, because the Americans are interested in the redevelopment of Iraq in terms of their own vision, so their capital interests in that connection are to the fore. Trade unions are therefore a difficulty if they are going to be free, because they represent the workers who want to get into such things.

The federation challenges various people, but it has great difficulties because of mass unemployment and other problems. Just as things were developing nicely, with the International Labour Organisation involved in the United Nations office in Baghdad, the bombing took place last August and all that was lost. All the federation's connections became difficult. Those who are working in that area should say to the Government and those who supported the invasion that some of us who opposed it and would defend that position nevertheless might have something to offer and to say about these changes.

I am the most unlikely person in the world to vilify the armed forces in southern Iraq. I did my national service in Basra back in 1955–56. It was a peaceful period, but I understand what life is like there and the problems, even if there has been a great transformation since. At least I understand the heat of the midday sun that the forces will face. I hope that the Government recognise that some of us are not just taking what seem to be predictable positions.

Chris Bryant: My hon. Friend is making some telling points. Does he believe that there is not as big a difference between the two sides on this matter as many people would assume? Most people want British troops to leave Iraq as soon as possible. The division between us is on how soon that can happen.

Mr. Barnes: There are differences in the way in which the argument is put forward in different camps. One problem is point-scoring, one side against the other, which means that extreme positions are taken. The fact that some of us opposed what was taking place from a certain analysis and a certain background also means that we shall not just surrender to the position of those who supported the invasion. We want people to realise how tough the circumstances are and that there are some things that we are unlikely readily and easily to get. United Nations' involvement would be tremendous, but without it there might still be things that we could argue for and encourage the Government to do, as long as people realise that we are also in the game.

The point is often made that Britain is not to blame and that the problem rests with the Americans. What has been revealed about abuse falls very much within the American camp, but that does not absolve us. The Americans are our allies. We joined them. What are we working towards with them? If they were on the edge—they seemed to be at one time, although they seem now to pulling back—of further invasions of Syria, Iran and Korea, the clear lesson is that they are not fit people for us to be associated with, at least under the current regime, when it comes to entering any other military adventure anywhere in the world.

The special relationship between the UK and America should give us an opportunity to speak about what has happened so far as Rumsfeld and others are concerned. If *The New Yorker* is correct to say that Rumsfeld ordered a loosening of the rules under which military personnel could squeeze information out of detainees, we should react to that. If, as *The New York Times* says, rough treatment is par for the course in American prisons and part of the culture there, that too should influence us seriously. We should direct our minds to engaging in such serious matters without continually listening to point-scoring in the Chamber from one side against another. We should try to work together while still recognising the limits to that and the fact that we may speak from different positions.

5.38 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): The road to peace was mentioned several times earlier in the debate. The road to peace in Iraq seems to be a journey through a vale of tears that will go on for some time. It is one of those journeys where we know where it began but do not know where it will finish. When we embarked on the war, which I still consider to have been illegal and immoral, the then Chief of the Defence Staff expressed his misgivings about embarking on such an operation without a clear exit strategy.

That remains the case to this day.

Before those with a different view on the war criticise me, I put on the record that, like everybody else, I have nothing but admiration for the forces on the ground and the exemplary way in which they have performed their task. They did not ask to go to Iraq: they have been placed there, and they will do their job in their usual professional way. Our dilemma concerns our destination and what it will mean for the soldiers on the ground, as well as the wider issues.

I despair whenever I hear the Government present their case. We heard it again in this debate and in Defence questions. Every time a Government spokesman refers to Iraq, we hear the same circumlocutions, euphemisms, diversions and inaccuracies that present a wholly misleading case. One of my favourite, pithy aphorisms is from Noam Chomsky, who said that whoever captures the language captures the argument. It is important to look at the language that is used. For example, we have heard much about sovereignty, but what does that actually mean? If we hand over sovereignty on 30 June, can we do so in any real sense if the new authority will not have any control over its own security forces? Indeed, the official Opposition would be up in arms if it were suggested that the United Kingdom did not have true sovereignty over its own defence and foreign policies because it was part of Europe. We can at least be certain that whatever takes over in Iraq on 30 June will not be sovereign in any way that we would recognise.

Another word that is bandied about is "contractors", which has become an all-embracing term for the privatisation of war. For example, let us take the terrible murder of Nick Berg. He was a television aerial and dish erector and had gone to Iraq to make a few quid. He could legitimately be described as a contractor, but many of the other contractors are nothing more than mercenaries. They are former special service operatives performing highly specialised, highly paid and highly dangerous jobs. They accept the money for the job, and they are not in the same bracket as those who are trying to restore the civilian infrastructure.

Let us not forget that we went into this shambles in Iraq because of an unholy alliance between the Government and Conservative Front Benchers. Today, we heard an exchange in which the shadow Foreign Secretary gave the Secretary of State for Defence the latest news on weapons of mass destruction and shells with sarin gas. By definition, a shell is a battlefield weapon, but they have again altered the meaning of WMD so that it covers just about anything. We should not forget that the reasons for war given in this House revolved around the pivotal issue that there were weapons of mass destruction, but we have still failed to identify or provide any as evidence.

Mr. Keetch: Is the hon. Gentleman aware that the alleged WMD containing sarin nerve gas was—according to General Kimmitt—found several days ago? It was a very small shell, it was ineffective and whoever rigged the round to explode appears not to have known that it contained a nerve agent. That is hardly the kind of weapon that we were warned about in the run-up to war.

Mr. Kilfoyle: No, it is not, but many of us argued not only about the definition of weapons of mass destruction, but the likelihood that any would be found anywhere in Iraq, given that we had been bombing them for so many years and had taken out any worthwhile defence and military facility. That is not to say, "I told you so"—it is a matter of record.

Mr. Robert Marshall-Andrews (Medway) (Lab): Will my hon. Friend reflect on what the Foreign Secretary said about the fact that Saddam had a choice? He could either give up his weapons of mass destruction or be deposed. The logical conclusion is that if he had given up his weapons of mass destruction we would not have deposed him and he would still be there under the sufferance of the British Government. In those circumstances, how can it possibly be argued that WMD were our principal reason for going to war?

Mr. Kilfoyle: I am grateful to my hon. and learned Friend. Like the Foreign Secretary, he is a lawyer, and he is used to the contortions of that sort of legalistic argument, which does not hold any logic for reasonable people. More importantly, as is evidenced by poll after poll, it does not convince the people of this country, who are less confused than the Government appear to be.

The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) commented on the number of Iraqi dead. When I tabled questions about that to the Ministry of Defence, I received a rather brusque answer. We all get used to being told, in effect, to mind our own business. I was given the same dismissive response when I asked about liaisons with non-governmental organisations that attempt to gauge civilian casualties in such conflicts. I was left with the clear impression that the issue is an irrelevancy. I do not consider the death of anybody, civilian or soldier, an irrelevancy to be marked by that sort of answer.

As it stands, the perception of our own efforts in Iraq is inextricably linked with the impressions of the American military. I do not think for one moment that our soldiers are guilty of the systematic and systemic abuse that seems to be the case with American troops, but that is not how it will seem to people on the ground. We should dispense once and for all with the myth that people who point to such abuses are endangering our troops. As my hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche) said, the logic of that is that we should all keep quiet. People who knew about the holocaust kept quiet, and it went on regardless. When abuse takes place, it is one's duty as a citizen, an individual and an elected representative to speak out about it—it cannot be hidden.

[Mr. Kilfoyle]

Where do we go from here, given that we are in this mess and have to deal with this shambles? I am not one of those who believe, as was suggested earlier, that my right hon. Friend the Member for Livingston (Mr. Cook) had called for an immediate withdrawal—he did not. His argument was clear and unequivocal, and I tend to agree with it. There should be a clear timetable for withdrawal. As the Government are so keen on targets, I do not see why we could not set a target for our withdrawal by saying that it would take place after the election of a Government in January.

Alongside that, we should take a firm view on engaging further troops in the field. As *The Independent* remarked today, putting troops in because commanders on the ground deem it necessary in order to conduct necessary operations within their current remit or to effect their withdrawal is different from an American commander asking for more troops to make up for shortfalls elsewhere. If the Americans want more troops, let them put them in. I hope to heaven that that is not needed, but we should not widen the remit of our soldiers' existing commitments in Iraq.

If we are to get any sense of where we need to go in this horrible situation in which we find ourselves, the most important prerequisite is for the Government to come out of denial and recognise that what they did was wrong. They might have done it for the best of reasons—their case involves a lot of post facto rationalisation which does not convince many in this House, and is not convincing the British people—but there is nothing wrong with saying, "We may have gone down a certain road with the best of intentions, but let's recognise that we got it wrong and need to go in a different direction." As long as they maintain the myths about weapons of mass destruction—as do Conservative Front Benchers—and keep trying to justify the unjustifiable, they will only find themselves deeper and deeper in the morass.

5.49 pm

Ms Dari Taylor (Stockton, South) (Lab): My contribution will refer to the opinions of young soldiers who have just returned from Basra and to my beliefs about insurgents, militias and radical clerics, whether from outside or inside Iraq.

Last week, some of my daughter's former school friends returned from Basra on leave. I was privy to their conversations but did not take part as I was keen to listen to what the young people were saying. They were pleased to be home and said that although life in Basra was difficult, things had got significantly better during their tour of duty. They described the difficulties, but equally they talked about the other side of things—they said that they were winning hearts and minds and felt more and more involved with the ordinary, everyday life of the Basra community. They were known and welcomed by local people.

I found the conversation interesting because I rarely hear such comments either in the press or in the House. One of those young people was 21 and the other was 23; they showed no fear about returning to Iraq and said that they would be pleased to go back after their six-week leave. They made it clear that the children and young people would be waiting for them to take part in tournaments, football matches and all sorts of everyday community activities.

The British armed forces are exceptional in their involvement in the development of stable communities, with the Iraqis determining how that activity will be undertaken. Although I have not been to Iraq I have visited Bosnia, where ordinary folk told us again and again, "Please keep your armed forces here, they have given many of us the belief that our grandchildren will be able to grow up in our country."

In their conversation with my daughter, those young people were making it clear that they are developing peaceful relationships with ordinary people that will endure. They would appreciate it if that were recognised. Of course, they are not involved with the prison service; they are based in Basra and Umm Qasr, working with ordinary people. I was pleased to hear them say that they were looking forward to their return to Iraq.

It is not just young people who are making such statements. I have a close colleague in the Territorial Army, who is somewhat older than those young people. He, too, has served in Iraq, in a medical team, and he told me that on the whole the coalition forces and their activities were warmly welcomed. Although, obviously, there were inordinate difficulties, Britain was seen as a fair nation; when things went wrong they were investigated and appropriate action was taken. People did not talk about the creation of a sovereign state, but it was clear to him that Britain's involvement was helping them to believe that one day the rule of law would be established and their lives would be secure.

I have always been involved with the British armed forces and their deployment, so it saddens me to hear so much criticism yet so few references to the value that we give in so many countries in so many parts of the world. Of course, I do not underestimate the grave consequences of acts perpetrated by a few who, whether in communities or in prisons, carry out indecent and disgraceful acts. That is not just a dereliction of duty; those people bring disgrace to the armed forces and to our country. However, those disgusting and unauthorised acts are perpetrated by only a few and it is my belief that, ultimately, they will not undermine the ability of our coalition troops to create—as they did in the Balkans—an open, law-abiding society.

I also want to refer to the acts of the insurgents, some of whom have connections with al-Qaeda, radical Shi'a clerics or Islamist extremists. They are determined to scupper the introduction of the rule of law or an open democracy, because they know that, in such a society, they would have to pitch in and fight for the support of ordinary folk, and they would not get that support. Al-Sadr and his Jaish-al-Mahdi militia are a fierce fighting force, as everyone with military connections is aware.

Norman Lamb (North Norfolk) (LD): The hon. Lady refers to the rule of law, but is not the coalition's case for the importance of the rule of law undermined when the United States fails to respect the Geneva conventions in Guantanamo bay and when we hear reports that the

abuse of prisoners may not have been isolated acts but part of a wider culture with links high in the US Administration?

Ms Taylor: I agree with much of what the hon. Gentleman says, but I am not prepared to say that such behaviour is part of the way of life or conduct of the British armed forces. I am dismayed by those serious allegations against the Americans.

Our forces know that al-Sadr and his militia are laying in wait for them and will ambush them. People outside understand that, but we need to say it in this place, too. Such militias will bomb our forces indiscriminately with rocket-propelled grenades. They whip up emotion and manipulate the poor to fight with them and die for "Moqtada". Our very young British forces have to fight against such people and win hearts and minds in their communities. We cannot hold discussions and negotiate with those insurgents; they will not even talk to moderate Shi'a clerics. They want only to deliver their own agenda—for them that is the only agenda.

Our armed forces are young, but they are extremely professional and competent and I hope that everyone in the House will make that statement again and again. I hope that on 30 June we shall see the establishment of an Iraqi governing force. I hope that reconstruction will take place with United Nations involvement. However, it is important to remind the House that we deployed a NATO force in the Balkans because the UN was unable to deliver peace in that region. When we talk about the value of the United Nations we should also acknowledge that there is no easy way to deliver peace in such countries; only a serious, careful and constructive force can deliver.

I believe that we were right to deploy and I hope that in years to come—perhaps in only a year—we shall see significant benefits. Our troops can see them now; let us acknowledge that fact.

5.59 pm

Clare Short (Birmingham, Ladywood) (Lab): I agree with my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) that our debates on Iraq put a terribly optimistic gloss on the situation in that country—an interpretation that is quite different from what we hear at public meetings and in discussions with groups of citizens all over our country. People are extremely worried about the situation in Iraq; they understand that things are deteriorating and becoming more violent and that insurgency is spreading to the south and will endanger our troops. Yet, in this place, the discussion is complacent, as though we are talking about a few local difficulties and if we carry on as we are everything will be all right.

That is deeply worrying, because the situation is getting worse, and it is not all right. We need a responsible exit strategy in the interests of our troops and the people of Iraq.

I must say that the way in which the Secretary of State for Defence dealt with the question about the failure to make any calculations concerning the number of Iraqi civilian deaths was disgraceful. As everybody who takes a responsible view of these matters knows, Iraq Body Count is trying to make such an estimate and is looking at more than one published source to try to reach an accurate figure. Its estimate—it recognises that it cannot be totally accurate—is that as many as 11,000 Iraqi civilians have lost their lives, and the numbers go on rising. On top of that, 6,000 to 8,000 Iraqi soldiers died in the war, and many of them were young conscripts. More than 700 United States troops and civilian workers who worked in their support have died, as have 67 UK troops, including some civilians who were working in their support.

Dr. John Pugh (Southport) (LD): Does the right hon. Lady agree that the Secretary of State mischievously confused two things—making an assessment of Iraqi casualties, and making an assessment of Iraqi casualties in circumstances in which British officers would be put at risk? They are two quite different things, and not doing one is not a case for not doing the other.

Clare Short: I agree with the hon. Gentleman. To say that we can only go in to count the casualties after we have escaped from danger is to make a joke out of a very serious matter. The truth is that, when our political leaders speak, they too often express more distress when the person killed is from our armed forces, or an ally, appearing to belittle the loss of life among Iraqi civilians. That is quite wrong and very dangerous. The failure to count the number of civilian deaths is part of that. Obviously, it is possible to see how many people went to hospital, how many people lost their lives and how many people were buried. It is possible to make estimates which, while they would not be entirely accurate, would suggest that we were taking the situation seriously.

There is another aspect of the debate in the Chamber, but not in the country, that I find enormously worrying. In the country, there is an intense political mood and more interest in debating politics than I have seen for a very long time, but there is derision about Westminster. People are buying political books, having political discussions and attending meetings while despising what goes on in this Chamber. We in this Chamber should look at ourselves and listen more carefully to what people out in the country are saying.

Hon. Members repeatedly say that we must not turn away from the Iraqi people and go when the job is half done. But what are the Iraqi people telling us? They are making their views clear in poll after poll conducted by responsible American organisations. I should have thought that any poll taken in Iraq would have an urban bias and would not reflect the views of the poor who are not on the phone. The polls show that, while the overwhelming majority of people are glad that Saddam Hussein has gone, they think that the situation in their daily lives is worse than it was when he was there. We should be shamed by that and take it seriously, because that is what the Iraqi people are telling us. They are also now saying—it is a change in their position—that they want the coalition to leave immediately. That is what they say in response to polling undertaken by responsible American organisations. It is a little odd for Members of this place to say that we must behave responsibly towards the Iraqi people and stay when the people of Iraq say that they would like us to go. I do not mean that we should just walk away and leave chaos

[Clare Short]

behind, but we should look for a rapid exit strategy. That is what the Iraqi people want us to do, and it is what we should do.

I agree with my hon. Friend the Member for North-East Derbyshire (Mr. Barnes): those of us who had strong views about the rush to war should not say that we have been vindicated by the mess that there is now in Iraq. We have to go forward from the situation we are in. In response to the cheap remarks from the shadow Foreign Secretary, let me say that although, as everyone knows, I was very critical of the rush to war, like the Liberal Democrats' spokesman on defence I was not against the threat of the use of force. I thought that it was necessary to threaten the use of force and to be willing to contemplate using it to back up the authority of the United Nations. However, under the doctrine of just war—both the legal teaching and the Christian teaching, which is very like Islamic teaching—we should have exhausted all other means. We did not exhaust all other means, so I was prepared to leave the Government. I said that I would leave the Government, but I was persuaded by the Prime Minister—he pleaded with me—to stay, in order to help with the reconstruction. We reached an agreement on the basis of three things.

The first of those things was publication of the road map, and the Prime Minister used the threat of resignations to get the road map published. We now know that the process was not sincere, but the position looked more hopeful at the time. I was also promised a UN mandate for reconstruction and that we would internationalise reconstruction. I left the Government when those promises were broken. I make the point now not so that I can talk about my position, but to make the House face the reasons for our difficulties with the UN's authority in Iraq.

The difficulties did not arise because the UN failed. When hon. Members talk of the UN failing because members of the Security Council cannot reach agreement, they distort reality. The UN Security Council is an instrument of its members and it cannot make decisions if its members will not come together and agree internationally on how to move forward.

The UN was ready and had made preparations to take the lead in helping the Iraqi people create an interim Government, as it had helped in Afghanistan, Mozambique, East Timor and Kosovo. That is the international system for post-conflict situations. However, the United States was not willing to give the UN the authority that it normally has—as, for example, in Afghanistan—in selecting the Iraqi interim Government. The UN was put in a subservient position, and the Security Council did not want another row because the UN's authority was already being diminished. The Security Council allowed the US to have another resolution, but it was told that it would not have international support on that basis.

The lesson is that there must be a sincere commitment to giving the UN the proper authority. Then we should say that we will leave as soon as possible, and whenever a legitimate Iraqi Government ask that of us. Under the auspices of the UN, we should be replaced in Iraq by international forces who will come in under a proper mandate. The Pakistanis have made it clear that they would accept that, and the Spanish withdrew because there was not a proper UN mandate.

We need a responsible exit strategy for the sake of the people of Iraq and for the sake of our soldiers. Instead of that strategy, what we have is vague talk about a "vital role" for the UN. Those words were given to us after President Bush visited Hillsborough, but meant nothing because we had a UN resolution for post-conflict Iraq that put the UN in a subservient position. Poor old Sergio Vieira de Mello went in against his better instincts to take on the role and lost his life.

We must mean it when we say that we will give the coalition's authority away, and we must make it clear that we want to leave. The Iraqis do not believe that that is our wish. They have read the work of the Project for the New American Century and seen that, before they took office, senior figures in the Bush Administration wanted permanent bases in Iraq. The situation is serious and deteriorating and our Government are not putting forward a responsible exit strategy. If we fail to get out and the quagmire gets ever worse, we will rue the day.

6.8 pm

Richard Younger-Ross (Teignbridge) (LD): I have three reflections to make on the debate.

It is helpful to consider how this all started. In the second or third debate after 11 September, I remember getting very angry because Conservative Members were then suggesting that we should perhaps attack other countries rather than just going into Afghanistan. I said at the time that an invasion of Iraq would be wrong. However, support for broadening the scope of the attacks came from more than just the odd Conservative Back Bencher. Conservatives launched a broad attack on the Government, saying that they were not doing a proper job because they were not backing America—not fully behind Uncle Sam. They argued that we should support Uncle Sam whatever he wanted to do. If the Government made the mistake of thinking that they would easily persuade the House of the case for a war in Iraq, they did so because they were not just helped but pushed into taking that stance by the official Opposition.

The Secretary of State for Defence spoke at length about contractors and gave a long list of all the good works—much good work has certainly taken place—and projects that have been completed.

I noticed one significant omission—the electricity supply—which surprised me. The oil supply was not mentioned, either. I was part of the armed forces parliamentary group that visited Basra a year ago. We saw at first hand how important it was to get the electricity supply up and running. It is not simply a case of providing electricity so that people can turn on lights and watch television. Electricity is not an optional extra for Iraqis; it is an essential. The water is not necessarily safe to drink and has to be boiled, which is generally done on an electric ring. Without electricity, the Iraqis have to scavenge timber, which we saw when we were there, so that they can make a fire to boil the water so that it is safe. They were so desperate to find wood that they went to the munitions stores and emptied mortar shells out of wooden boxes and on to the ground so that they could have the wood to boil their water.

I hope that, in his response, the Under-Secretary of State for Foreign and Commonwealth Affairs will remedy that omission and give us a full detailed briefing on the electricity supply. In particular, perhaps he can tell us what repairs have been undertaken, and to which power stations. The one thing that puzzled me when we were there was that no work was being done on the power stations, which were designed and constructed by the Russians. Surely we could have said to the Russians, "Why don't you come and help repair the power stations? You've got the parts. It's all your technology. You can get them up and running fast."

When we left the country, the contracts had not been let. Indeed, I do not think they were let until the end of last year. It will be interesting to know how many of the power stations are up and running. To complicate matters, the Russian design is complex. It is based on interlinked power stations and it only takes one of them to be down to have a knock-on effect on the others. So getting just one up and running is not enough. They all have to be got working to an extent to guarantee the electricity supply.

Why was there a delay in granting those contracts? Perhaps one of our problems is that we have lost the peace and have spent a long time trying to put in the resources necessary to build the infrastructure. There is a lack of planning. Last September, we asked Ministers from the Department for International Development about the number of police who were in Iraq to help. At that time, I think we had managed to send two police officers out to help build up the police force. Even though that is now being done, the fact is that valuable time was wasted—yet we wonder why we are struggling with the peace today.

We have heard much about the abuse of prisoners. What is remarkable about the Secretary of State's remarks earlier today; about the response by the Minister of State to questions asked by myself and others last Thursday; about the Prime Minister's response to a question asked by my hon. Friend the Member for Somerton and Frome (Mr. Heath) on Wednesday; and about the debate at the beginning of last week is that whenever the abuse of prisoners is raised, Ministers' reply is, "We knew all about it. It's okay. We didn't need to see the report. It was all being dealt with." The questions are not simply about what is happening in the British-controlled area, but about what the Government knew about the abuses carried out by the Americans. Perhaps the Under-Secretary can categorically tell us when the Government were advised of abuses by American forces in their detention centres. When the Government became aware of those abuses, what did they do? The Minister of State said:

"We are each concerned about what the other does in those circumstances".—[*Official Report*, 13 May 2004; Vol. 421, c. 51.]

We heard the "we" word from the Secretary of State: "We are doing this, we are doing that, jointly, as the coalition."

Jeremy Corbyn (Islington, North) (Lab): Is the hon. Gentleman aware that a coalition is occupying Iraq and has command? There is an administrator and a British deputy administrator, both of whom apparently did or did not see, and did or did not read, the report by the International Committee of the Red Cross.

Richard Younger-Ross: Yes, it is a coalition. That is why the Secretary of State used the "we" word. In the light of that, why did the Minister of State say that he would not respond to questions on what the British knew about the American abuses? If we knew about those and the Minister is concerned, as he stated in *Hansard* he was, how were those concerns expressed to the Americans? Was there a memo? Was there a telephone call in which someone said, "George, what's going on? There's something wrong. Can you let us know?" Perhaps the Under-Secretary will advise us on that.

6.15 pm

Mr. Tam Dalyell (Linlithgow) (Lab): May I have this opportunity to talk quietly on one subject to my hon. Friend the Under-Secretary of State for Foreign and Commonwealth Affairs? It is about America. There are two Americas, whatever the Foreign Secretary said, and the view of one on this subject is very different from the view of the other. I spent the past 16 days not in Washington, which is a sort of cauldron, but in the middle west, in Kentucky, Missouri and Kansas, where there has been a tectonic shift—I think that that is the expression—in opinion. I do not know what information the Foreign Office is getting from its embassy in Washington, although the ambassador was one of the architects of the policy on Iraq, but there is a striking change of opinion in the middle west. It is not only the American dead who are coming back, but a massive number of those who have been wounded, either severely or not so severely, and who have possibly been saved by the skills of modern medicine, whereas in previous wars they would have died. The numbers are significant.

There is also growing and massive discontent in the United States about those who have been sent to Iraq who are members not of the regular forces, but of the national guard. They never thought that they would see service outside Oklahoma, Nevada or wherever. Those people—untrained—are being sent into the blistering heat and difficult, edgy conditions. Those of us who have been in the services can imagine what it must be like, and my heart goes out to the troops.

Much has been said about how we should stay the course. I just wonder whether the Americans will stay the course. I do not normally quote from newspapers in the House, but on the plane coming back I saw the Saturday leader in *The New York Times*. Under the headline "America Adrift in Iraq", it states:

"Six weeks of military and political reverses seem to have left the Bush administration doing little more in Iraq than grasping at ways to make it past November's presidential election without getting American troops caught in a civil war. The lowering of the administration's expectations might be therapeutic if it produced a realistic strategy for achieving a realistic set of goals. Unfortunately, there appears to be no such strategy, only odd lurches this way and that under the pressure of day-to-day events."

Many others in the United States are far more critical than we in Britain have seen them to be. They have watched interrogations by Senator Kennedy and Senator Carl Levin. One gets the feeling in the United States that they are not going to last the course.

[Mr. Tam Dalyell]

It is my candid view that we must get out as soon as possible. If I am asked by the Government Chief Whip or anyone else why I am voting for the Liberal Democrat motion, it is simply because I listened carefully to every speech in the debate.

6.19 pm

Sir Brian Mawhinney (North-West Cambridgeshire) (Con): It is a matter of record that I am one of only two Members who has served in Northern Ireland as a Minister for over six years. During that time, particularly when I was the Minister responsible for security, I had the opportunity to observe closely the work of the British Army, and I yield to none in my admiration for the work that they do. I saw them when they were fighting, and I saw them relating to local people who did not want them to be there.

I say that by way of background to the two points that I want to make. I stand in this debate as someone who has become very confused. I take comfort from the fact that I am probably a pretty good representative of the people in that regard. I want to pinpoint two confusions, both of a fundamental nature, because until they are resolved it is difficult to envisage the nation gathering together around a policy.

The first confusion is that we are now being told that we went into Iraq to get rid of a bad man. There is no debate about the fact that Saddam Hussein is a very, very, very bad man, so to the extent that that is true, there is some substance to the statement. Yet I do not ever remember a debate in the House in which we were asked, "If we are going to go to war to get rid of a bad man, who votes for Saddam Hussein, and who else might we consider having a go at?" My personal view is that, had there been such a debate, Robert Mugabe would have been pretty high on the list, but there was no such debate. So to be told now that what we are really doing in Iraq is getting rid of a bad man adds a layer of confusion to public opinion, but the Government do not appear to understand the confusion that they are creating.

Dr. Pugh: Adding to the confusion, though, must be the right hon. Gentleman's Front-Bench colleagues. I recall the shadow Foreign Secretary saying, in effect, that if we had not taken out Saddam Hussein this year we would have had to do so another year. That did not seem to be predicated on whether he had weapons of mass destruction; it seemed to insinuate that, since he was Saddam Hussein, at some time we would invade Iraq.

Sir Brian Mawhinney: It may well be that at some point we would have had to invade Iraq; that is not the debate. I do not have a crystal ball, and the Liberal Democrats are the last people to whom I would turn for one. I am talking about how we got where we are today, and why there is a mood of unease in my constituency and in the country more widely. None of that, and nothing that I am saying, undermines the support that my party has given to the Government on this issue. However, if the reason for going to war in Iraq is changed, without an explanation that the people can understand and identify with, the consequence is confusion.

There is another confusion. My clear understanding is that one of the fundamental reasons for our going to Iraq is the fact that we, and the world, were threatened by weapons of mass destruction. There are many people who would like to move the discussion beyond that point, but I have to tell the House that I have not yet been able to get beyond that point. There is no debate about the fact that the Government said that weapons of mass destruction were at the heart of the policy decision, which I supported. I make no apology for doing so, and in the same circumstances, were they to be repeated, I would make the same decision. I will tell the House what was one of the key factors in my thinking.

My Prime Minister and my Foreign Secretary—I do not mean by that that I support them, but particularly in the context of war and peace they are my Prime Minister and my Foreign Secretary—two of the most senior Privy Councillors in the land, stood at the Dispatch Box and told me, a reasonably senior Privy Councillor, that we needed to go to war because of weapons of mass destruction. I am confused because I do not know how long I am supposed to give the Government before the argument based on weapons of mass destruction ceases to have any credibility whatever. I have put my case in careful terms because I am trying to give them as much of the benefit of the doubt as a senior Privy Councillor should give the Government in the context of war and peace.

I have shared that view with the House because I think that I am pretty normal. I think that I am a good representative of the British people at this time. The argument about weapons of mass destruction was made, and it is now being brushed under the carpet. A new argument is being made, and people are saying, "Excuse me, but that was never the basis on which we went into Iraq."

My party supported the Government. I say again that I believe it was right to do so and, in the same circumstances, I would vote again with the Government—and I believe that my party would. I am not trying to rewrite history; I am trying to get at why there is so much unrest and unhappiness in the country. Of course, it is in part because of the terrible attacks and the death and destruction, although I think that the hon. Member for Stockton, South (Ms Taylor) was absolutely right to point out that there is a lot of good news, which does not, as we both know, always mean newspaper news. Much is being done that is good and to the benefit of the local people, yet there is a problem.

I say to the Government that sooner or later they are going to have to come clean with the British people. I say it in those terms because, unless and until they do, they will have great difficulty in putting together broad-based support for whatever will constitute the exit strategy: the role of British troops, coalition troops and others in an Iraq where the power has been transferred. These are serious matters, and I agree with the right hon. Member for Birmingham, Ladywood (Clare Short) that, just occasionally, we in the House need to understand that if we talk in one framework and the rest of the country is talking in a different framework, almost as though we were in parallel universes, we do no service to the country and to our constituents. It is for that reason that I have tried to get to the heart of what I believe is causing a lot of the confusion in our country.

6.28 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): Those of us who opposed this conflict before March 2003 foresaw and foretold a number of things that were undoubtedly right. There were things that we did not prophesy.

We foresaw—and we were right—that there were no weapons of mass destruction. That did not require the gift of prophecy; there was no evidence that there were weapons of mass destruction. We foresaw that thousands of Iraqis would die and that hundreds of British and American troops would die with them. That, too, was not difficult. We foresaw, and warned, that there would be no proper planning for an evacuation of Iraq in a post-Saddam world, and for that too the gift of prophecy was not necessary.

What none of us foresaw was the state of Iraq now, a year after the invasion. None of us foresaw that, after a year, thousands of Iraqis would be in prison with no civil liberties, no rights to a judicial process and no access to advice, and without their parents, children and families being informed of their existence in those prisons.

We could not have foreseen that. I would not have prophesied it, because I would never have believed that it could happen during a British occupation.

Still less did we foresee that in those prisons there would be torture and abuse on a systematic scale. We did not foresee that naked men would be dragged by leashes and chains. We did not foresee that they would be chained to doors and beds and threatened with dogs. We did not foresee that our own prisoners would be hooded. None of that we foresaw. If we had said that that would happen, we would have been regarded—and I would have agreed—as ranting nonsense and attempting to stop a war by grossly overstating and overestimating the dangers. Yet all of that has come to pass, and it has come to pass on our watch.

There has been not one word of contrition in respect of what has happened on our watch. It was known to the Minister of State and to the Secretary of State for Defence for months. It was known that there were reports from the Red Cross. It was known that there was concern about the state of Abu Ghraib prison. Yet during all the accounts and the adulation of what happened in Iraq, nobody came to the House to tell Members that there was a problem that needed to be dealt with; nor has there been any explanation of the failure to do so.

Mr. Hoon: I have set out clearly and precisely when I first became aware of the Red Cross reports. I hope that the hon. and learned Gentleman is not challenging my word on that subject.

Mr. Marshall-Andrews: The Government were aware of the matter at least as early as February, and probably as early as September last year. I have attended every single debate on the subject—more, I think, than the Secretary of State has—and I cannot remember one single occasion when the House was made aware of the problems that were coming before the Government at the time. When we did hear an explanation, it was an extraordinary one: the documents that were provided did not contain the necessary number of words and clauses or have attached to them the necessary appendices to enable them to be treated as dossiers or reports—whatever that may mean.

In truth, no ministerial responsibility has been seen in this House. It is a sad thing to stand here and say that. What we have seen, however, and one of the most distasteful things that have come before the House, is the use of the British Army. I genuflect to nobody in my regard for soldiers, many of whom come from my constituency. I shall always have high regard for them, but one thing that I will never do if we are criticised is enlist that regard as some sort of defence or alibi for my own failings. It is high time that Ministers understood that there is no crisis of trust in the British Army or in British troops, but that there is a profound crisis of trust in British politicians, and the permanent adulatory use of British troops to deflect that is one of the most tasteless parts of this debate.

Of course there is, I am sorry to say, a pedigree for such behaviour. Many of us remember the occasion on which the right hon. Member for Kensington and Chelsea (Mr. Portillo) stood before a Tory party conference and rolled out the motto of the SAS. It was a deeply embarrassing moment, perhaps even for his own party. However, despite its pedigree, the practice should stop. Ministers need to answer without relying on the excellence of the forces who are there to do their bidding.

At the end of the day, responsibility is the word. The Secretary of State, the Minister of State and the Prime Minister have frequently taken credit for what has been done in the name of the coalition. They have taken credit for the successes of the Americans—credit for their military successes during the course of the war and credit for the manner in which they have set up administrations when they did so. Now, we must take responsibility collectively with them, because the world outside will never understand if we do not do so.

In free and democratic politics, there is only one way for those who lead to take responsibility. If they do as they should, the world will know that we in this House take our responsibilities seriously. That does not mean that Ministers knew, still less colluded, still less ordered, the torture of prisoners in jail. It means that they say, "When it happens on my watch, I take the responsibility for what has occurred." If they do that, it will send out a signal to the rest of the world, and it will do more than anything else can to remove the increasing threat to British forces from those who believe that we are synonymous with our American counterparts. If we take that responsibility, it will remove part of the shame that, as a result of the revelations, now sits upon the Government, the shame that sits upon this House and, one must unhappily acknowledge, the shame that sits upon our people.

Attempts are being made to relegate these events to a footnote. The mistreatment and torture of people in prison on our watch is not a footnote in history. Ministers cannot say to the House, "We accept that there has been systematic torture by coalition forces—but the water supply is getting better." Such a statement will be treated with the contempt that it deserves.

6.37 pm

Mr. Paul Keetch (Hereford) (LD): The purpose of the motion standing in my name and those of my right hon. and hon. Friends is not to secure a re-run of the vote

[Mr. Paul Keetch]

held on 18 March last year; rather, it is to urge hon. Members to focus on where we now find ourselves in Iraq and on the future. We have heard a dozen or so Back-Bench speeches on that issue, the two best coming at the end of the debate from the hon. and learned Member for Medway (Mr. Marshall-Andrews) and the right hon. Member for North-West Cambridgeshire (Sir Brian Mawhinney).

The continuing unrest in Iraq, which is fuelled by the likes of Moqtada al-Sadr and which we have seen in action just today, has been further inflamed by the pictures of abuse of Iraqi prisoners by United States forces and by some allegations against UK forces. There is little sign of the unrest abating. Only last week, the Secretary of State said:

"This weekend saw the most violence so far, with more than 100 engagements between violent insurgents and coalition forces."—[*Official Report*, 10 May 2004; Vol. 421, c. 21.]

Today's debate has given the House the opportunity to reflect on the current situation in Iraq and, more important, to determine what steps should be taken next. Once again, I am glad that it has been the Liberal Democrats who, in our time, have given the House of Commons a real opportunity to discuss the matter.

It is a sad fact that Iraq appears increasingly unstable. Liberal Democrats and Members of other parties warned a long time ago how enormously difficult it would be to restore stability to a post-war Iraq. War is a terrible business, which is why it must always be used only as a last resort. Not only does it put at risk the lives of our armed forces and innocent civilians, but it rips up the fabric of societies and breeds discontent and malice. The appalling images of abuse of Iraqis have added fuel to the fire and will add to the influx of terrorists to Iraq. In his speech of 18 March last year, the Prime Minister suggested that he wanted to break any link between Iraq and terrorism. He has certainly failed to do so. It is sadly apparent to us that Iraq is now more a home for the likes of al-Qaeda than ever it was before we went to war. Back in March last year, the Government were keen to link a potential war in Iraq with progress in the middle east peace process. It is interesting to see that their amendment today makes no reference to that.

But we are where we are. Having chosen the course of war, our duty now is twofold. First, we must ensure that the men and women of Her Majesty's armed forces, who serve with such credit and distinction in Iraq, are given the best possible protection and, secondly, we must try to offer stability, peace and sovereignty to the people of Iraq.

We have heard some good speeches in our debate, including that of the hon. Member for Liverpool, Walton (Mr. Kilfoyle). He was right to speak about weapons of mass destruction and remind the House of the casus belli, or the reason why we went to war last year. He pointed out the stupidity of the argument advanced by the Ministry of Defence that it cannot calculate the number of civilian deaths. He said that the MOD has objected to some of his questions; my hon. Friends, too, have experience of it refusing to answer their questions. His speech contrasted sharply with that of his right hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), who began by complaining about his lack of press coverage, went on to rubbish my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) and Senator Edward Kennedy in the same sentence and then misrepresented the views of his right hon. Friend the Member for Livingston (Mr. Cook).

We heard a very good speech from the hon. Member for Stratford-on-Avon (Mr. Maples), one of two Conservative Back Benchers to make a contribution. He rightly said that Iraq could have been a beacon in the middle east, and could have set an example for other nations. Sadly, however, it has not done so.

As usual, my hon. Friend the Member for Richmond Park (Dr. Tonge) made an impassioned speech, and spoke about the need for peace in the middle east. She said that when she canvasses on the doorstep people talk to her about Iraq. My party has been criticised for treating Iraq as an election issue, but when I knock on doors I discover, as the right hon. Member for Birmingham, Ladywood (Clare Short) said, that Iraq is an issue that we are right to put before the British people; suggestions from Labour Back Benchers and even Conservative spokesmen that we should not do so in the forthcoming elections are ridiculous. My hon. Friend the Member for Edinburgh, West (John Barrett) talked about the proliferation of terrorists in Iraq.

Dr. Julian Lewis (New Forest, East) (Con): Will the hon. Gentleman give way?

Mr. Keetch: No, I will not.

My hon. Friend the Member for Southport (Dr. Pugh) was right to talk about the body count. It is ridiculous of the Secretary of State for Defence to suggest that we are putting the lives of British forces on the line by trying to calculate how many civilians they may have killed. Such a calculation has been made in every other conflict, and to suggest that we and our hon. Friends on the Labour Back Benches are endangering the lives of our servicemen and women by seeking a figure is wrong. Speaking from his experience of Iraq, my hon. Friend the Member for Teignbridge (Richard Younger-Ross) talked about the abuse of prisoners and the difference between the attitude of the American Department of Defence and that of the MOD. We may criticise the Department of Defence for many things, but since the photographs were published it has acted speedily. Secretary Rumsfeld went to the prison last week, and he also went to Congress to show lawmakers photographs of some of the abuses. In the United States, the first courts martial have begun. I wonder, however, what happened to the fusilier who came back from Iraq last year and tried to get photographs of Iraqi abuse printed in his local Boots. We have still not heard what happened to him, and do not know whether he has been court-martialled.

The right hon. Member for Birmingham, Ladywood spoke about the United Nations, about which we again heard two myths: first, that we went to war to support the wonderful UN resolutions, and the British and the Americans were champions of the UN; and, secondly, that the UN had failed in its duty. In reality, however, it was not the United Nations that set the timetable for war in Iraq but the United States and Britain. To try either to blame the UN or to suggest that we were protecting its role is ridiculous. Increasing the role of the

UN, as suggested by the right hon. and learned Member for Rushcliffe (Mr. Clarke), by internationalising the political and security processes in Iraq, and trying to ensure that our forces are associated not with war but with a future peace is the best way to achieve our goals. The pictures of the abuse of Iraqis do not help us, and I found them shocking and awful. Is that what the Americans meant when they talked of shock and awe?

In a recent newspaper article, the right hon. Member for Livingston said that the Prime Minister is in denial about Iraq. He was remarkably prescient, given the Government amendment, which is extraordinarily complacent and simply says, "Don't worry, everything is all right." It would be nice if we could believe that. I respect the British forces, who continue to serve on the ground with skill and determination. As we have said, if UK commanders on the ground seek support as a force protection measure, we will give it to them. However, we owe it to them to have an exit strategy and a plan for the future, as they are putting their lives on the line. We in the House simply pay lip service to that.

6.45 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): We have had a constructive debate but, to be honest, I do not think that anyone has changed their view about whether it was right or wrong to go to war. Nevertheless, it is important that, whatever our view, we focus all our efforts on how we can rebuild Iraq, build on the elimination of the Saddam regime and create a stable and democratic state, as we have a legal and moral obligation to do so.

First, however, I wish to reiterate a view shared across the House and express our deepest condolences about the death of Mr. Izz al-Din Salim, the acting president of the Iraqi governing council, and head of the Islamic Dawa party. He will, I am sure, be sorely missed.

I should also like to take the opportunity to pay tribute to our armed forces. I am confident that everyone will join me in saying that we can be immensely proud of the job that our armed forces are doing. We have all been conscious in recent weeks of the allegations of abuse by coalition forces in Iraq. The photographs of British troops that appeared in the *Daily Mirror* have been shown to be fakes. I welcome the fact that the *Daily Mirror* has admitted it was wrong to publish the photographs. However, allegations of instances of abuse remain, and are being investigated. As my right hon. friend the Secretary of State for Defence stated earlier, when an allegation is made against British troops, action is taken immediately. That decision that does not need to be referred to Ministers or made by them.

The Liberal Democrats called for the role of the United Nations to be expanded and enhanced, a view with which we fundamentally agree.

Jeremy Corbyn: Before my hon. Friend moves from the treatment of prisoners, will he assure the House that the deaths in custody in the area under British administration are the subject of a thorough investigation that will be publicly reported? Does he accept that, as a coalition of forces is occupying Iraq, the joint administration in Baghdad bears some responsibility for what has happened in the American sector as well as the British sector?

Mr. Rammell: It is critical that all instances of abuse, wherever they occur, are thoroughly investigated, and we are committed to doing so. I can assure my hon. Friend that instances of abuse in the British sector are being actively and thoroughly investigated at the moment.

We fundamentally agree with the Liberal Democrats' argument about the need for a greater role for the United Nations. It is a fact, little reported at present, that there is a consensus in which the UN, the Iraqi governing council and the coalition provisional authority all agree that the UN should take a more substantive role once the occupation formally ends on 30 June. We are strongly pushing for that in the United Nations. As Kofi Annan and the Prime Minister recently made clear, we want a new Security Council resolution marking the end of the occupation and the handover to a fully sovereign Iraqi Government.

Clare Short *rose—*

Mr. Rammell: I will give way briefly to my right hon. Friend the Member for Birmingham, Ladywood (Clare Short), but there are a host of issues to which I must respond.

Clare Short: I am grateful to my hon. Friend. Can it be the end of occupation when there will be an interim Government selected by the UN—I accept that that is progress—without either authority over the coalition forces, the Iraqi police and military or the right to change economic decisions that have been made? Is that really a handover and an end of occupation?

Mr. Rammell: My right hon. Friend is wrong. The exact arrangements for coalition forces in relation to the caretaker interim Government will be determined in the resolution, which, I believe, will be submitted to the Security Council in the near future. I hope that that provides her with reassurance.

The discussions on the interim Government are proceeding successfully, with Mr. Brahimi indicating that its full structure and officials will be announced by the end of May. I have a problem with people who argue for a greater UN role, but then criticise the timetable for elections as being too slow.

The UN itself and Mr. Brahimi himself have made it clear that they believe that the present electoral timetable is correct and, bluntly, the only realistic one in the present circumstances, and it is important that we go forward with that view.

Let me turn to some of the issues raised during the debate. I was interested and intrigued to listen to the arguments of the hon. Member for Hereford (Mr. Keetch). In summing up the debate, he made it explicitly clear that the Liberal Democrats are seeking to use the war as an electoral issue in the forthcoming elections. In that regard, I am indebted to Conservative Members for reminding me that the leader of the Liberal party recently made clear his intention not to use that

[Mr. Rammell]

issue during the forthcoming campaign. No one should be surprised at such discontinuity between different members of the Liberal Opposition.

Dr. Julian Lewis: I can confirm that the leader of the Liberal Democrats made that commitment on the "Politics Show" on 9 May, which only goes to show that a week is a very long time in politics, especially if one is a Liberal Democrat.

Mr. Rammell: I wholly concur with that view.

Let me turn to the views put forward in introducing the debate by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). On 18 March last year, he said that we went to war on both a threat and a promise. There has been much rewriting of history in the past year by the opponents of war—*[Interruption.]* It is important to remember that we went to war because Saddam Hussein did not comply with resolution 1441, which gave him a last chance to disarm and comply with successive UN resolutions. It is important to remember as well that, if we had not taken that decision, Saddam would have been reinforced and reinvigorated, and whatever difficulties we face at the moment would have been significantly worse.

Mr. Marshall-Andrews: Will the Minister give way?

Mr. Rammell: No, I will not give way. *[Interruption.]* I am short of time, and I need to respond to a host of Members.

The right hon. and learned Member for North-East Fife went on to argue explicitly for the phased withdrawal of troops from the date of the elections in January 2005, regardless of the security situation or the wishes of the elected Iraqi Government. I do not believe that, in those circumstances, that would be the right or responsible thing to do.

Sir Menzies Campbell: Will the hon. Gentleman take account of the wishes of the British people, the majority of whom would like the withdrawal of troops now?

Mr. Rammell: Of course we respond to the wishes of British people, but we also have to give a lead in this situation. With respect to the right hon. and learned Gentleman, his speech was extraordinarily long on critique, but short on substantive alternatives to the argument and course that we propose at the moment. I was very mystified by his argument when he said that arrangements similar to those put in place at the end of Gulf war one were needed. I presume that he was referring to the surrender document that was agreed at that stage, but there is no comparison whatsoever between the situation now and then.

Sir Menzies Campbell: Let me help the Minister with his mystification. I was suggesting that there should have been a resolution to authorise the use of force in the same terms as was required in Gulf war one. That would have required the coalition to report back to the Security Council, under the supervision of the Security Council.

Mr. Rammell: We could have an historical debate for as long as we like, but I believe that we were right to do what we did; the right hon. and learned Gentleman believes that we were wrong. However, the key point is what we do in the current circumstances, and I heard not one substantive argument from him about a substantive, alternative course of action.

Let me now turn to the arguments of the shadow Foreign Secretary. I wholly agree with him that, if the Liberal Democrats had had their way, Saddam Hussein would still be in place, murdering, terrorising and torturing his people. The right hon. and learned Member for Devizes (Mr. Ancram) also raised the important point about the discovery of sarin artillery munitions and asked for a response in the summing-up speech, and I shall try to respond to him.

General Kimmitt announced today that the Iraq survey group has found a 155 mm artillery round containing sarin. It was rigged as an improvised explosive device and discovered by a US convoy. The following points seem clear: it is thought to be an old munition; those who planted it may not have known what it contained; and preliminary field testing of the substance proved positive for sarin and further samples have been sent for analysis. It does not represent a new capability, but it does appear to be part of a programme declared to the UN. However, the munition should have been handed over to UNSCOM and destroyed. It therefore appears to be in breach of UN Security Council resolutions, and it, significantly, appears to back up what we have been saying all along: Saddam concealed some of his stock. That point needs to be made.

The shadow Foreign Secretary also asked for reassurance and confirmation that all and every part of coalition detention facilities are, and will remain, open to ICRC inspection, and I can confirm that that is the case.

The hon. Member for Stratford-on-Avon (Mr. Maples) made an interesting contribution, and I strongly support his argument that we should not abandon Iraq now. As he argued, if we did so, that move would dismay the forces of democracy and progress in the region and give succour to extremist forces throughout the world. That is the reality of the situation that we face.

My hon. Friend the Member for Hornsey and Wood Green (Mrs. Roche) expressed her justified concerns about allegations of abuse of prisoners by the US military. Let me be clear and let me repeat the words that the Foreign Secretary used on the issue last week. The allegations and clear evidence of abuse in the US sector are very damaging. There is no question about that, nor should there be any pretence to the contrary. We should be clear, as President Bush has asserted, that in no sense were those actions supported or connived at by the US Administration, who are as appalled by the evidence as we are. That is the important point to make, and it responds to some of my hon. Friend's concerns.

The hon. Member for Richmond Park (Dr. Tonge) gave a speech that was long on moral indignation, but, again, short on substantive alternatives in respect of the actions that we should take. Again, she repeated the 45-minute claim, as though that was the key issue that determined our decision to go to war. It was not: it was

not mentioned once in the key debate on 18 March 2003, when we took that decision. The reason we went to war was based on Saddam Hussein's failure to comply with resolution 1441.

The hon. Lady went on to say—this is a significant point—that, because of the allegations of abuse, we have no moral authority in any of the arguments whatsoever, and I think that she was referring to the Government and the country as a whole. I ask her to reflect on those comments and consider whether she really means to make that point. Surely, when allegations of abuse occur, the key difference is the way in which we respond. The allegations are serious, and we deal with them in the strongest possible terms. In no sense do I want to minimise those concerns, however, by making it clear that, of course, brutality, torture and the abuse of human rights formed the very mission statement of Saddam's regime, and there was never any condemnation or investigation in those circumstances. That is the key difference, and it is why we retain moral authority in these issues.

My hon. Friend the Member for North-East Derbyshire (Mr. Barnes) made a very telling contribution. He attacked caricature positions on both sides of the argument. He rightly said that we need to respond to the changing situation. He attacked those who opposed the war, who use every setback simply as a justification for their opposition and their original decision to oppose the war, but, similarly, he stressed that those of us who supported the war need to respond to the changing situation, not blithely dismiss criticism. That argument is indeed well founded.

In reaching a conclusion, it is clear to me that the decision to go to war remains extraordinarily divisive, but those of us who supported military action did so with every bit as much integrity and conviction as those who opposed the conflict. That point is too often forgotten in the debates that we have at the moment. However, whatever view any of us took, the critically important challenge now is to secure the future of Iraq and all its people. I fundamentally believe that we are at a crucial and critical juncture.

The attacks by insurgents will continue as we approach the end of the occupation and the transfer of power on 30 June. The attacks will continue because the insurgents do not want a free Iraq run by the Iraqis.

Our task, with the UN and the whole international community, is to see the challenge through. We need greater UN involvement—that is what we are arguing for. We need more Iraqis to take on policing and security roles—we are advocating that. We need a continuing British troop presence, but a clear commitment that we will leave as soon as it is safe to do so. That is our commitment. Above all, we need to hold our nerve and follow through on the commitments we have made. To cut and run at this stage, as some have suggested, would be a gross betrayal of the people of Iraq. It would also, significantly, be wholly lacking in political credibility. That is why we will not do it, and why I urge hon. Members to support the amendment and oppose the motion.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 60, Noes 393.

Division No. 178] **[7:00 pm**

AYES

Allan, Richard
Baker, Norman
Baldry, Tony
Barrett, John
Brake, Tom *(Carshalton)*
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burstow, Paul
Cable, Dr. Vincent
Calton, Mrs Patsy
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Chidgey, David
Corbyn, Jeremy
Cotter, Brian
Dalyell, Tam
Davey, Edward *(Kingston)*
Doughty, Sue
Fisher, Mark
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Gidley, Sandra
Green, Matthew *(Ludlow)*
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Heath, David
Hogg, rh Douglas
Holmes, Paul
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kirkwood, Sir Archy
Lamb, Norman
Laws, David *(Yeovil)*
McDonnell, John
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall-Andrews, Robert
Moore, Michael
Oaten, Mark *(Winchester)*
Öpik, Lembit
Price, Adam *(E Carmarthen & Dinefwr)*
Pugh, Dr. John
Rendel, David
Robertson, Angus *(Moray)*
Russell, Bob *(Colchester)*
Sanders, Adrian
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Stunell, Andrew
Taylor, Matthew *(Truro)*
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Tyler, Paul *(N Cornwall)*
Wareing, Robert N.
Webb, Steve *(Northavon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wishart, Pete

Tellers for the Ayes:
Richard Younger-Ross and Mr. Alan Reid

NOES

Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Ancram, rh Michael
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Arbuthnot, rh James
Armstrong, rh Ms Hilary
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Bailey, Adrian
Baird, Vera
Banks, Tony
Barker, Gregory
Barron, rh Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Henry
Bennett, Andrew
Benton, Joe *(Bootle)*
Bercow, John
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, rh Paul
Boswell, Tim
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brady, Graham
Brazier, Julian
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burns, Simon
Burnside, David
Burt, Alistair
Butterfill, Sir John
Cairns, David
Cameron, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cash, William
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chope, Christopher
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*

Clelland, David
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corston, Jean
Cruddas, Jon
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curry, rh David
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Djanogly, Jonathan
Dobbin, Jim *(Heywood)*
Donohoe, Brian H.
Doran, Frank
Dorrell, rh Stephen
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Duncan, Peter *(Galloway)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Evans, Nigel
Fabricant, Michael
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Fitzpatrick, Jim
Flight, Howard
Flook, Adrian
Follett, Barbara
Forth, rh Eric
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gibson, Dr. Ian
Gillan, Mrs Cheryl
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Greenway, John
Grieve, Dominic
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gummer, rh John
Hague, rh William
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hammond, Philip
Hanson, David
Harman, rh Ms Harriet
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Hendry, Charles
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hoban, Mark *(Fareham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Horam, John *(Orpington)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howarth, Gerald *(Aldershot)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hunter, Andrew
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*
Jamieson, David
Jenkin, Bernard
Jenkins, Brian
Johnson, Boris *(Henley)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lammy, David
Lansley, Andrew
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leigh, Edward
Leslie, Christopher
Letwin, rh Oliver
Lewis, Ivan *(Bury S)*
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Linton, Martin
Lloyd, Tony *(Manchester C)*
Loughton, Tim
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
Mackay, rh Andrew
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
Maclean, rh David
McLoughlin, Patrick
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Martlew, Eric
Mates, Michael
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Mercer, Patrick
Merron, Gillian
Miller, Andrew
Mitchell, Andrew *(Sutton Coldfield)*
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moonie, Dr. Lewis
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Moss, Malcolm
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
O'Hara, Edward
Otner, Bill
O'Neill, Martin
Organ, Diana
Osborne, George *(Tatton)*
Osborne, Sandra *(Ayr)*
Ottaway, Richard
Palmer, Dr. Nick
Paterson, Owen
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prisk, Mark *(Hertford)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Roe, Mrs Marion
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ruffley, David
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sayeed, Jonathan
Shaw, Jonathan
Sheerman, Barry
Shephard, rh Mrs Gillian
Shepherd, Richard
Sheridan, Jim
Simmonds, Mark
Simon, Siôn *(B'ham Erdington)*
Simpson, Keith *(M-Norfolk)*
Skinner, Dennis
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Soames, Nicholas
Soley, Clive
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Streeter, Gary
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dan *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Ian *(Esher)*
Taylor, Sir Teddy

Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trend, Michael
Trickett, Jon
Truswell, Paul
Turner, Andrew *(Isle of Wight)*
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Waterson, Nigel
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, rh Alan *(Swansea W)*
Wills, Michael
Winnick, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wyatt, Derek
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Mr. Fraser Kemp and Vernon Coaker

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the work being done by the UK and its Coalition partners to establish stability and security in Iraq; regards any mistreatment of Iraqis by Coalition forces to be unacceptable; recognises the bravery and professionalism of British forces in Iraq in assisting the Iraqi people in rebuilding Iraq; applauds the work of the UN Secretary-General's special adviser, Lakhdar Brahimi, for his contribution to helping establish a sovereign Iraqi Interim Government which will assume power by 30th June; and supports the Government in its efforts to secure a new Security Council resolution and deliver the wishes of the Iraqi people for a sovereign, stable and democratic Iraq.'.

Local Government Finance

Mr. Deputy Speaker (Sir Michael Lord): Mr. Speaker has selected the amendment in the name of the Prime Minister.

7.16 pm

Mr. Edward Davey (Kingston and Surbiton): I beg to move,

That this House notes that council tax has risen by 70 per cent. since Labour came to power and that the Budget Red Book forecasts a rise in council tax receipts next year of over 7 per cent; further notes that these rises are hitting particularly hard those on low and modest incomes because of the way council tax was designed by the last Conservative Government; is concerned that this manifest unfairness of council tax now means that the poorest 10 per cent. of people pay over four times more of their income in council tax than the richest 10 per cent; notes that the whole system of local government finance needs major reform owing to the problems caused by the dependency of councils on central government grants that produces the gearing effect whereby on average councils must raise council tax by 4 per cent. to offset a grant reduction of one per cent; believes that the Labour Government have made the bad situation they inherited from the Conservative Government even worse by their excessive reliance on ring-fencing, passporting and centrally-imposed targets and regulations; and therefore calls on the Government's Balance of Funding Review to make far-reaching proposals for reform when it reports shortly, including the introduction of a local income tax to replace council tax, the return of business rates to local authorities, reformed in line with land values, and a radical reduction in central government interference.

The high rises in council tax and the unfairness of council tax are issues that have rightly been raised in the House many times in recent years, not least by the Liberal Democrats. Yet the size of the rises in council tax and the extent of the unfairness in the council tax system suggest that we are right to raise these issues again, and to continue raising them until something is done to deal with the problem.

The House will be aware that the Liberal Democrats have published detailed proposals for our alternative, and those are outlined once again in our motion today. Later in my speech I will set out our alternative to the unfairness of council tax.

Mrs. Annette L. Brooke (Mid-Dorset and North Poole) (LD): What would my hon. Friend say to accusations in Conservative leaflets that a local income tax will cost the average household considerably more?

Mr. Davey: The problem with the Conservative leaflets, of which I have seen a few, is that they assume that the average household is earning an income of nearly £50,000, when the actual Government figures show that the average household income is nearer £22,000. That shows that the Conservatives live in a rather different world from the rest of us—and, indeed, from their own constituents.

I want today to focus on the wider context of the problem of council tax—the local government finance system in its entirety—and that is why we have worded the motion in the way that we have. It is timely to do that because just over a year ago the Government set up the balance of funding review, which was tasked with considering many crucial aspects of the whole system of funding councils. I think that it is scheduled to complete

[Mr. Davey]

its task and report to Ministers in July and, I hope, report back to the House before the recess. I should be grateful if the Minister would confirm later that that is what is planned. This debate gives Parliament a real chance to make a serious contribution to that balance of funding review before it concludes and reports back.

Mr. John Redwood (Wokingham) (Con): Will the hon. Gentleman confirm that it is the intention to charge the south-east more? Will he further confirm that my constituents on the average earnings that they earn will be a lot worse off, and is not this really a rip-off tax from a spendthrift party?

Mr. Davey: That was very predictable, except that I was talking not about local income tax, but about the balance of funding review. Obviously, the right hon. Gentleman was not listening for a change. I gave the answer to my hon. Friend the Member for Mid-Dorset and North Poole (Mrs. Brooke) a minute ago, and he clearly was not listening even then.

We need to start by acknowledging that the balance of funding review is dealing with some of the most complex and difficult problems in public expenditure, although its core question can be expressed quite simply, and I want to do that now. In essence, the balance of funding review is asking how much of the budget that a council spends should be raised locally and how much should be met from Government grant, and, at the extremes, whether councils should raise all their money locally or whether it should all come from Government grant. Put like that, I think that most hon. Members could readily see the arguments against 100 per cent. locally raised budgets or 100 per cent. centrally financed budgets.

If it were all done locally, the equity problems would be huge, with poor areas being badly affected because they would be unable to raise the funds they need for vital services. Most people acknowledge the need for some central Government grant to equalise and redistribute resources to poor areas, and therefore reject 100 per cent. locally raised budgets, and my party takes that view.

Mr. Patrick McLoughlin (West Derbyshire) (Con): One tier of the council structure, parish councils and town councils, raises 100 per cent. of its spending. How would that tax be levied under a local income tax so that the people living in those parishes or towns pay for the services that they receive?

Mr. Davey: I am grateful for the hon. Gentleman's intervention on that point. We have examined low levels of government in other countries equivalent to town and parish councils, and they use a local income tax system. The issue is whether the Treasury can estimate the income tax base. I accept that it is impossible to estimate that figure from information currently held by the Inland Revenue, such as the personal survey of incomes, but that is because no Government have ever tried to introduce local income tax. That information is, however, available in countries where local income tax has been introduced.

Mr. Peter Pike (Burnley) (Lab): The previous Government had to get rid of the poll tax following the Ribble Valley by-election, and Michael Heseltine had quickly to introduce a replacement scheme, which he rightly described as "seriously flawed". It is important that we allow the balance of funding review to complete its examination of the position, because unless we correctly balance national and local funding, any replacement system will have serious flaws and problems. We must not rush into a new system, only to find in five to 10 years' time that it is equally appalling, and the scheme proposed by the hon. Member for Kingston and Surbiton (Mr. Davey) would prove to be exactly that.

Mr. Davey: I am grateful for the hon. Gentleman's intervention. When Lord Heseltine introduced council tax, a BBC journalist asked him why he did not support local income tax. He looked at the camera and said, "That is the Liberal Democrats' policy." In other words, he had no strong argument against it. *[Interruption.]* I watched that interview with relish.

The point of this debate is to give us a chance to contribute to the balance of funding review. We have made submissions to the Government, who, we believe, are right to carry out the review. We also welcome the way in which they have gone about the review. They have taken a year to gather evidence, receive submissions and commission papers. For example, the Chartered Institute of Public Finance and Accountancy examined local income tax, which it thought was a good idea. I welcome the balance of funding review, but I do not see why the hon. Member for Burnley (Mr. Pike) is concerned by the debate, which is about getting the matter right.

Mr. Hugo Swire (East Devon) (Con): Will the hon. Gentleman give way?

Mr. Davey: No, I want to press on and make some progress.

The balance of funding review is important to today's debate. If local councils raised none of their own finance, which is another option, it would create huge accountability problems, and local democracy would be severely undermined. If 100 per cent. of council funding came from central Government, as some hon. Members argue, it would mark the end of meaningful local democracy. If we reject the extremes of raising all funding locally or of raising all funding nationally, where should the balance lie?

On average, a council currently raises 25 per cent. of its budget locally and gets 75 per cent. of its income from central Government. Many hon. Members believe that the balance of funding is wrong and that it must be addressed urgently—I hope that the Government address the matter in the review. However, we do not know whether they think that the balance of funding is a major problem, and part of the review's remit is to decide whether the 75:25 split is a problem.

The first message that I want to get over to the Government in this debate is that the balance of funding causes serious problems. The Minister should not listen to those who argue that the current balance of funding is an advantage—some Conservative Members advance that argument—or to those who argue that the problems can be fixed without altering the balance of funding. Specifically, the current balance of funding causes three serious problems that cannot be brushed aside. The first

problem is the well-known gearing effect, which relates to the second problem, accountability. The third problem, which is often ignored, is the effect on the health of local democracy and local government that comes from the imbalance in funding.

The gearing effect is perhaps the most alarming problem for council tax payers because, as the Audit Commission reported last December, it is a major contributor to some high council tax rises. At its most simple, the gearing effect means that for every 1 per cent. increase in a council's budget, on average that council must increase council tax by 4 per cent. Average council tax rises in 2003–04 were 12.9 per cent., but councils actually increased spending over and above what the Government said that they should spend by an average of only 1.9 per cent. However, the gearing effect translated those increases into an average council tax rise of 7.6 per cent., which completely distorted the picture. That issue directly results from the balance of funding.

Mr. Anthony Steen (Totnes) (Con): The important point is not who pays 75 per cent. and who pays 25 per cent, but how much the individual pays—apart from the Liberal Democrats, nobody cares how the calculation is worked out. The Liberal Democrats have increased council tax in Torbay by 10.1 per cent., but they blame everyone else. The problem is that too many laws made in this place go down to local authorities, which have to carry them out but cannot afford to do so. If we passed fewer laws here, council tax would not be so high. If the Liberal Democrats got their way, people would pay more but would not get better services, so I do not understand what the hon. Gentleman is talking about.

Mr. Davey: I am not surprised. I agree that we pass too many laws in this place and that the burdens that we place on councils are too heavy. The idea that that is the complete explanation for council tax rises, however, is nonsense. If the hon. Member for Totnes (Mr. Steen) listens, he will learn that the Audit Commission, not the Liberal Democrats, blames the gearing effect, which I am discussing, for some high council tax rises.

There are three possible solutions to the gearing effect. First, revenue raised locally could be increased by, for example, re-localising business rates, and I shall return to that approach because we favour it. A second solution is to cut local government responsibilities and centralise a major spending area such as education. We understand that No. 10 Downing street has considered that solution, but I was glad to hear reports from the Minister for Local and Regional Government that that will not happen, and I hope that he will reconfirm that the Government are not examining the centralisation of a major spending area such as education.

A third solution—a technical change to the grant system—is touted in the Government review. Rather than grant allocations being fixed at the time of the local government grant settlement, the idea is that the allocations become variable, which happened in the 1970s and part of the 1980s. Broadly speaking, the solution works like this: if a council raises its budget by, for example, 3 per cent., its council tax should go up by only 3 per cent., and any difference required because of the gearing effect should come directly from extra central Government grants.

Mr. Andrew Turner (Isle of Wight) (Con): Higher taxes.

Mr. Davey: I urge the hon. Gentleman to listen, because the proposal is not ours. The proposal has been put to the balance of funding review and I am trying to knock it down because it is a bad idea. It would allow variable increases in grant, which could dispose of the gearing problem in one move, but it would create its own problems. For a start, it would lead to huge uncertainties, which is a problem that the Conservative Government experienced when it tried to operate such a system in the early 1980s, because final grant allocations for a specific year would not be decided for months, even years.

Above all, variable grant allocations would create perverse incentives. Much of the money for a new project or dollop of spending—indeed, any marginal increase in a council's budget—would effectively come from central Government, which would lead to higher tax bills overall.

Many councils would perceive an advantage in setting higher council tax as it could be argued to the electorate that that would mean extra central Government subvention of two, three, four or even five times the amount for which the council tax payer was being asked. I therefore hope that while that technical solution might appear preferable and neat, the Government will reject it. I believe that that will be the case, given the nods and shaking of heads from the Front Bench. I welcome that.

The Minister for Local and Regional Government (Mr. Nick Raynsford): Let me put the hon. Gentleman out of his agony. I assure him that we considered the matter approximately a year ago and it held no attraction for, and found no support from, the balance of funding review team. He is tilting at a false windmill.

Mr. Paul Tyler (North Cornwall) (LD): One down, two to go.

Mr. Davey: My hon. Friend is right and I am glad about it. The purpose of the debate is to try to tease out the Government's position on balance of funding. It is important for those who will vote in the June elections.

Another problem with the imbalance of funding is that it distorts local accountability. Changes in the local council tax bill often have little or nothing to do with councillors' decisions. Of course, they do in some cases, but far too often they do not. Council tax rises are sometimes caused by factors that are completely out of the local council's control.

Mr. Swire: I am grateful for the hon. Gentleman's clarification and I am sure that he will reach the relevant points because he is on a voyage of discovery, not least after the Liberal Democrats won Brent, East with £100 vouchers, which have been scrapped. Does it remain Liberal Democrat policy that regional assemblies, were they established, would have tax-raising powers? Would

[Mr. Swire]

they be in addition to the extra powers about which he is talking? If so, would not that add further distortion to the inequalities about which he is so worried?

Mr. Davey: The key point is that we would begin by getting rid of the council tax. There would therefore be no council tax precept, which the Government oppose for regional assemblies. Unless and until regional assemblies were elected, there would be no question of their having tax-raising powers. Unless and until central Government funds were given to local assemblies and national income tax was cut pound for pound, there could be no question of giving income-tax-raising powers to regional assemblies.

Several hon. Members *rose—*

Mr. Davey: I want to make some progress. I was talking about accountability in local government. I thought that I was generous in answering the question of the hon. Member for East Devon (Mr. Swire), which had nothing to do with that.

I was trying to argue that small changes that have nothing to do with councillors can affect the council tax. A small change in the amount of grant from central Government can make a major difference. A small change in a council's cost base because of central Government targets could cause a major change. A small change in the demand pressure, for example, in social services could lead to a major change in council tax. Any such changes are magnified four times because of the gearing effect that we have already discussed. That means that accountability is utterly distorted.

Mr. John Hayes (South Holland and The Deepings) (Con): I suppose that some people—the hon. Gentleman may be one, but he has not made that clear thus far—believe that there should be a closer relationship between what people pay and the services that they get. That is perfectly proper. However, a local income tax would relate not to what people get, the quality of the services or their cost, but to their income. How does he square that with Liberal Democrat policy on hypothecating tax, which is mentioned many times in manifestos and elsewhere? Would we have regional taxes, local taxes and hypothecated national taxes?

Mr. Davey: I am not sure what the hon. Gentleman meant by his last point, but I am glad that he mentioned services and local taxes. Some people claim that local taxpayers should pay only for local services. People have in mind emptying the waste bins and clearing parks and streets. They forget that most local residents, I am pleased to say, do not use many services that local government provides—for example, social services and child protection. Does the hon. Gentleman suggest that because local residents do not use child protection services, those services should not be financed? Many services fall into that category. For example, pensioners do not use the schools. Does that mean that they should not contribute to them? That is nonsense and I am glad that the hon. Gentleman has given me a chance to put the theory to bed.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does the hon. Gentleman accept that his proposals for local income tax could increase gearing in several local authorities on the ground of the need for greater equalisation because of the differences in tax take in different parts of the country? Indeed, CIPFA said that the ratios in several local authorities would be greater. Does he accept that the proposals in his document and end-of-year reorganisation fall into the precise trap into which he suggests that the proposals in the review for ending gearing through technical changes fall? People would not know how much they were paying at the end of the year.

Mr. Davey: The hon. Gentleman is wrong on both points. On the first point, CIPFA assumed that the central Government grant would remain the same as a portion of the council's budget on average. However, local income tax creates a foundation for decentralising power to cut national income tax and reduce some central Government subventions. It enables national income tax to be cut penny for penny as local income tax increases. That reduces the gearing effect—that is the experience in many other countries.

Let me deal with the second point about the end-of-year collection mechanism, which is only one of two possible mechanisms for administering local income tax. That would enhance local accountability as people could see rebates or extra charges at the end of they year, before the local elections. The hon. Gentleman is therefore wrong on both counts.

Several hon. Members *rose—*

Mr. Davey: I need to make some headway. I have given way several times and it is time for me to have a chance to get on with my speech.

I am trying to focus on the way in which the local voter holds the council to account in any meaningful way when the council tax bill may have nothing to do with councillors' actions. The Office of the Deputy Prime Minister's website on the balance of funding review shows that some people do not believe that accountability is a problem. They argue that the current balance of funding and the associated gearing effect enhances local accountability and they are trying to persuade Ministers not to worry about it. They believe that the gearing effect magnifies the changes to council tax and thus acts as a weapon to control council spending. They argue that all one needs is what is called marginal accountability so that marginal changes in the council's budget are properly signalled and, indeed, exaggerated through changes in a tax bill. That effect was introduced by the previous Conservative Government when they nationalised the business rate. I do not know whether it was deliberate or whether it happened by accident or coincidence, but it has greatly worsened the problem for local government.

Mr. Mark Francois (Rayleigh) (Con): I am sure that the hon. Gentleman knows that, since its inception in the 1990s, the Liberal Democrats have run Rayleigh town council. They increased the precept by 22 per cent. this year. When they had a chance to defend their record, only a handful of councillors stood for re-election and when nominations closed last week the Conservatives took 17 of the 23 seats unopposed. There will be no marginal

accountability in Rayleigh town council or any marginal seats because all the Liberal Democrats have run away. Why is that?

Mr. Davey: It was wishful thinking that the hon. Gentleman would talk about marginal accountability. It is a complex notion so perhaps I should have guessed that he would not deal with it.

Marginal accountability is dangerous nonsense. For it to work, all local government spending would have to be fixed and under easy control so that councils were genuinely responsible for the marginal changes in their budgets. Yet we know that council budgets are not like that, because so many services are demand-led and cannot be predicted. Demand pressures for services such as special educational needs and care for the elderly are massive in some areas and explain by themselves most, if not all, of some councils' tax rises. Such real-life demand pressures totally destroy the theoretical notion of marginal accountability.

Just as damaging is the implicit assumption that councils should be held financially to account for changes to the budget only at the margins, for new services. For proper accountability, councillors and voters should ask questions about existing services and the way in which the budget is spent on them, not only on new projects.

Hugh Bayley (City of York) (Lab): Will the hon. Gentleman give way?

Mr. Davey: No, I shall not.

I simply ask Ministers to reflect on how they would feel if the notion of marginal accountability applied to them. I agree with the Minister that accountability can be a tricky notion to pin down. In its fullest sense, it requires voters to have large amounts of information, which, with the best will in the world, we cannot expect them to have.

Despite those problems, I am convinced that the Layfield notion of accountability—what the committee called "average accountability"—is the right way forward. That approach gets closest to the committee's ideal that whoever was responsible for spending the money should also be responsible for raising it, so that that amount of money was subject to democratic control. Subject to the constraint of equalisation, that is the approach that the Liberal Democrats take. We believe that the balance of funding problem is a serious one which undermines accountability and that it can be fixed only by serious devolution of financial power.

Mr. Adrian Sanders (Torbay) (LD): Is it not the case that those in high house-price areas—where the central Government grant is related to the tax base—which are also low-income areas will always be chasing a gap between what the Government give them and what local people can afford to pay? The council tax will always disadvantage such areas.

Mr. Davey: My hon. Friend is right. That is part of the problem with the gearing effect and with the whole system of local government finance.

When councils have to rely so much on central Government funding, it is deeply corrosive for the local democratic system. This corrosion might be seen in lower turnouts, or in the esteem in which councils are held and the status of those councils. A system that relies on central subsidy is always going to breed dependency. It feeds a political culture in which the voters, the press and the councils too often look to central Government for solutions. We need councils to take greater responsibility. We need people to go into local government, both as officers and as councillors, because they believe that they can make a significant difference to their community. We want a more powerful, vibrant local democracy that can innovate in the public services and make major long-term decisions. However, the current imbalance in funding is one of the major obstacles to that vision. Councils inevitably spend huge amounts of time analysing in detail the grant formula distributions and lobbying MPs. We have debates in the House which are effectively zero sum games. We need to end that dependency in order to move forward and to reinvigorate local government.

There is a flipside to this argument. When so much local government money comes from central Government, central Government start to regard the grant money as their money. Ministers in all the Whitehall Departments with an interest in local government seem to have an allergic reaction to seeing grants going to local councils from their global budgets. They want to micro-manage all that money. If we are to grasp the localist agenda and stop Whitehall Ministers and civil servants second-guessing local authorities in any policy area that we care to mention, it is best that most of the money spent by councils does not come from Whitehall in the first place.

Several hon. Members *rose—*

Mr. Davey: I will not give way.

I have deliberately spent some time talking about why the balance of funding review is important and why it has real and serious problems to tackle. This is a key factor behind high council tax and behind the decade of above-inflation council tax rises that we have just seen. The review is critical because we need to improve accountability.

I want to end by outlining our solutions for the balance of funding review. Let me start by describing the number of taxes that councils have. It is wrong to expect councils to rely purely on one source of revenue. That is why we advocate, in addition to reforming the local personal tax system, the denationalisation of business rates, coupled with their reform. It was a huge mistake when the Conservative Government nationalised business rates, and that decision alone has already made a difficult problem much worse. Giving councils a second source of revenue would quickly make a huge difference. After all, that was one of Labour's election promises before 1997.

I should make it clear that, in denationalising business rates, we want to reform them too. We want to give an allowance, so that small businesses would have an allowance similar to the personal allowance in the income tax system. We want to base rateable values not on the property but on the land. That would have two big benefits for businesses. First, it would ensure that the tax base was widened, so that land that had been zoned for commercial use but had not yet been built on would be brought into the tax base, thus reducing the bills for existing small business rate payers. It would also end the perverse incentives against developing such land.

[Mr. Davey]

I know that the Minister is toying with that idea. We have seen reports in the press on whether the Government are going to go ahead with it. Concern has been expressed in No. 10 Downing street and in parts of government that this reform would be controversial, but I urge the Government to grasp it for three reasons. First, with the reforms that I have outlined, I believe that the proposal could be sold to business. Secondly, there is an argument for keeping one central control over localised business rates, which would be to ensure that any rise in the business rates would be no higher than a rise in the local personal tax. That would ensure that business rates rose by no more than personal taxes and possibly, if councils wanted, by less. The third reason why denationalising business rates is important is that the voice of business could be heard again. Many businesses criticise the Tories' nationalisation of business rates because it means that they have been excluded from many of the councils' discussions on important local issues.

Mr. Andrew Turner: Will the hon. Gentleman give way?

Mr. Davey: No, I shall not give way any more.

The second part of our solution is a radical reduction in central Government interference. We may have some common ground with the Conservatives on this. We want to see ring-fencing and passporting brought to an end, and to ensure that when responsibilities are passed down to local government, they are fully funded and the money actually goes with the responsibilities. We want to see the Government's very timid agenda on freedoms and flexibilities for local councils massively expanded, so that we can reduce the level of regulation and inspection not just for a few councils but for all of them. This sort of policy would have major benefits for councils. It would restore control of their costs and flexibility over local priorities.

Our final proposal is the most radical, the most controversial and the most well known. It is the proposal to scrap council tax and replace it with a local income tax. Many of the arguments on this were rehearsed on 10 February when we last debated these issues, but I want to add one major point, linking local income tax with the balance of funding review. The key issue is that if we can extend the personal tax base—and make it a fair tax base—it will be able to take more weight. If we chose a local income tax, the national tax collected by the same authority—the Inland Revenue—could be reduced penny for penny so that the overall tax burden did not increase.

Mr. Turner: Will the hon. Gentleman give way?

Mr. Davey: No, I will not.

The key problem with council tax is that it cannot bear the weight that the balance of funding review would want it to do in order to get rid of the problems that I have outlined. The council tax is already an unfair tax. The idea of doubling it—or of increasing it even by 10 per cent., or whatever the Conservatives' proposal of the week might be—would exaggerate the unfairness of it even more. I do not believe that council tax is the way to go. Local income tax could bear the weight because it would be based on fairness.

The balance of funding review offers an historic opportunity for the Government to end the decades of feuding between councils and central Government over local government finance. It will give them an opportunity to decentralise financial power in our over-centralised country and to strengthen and revive local democracy. Above all, it will provide an opportunity to get rid of Britain's most unfair tax—the council tax. I hope that the Government are up to this challenge and that they listen to the voters on June 10. I commend the motion to the House.

7.48 pm

The Minister for Local and Regional Government (Mr. Nick Raynsford): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the Government support for local government with its 30 per cent. real terms increase in grant since 1997; notes that the average increase in council tax in 2004–05 is the lowest for nine years; supports the Government's proposals to take action against a number of authorities which have set excessive budgets and council tax increases in 2004–05; and looks forward to the report of the Balance of Funding Review of how local government in England is funded which is due in summer 2004."

I welcome the opportunity to debate this important and complex subject. The Government take this issue very seriously, and it is currently the subject of our balance of funding review. I listened with great interest—and, I have to say, growing incredulity—to the speech by the hon. Member for Kingston and Surbiton (Mr. Davey). Rarely has a political party shot itself so convincingly not just in the foot, but in the arms, legs and head as well. I have never thought of the hon. Gentleman as an ancient mariner, but I have to say that he has truly hung an albatross of enormous proportions round his party's neck in the form of its proposal for a local income tax.

More of that anon, but first, I would like to set out some background. The hon. Gentleman's motion curiously refers to "grant reduction". I am not sure where he has been for the past seven years. Under this Government, local authorities have not been facing year-on-year grant reductions. That was certainly their experience in the early and mid-1990s when the Conservatives were in power, but this Government have been significantly increasing the levels of grant paid to local authorities. The latest settlement, for 2004–05, involves a total formula grant of £46.1 billion, an increase of 5.5 per cent. compared with 2003–04.

On top of that, specific grants take the overall increase to 7.3 per cent. That is not a one-off increase but part of a programme of sustained growth in investment in the vital public services delivered by local government. In 2004–05, for the second year running, all local authorities received a real-terms increase in formula grant on a like-for-like basis. Overall, Government funding to English local authorities is up by 30 per cent. in real terms over the past seven years. That is in stark contrast to the previous four years, when year-on-year cuts were the norm—a 7 per cent. real-terms funding cut over the last four years of the Conservative Government.

It is sometimes argued that the grant increases are not sufficient to match new demands that are placed on local authorities, and that they are forced to spend money on Government priorities by ring-fencing, but both concerns are being addressed. We operate a "new burdens" doctrine, which requires any new obligations on local government to be matched by appropriate funding from the responsible Department. Furthermore, in the recent grant settlement, we have removed ring-fencing from some £750 million of specific grants. We have thus reduced the ring-fenced grant from over 13.3 per cent. to around 11 per cent., and on current plans, ring-fencing will be less than 10 per cent. by 2005–06. For authorities categorised as excellent, we have gone even further by removing virtually all ring-fencing, except for those grants intended for schools.

Mr. Steen: The Minister mentioned excellent authorities. Is he aware that Torbay council, which is run by the Liberal Democrats and is very poor, had a 10.1 per cent. increase and the Government have capped it? Is he also aware that, in spite of the speech by the hon. Member for Kingston and Surbiton (Mr. Davey), the £100 rebate, which every council tax payer was going to receive if the Liberal Democrats got into office, has gone out of the window? Did he hear the hon. Gentleman mentioning the £100 rebate, which we have all been looking forward to?

Mr. Raynsford: I shall return to the £100 rebate, and I hope that the hon. Gentleman enjoys that passage of my speech. Although I have to say that he is right in saying that Torbay council is not an excellent authority, his party, which was responsible for running it for a long time, was probably as responsible as the Liberal Democrats for its current position.

As the hon. Member for Kingston and Surbiton rightly said, it is local authorities, not the Government, that set the council tax paid by householders. As I told the House on 29 April:

"The average increase in council tax . . . this year is 5.9 per cent." —[*Official Report*, 29 April 2004; Vol. 420, c. 1019.]

That is less than half the previous year's increase and lower than many people predicted. It is also the lowest in the past nine years.

A large number of authorities have set lower council tax increases than they originally proposed, not least because of the Government's strong messages to local authorities to the effect that high increases were both unnecessary and unacceptable. Nevertheless, some authorities' budgets and council tax increases are still too high and impose unreasonable burdens on council tax payers.

The Government made clear their intention to take action against those authorities whose budget requirements they consider excessive. People who are troubled by the fear of large council tax increases—I am thinking particularly of pensioners living on fixed incomes—will appreciate that this Government have taken action to protect council tax payers from unnecessarily large increases. They will be aware of, and perhaps shocked by, the attitude of the hon. Member for Kingston and Surbiton, who described this action as absurd during the debate on 29 April, at column 1025 of the *Official Report*. Indeed, I believe he owes council tax payers throughout the country an explanation as to why it is apparently not absurd for a Liberal Democrat council to impose a 29 per cent. council tax increase, while it is absurd for the Government to take action to protect council tax payers from such an increase.

The Liberal Democrats have a lot of explaining to do, too, for their councils have an unenviable record of introducing the largest increases in council tax. On average, in a year when Labour councils kept their increases down to 4.7 per cent., Liberal Democrat councils showed average increases of 6 per cent., and Liberal Democrat Shepway district council headed the list of the biggest increases, at 29 per cent.—an interesting warning to electors who are thinking about which way to cast their vote in June.

Mr. Edward Davey: Can the Minister tell the House what the average increase in council tax over the past five years has been in councils controlled by different political parties? He will find that the Conservatives have presided over the highest average annual council tax increases over the past five years, and Liberal Democrat and Labour-controlled councils have had roughly the same increases—about 6.9 per cent. Will he put that on the record?

Mr. Raynsford: I cannot, off the top of my head, give the hon. Gentleman the figures for the last five years, but I can tell him that last year the Conservatives had the highest tax increases of 16 per cent., and Liberal Democrat and Labour councils had increases of around 10 per cent.

This year, the Government said that they expected councils to budget for low single-figure increases. Only Labour councils delivered, with an average increase of 4.7 per cent. Conservative councils averaged 5.4 per cent., and Liberal Democrat councils 6 per cent.—the highest increases of any of the three parties this year.

Rather than trying to pass the blame elsewhere, the hon. Gentleman ought to be talking to his party's councillors and telling them to get a grip, although I appreciate that that is a concept largely unfamiliar to Liberal Democrats. If he did, it would have an influence on one of the other issues raised in the motion, although he did not refer to it, which is the so-called Treasury forecast of next year's council tax rise. As I have frequently explained to hon. Members, that figure is based on average increases in past years, so the fact that there is a large figure this year reflects the very large council tax increases last year. The figure is not, repeat not, an estimate of increased costs, or a target, or the Government's view of what would constitute an acceptable rise in council tax.

The best way to get the figure down, of course, is to get average council tax down. That is where the Liberal Democrats have the greatest opportunity, because they have the largest increases in council tax this year.

Mr. Andrew Turner: The Minister has made a number of sensible remarks about the Liberal Democrats, but is he really saying that the Treasury can forecast what is going to happen next year only by reference to what happened last year?

Mr. Raynsford: As I was saying to the hon. Member for Kingston and Surbiton, this is not actually a

[Mr. Raynsford]

forecast. It is based on the trends over the past three years. Therefore, if there is a large increase in the previous year, as was the case, that is reflected in the figure. I have explained that repeatedly to the House.

I want to continue by referring to the balance of funding review, and it is probably helpful if I start by providing a little background to it.

David Taylor (North-West Leicestershire) (Lab/Co-op): Let me declare an interest as a member of the Chartered Institute of Public Finance and Accountancy, whose review this is. Is the Minister about to point out the Liberals' suggestion that about 3p on local income tax should be sufficient to fund necessary public services, when the range suggested in the review is between 3.2p and 6.5p? Does that not suggest illiteracy on a grand scale?

Mr. Raynsford: My hon. Friend is right about those figures, but we have set up the review and it is taking evidence from various players, including CIPFA. We have been pleased with the detailed and thoughtful submissions that it has made, but this is not CIPFA's review. My hon. Friend is right about the figures ranging between 3.2p and 6.5p, which is rather at variance with what the Liberal Democrats say in public.

Mr. Edward Davey: Can the Minister confirm that that CIPFA review has an average figure of 3.75 per cent., which is also our average figure? CIPFA has 3. 8 per cent. as the average. *[Interruption.]* Yes it does. I have that in the report, if the Minister needs it. Will he also confirm that the range that the hon. Member for North-West Leicestershire (David Taylor) mentioned relates to keeping the same grant system, which includes a council tax base within it, which would be absurd? Will the Minister therefore accept, as CIPFA makes clear in its report, that that is a first best guess, not a proper analysis?

Mr. Raynsford: For the benefit of the hon. Gentleman, who finds this difficult, I shall quote the CIPFA report. He will see in paragraph viii on page ii of the introduction and summary that a local income tax

"substituting for the Council Tax in England in 2003/04, might have resulted in areas precepts ranging between 3.2 p and 6.5 p on the existing personal rates of income tax."

Those are CIPFA's figures. Will he withdraw his remarks and apologise for attacking my hon. Friend the Member for North-West Leicestershire (David Taylor) for giving correct figures from the CIPFA report?

Let me also put to the hon. Gentleman something that he might think about before I give way to him again. Those remarks relate to 2003–04. When updated, the figures will probably increase above even those levels.

Mr. Davey: If the Minister had read on, he would have told us that that paragraph says:

"This assumes broadly similar grant calculations relating to formula spending shares. However, the taxbase relating to personal incomes, upon which the above range of precepts is based, is distributed differently to the banded property values used for Council Tax purposes."

In other words, the point I was making is that the grant system would change under local income tax, but that was not actually being measured.

Mr. Raynsford: The hon. Gentleman is digging an even deeper hole, and I must counsel him not to pursue that point. I shall come later to some interesting comments taken from his website about the CIPFA report. For now, however, let me tell him that the passage that he has cited in fact highlights one of the problems implicit in his proposals, which is that the regional yield of a local income tax would be much higher in London and the south-east, so disproportionate increases in taxation would be likely there unless the grant distribution was changed. I would be interested to know whether the hon. Gentleman proposes to change that distribution, which would involve a significant change in the distribution of resources.

Mr. David Drew (Stroud) (Lab/Co-op): Part of the problem with local income tax, as with the poll tax, is non-payment, and one assumes that people would be very clever in trying to avoid tax. One of the biggest difficulties is that any assumption of tax take must build in losses that might result if people chose not to pay or were able not to pay. Does my right hon. Friend agree?

Mr. Raynsford: My hon. Friend makes a very good point, to which I shall come in a moment. I should like first to discuss the purposes of the review before turning to the Liberal Democrat proposals.

As our 2001 White Paper "Strong Local Leadership—Quality Public Services" recognised, many local authorities are concerned about the balance of funding and the proportion of local spending financed from central as against local sources. Nationalisation of the business rate in 1990 shifted the balance of funding so that the proportion raised locally was reduced from about 50 per cent. to 25 per cent. National taxes, including the business rate, now account for about 75 per cent. of local government revenue. Although the average proportion raised locally is about 25 per cent., the figure varies widely across England. For example, in Newham, one of the more deprived parts of London, it is about 11 per cent., whereas in Chiltern, a more affluent area in the south-east, the figure is at the upper end, at around 60 per cent. My hon. Friend the Member for Southampton, Test (Dr. Whitehead) was absolutely right to highlight the fact that in many deprived areas, because the wealth of an area is more varied in terms of income tax receipts than in terms of property valuations, the problem would intensify, and those areas would require even more Government subsidy if a local income tax came in. I am sorry that the hon. Member for Kingston and Surbiton did not understand my hon. Friend's sensible point.

In general, deprived areas with high needs and a low council tax base receive much more central grant than more affluent ones. The equalisation of needs and resources aims to ensure that all areas receive sufficient resources to deliver services to acceptable standards. Whatever their individual balance of funding, however, many councils argue that they cannot be properly accountable to their taxpayers if they have to rely heavily on central grant funding. They also criticise the

impact of the balance of funding on gearing, which was a point made by the hon. Member for Kingston and Surbiton. In the 2001 White Paper, the Government stated their view that there was no quick or easy way of securing a major shift in the balance of funding. We did, however, agree to set up a high-level working group to look at all aspects of the issue and to consider reform options. The balance of funding review started work in April 2003, and it aims to report in the summer. Our target is July, and I hope that, before the House rises for the recess we can report to the House on the options that the review sets out. I chair the review's steering group, which comprises representatives of local government—several from the Local Government Association—central Government, business, the unions and other experts. The review group has met several times. It has discussed the principles of a successful local government finance system, held a consultation and commissioned independent research, all of which is publicly available. It has examined a number of possible reform options.

The review is looking at four main reform options, which were suggested in response to public consultation: re-localisation of business rates; introduction of a local income tax; reform of council tax; and a mixed option of smaller taxes or charges. I should emphasise that the fact that the review is hearing evidence on those different options is not an indication that the Government favour any one of them.

I will start with council tax. Many consultation responses said that there were serious problems with council tax, but most suggested that it should be reformed rather than abolished. As recent work by the New Policy Institute points out, the tax has been widely accepted until recently. Almost all countries have a local tax on domestic property. Council tax has advantages: it is well established and relatively easy to understand, its yield is predictable, and it is easy to collect, as houses do not move. Indeed in 2002–03 local authorities in England collected more than 96 per cent of the council tax due within the financial year.

Of course, one major change is already planned. Under the Local Government Act 2003, there is a statutory requirement for a revaluation of domestic property in 2007, based on 2005 property values. Revaluation is not designed to raise more tax overall; the 2001 local government White Paper made it clear that its overall impact will be neutral. As the New Policy Institute showed, however, revaluation will have different effects across the country in line with house price rises, and we will consider carefully how best to manage that. One option would be the introduction of regional banding.

We will consider the case for change to the existing bands, although we would need carefully to examine the impact of any changes. As the NPI made clear, improvements can also be made to council tax benefit, which makes an important contribution to the financial security of many people on low incomes but does not reach as many people as it should because of relatively low take-up. There is real scope for improving take-up, and my colleagues at the Department for Work and Pensions are making changes to address that.

Mr. Edward Davey: May I return the Minister to the point on revaluation? He criticised local income tax by arguing that there would be a larger local income tax base in such regions as London and the south-east. Does he think that his comparison with the council tax base would change after revaluation? Does he admit that many households in London and the south-east will see large increases in their council tax bills as a result of revaluation, particularly those in London who live in band C properties?

Mr. Raynsford: There are two separate issues there. I have made it clear that we accept that there will be variations, depending on the relative increases in house prices since 1991. It is completely unrealistic to go on indefinitely with a tax system based on 1991 values, so revaluation must come. That is why we are considering the possibility of regional banding as one way to address the issue that the hon. Gentleman raises.

The issue that I was highlighting is a different matter, and the hon. Gentleman may not fully have understood that. There is a wider gap between the highest and lowest levels of people's incomes, as assessed for income tax, than there is between property values, and that would create a different issue if a local income tax were introduced. I shall not push the point further since the penny has, I hope, now dropped for the hon. Gentleman.

Re-localisation of the business rates—a return to the pre-1990 system—is not something that the Government have favoured, but there is strong demand for it from many in local government. Most consultation responses from councils argued that re-localisation would help to resolve the balance of funding problem and encourage better partnerships with local businesses. The business community has stated, however, that it would strongly oppose re-localisation. There are also major disparities between areas in their business rate yield, so equalisation would be needed, which would reduce the link between resources raised and what would be available locally.

The review's discussion of business rates threw up another issue. The LGA presentation made the interesting point that when business rates were nationalised, they met about 29 per cent. of local government funding, whereas they now pay for only 22 per cent. That is because rises in the business rates multiplier are capped by law at the level of inflation. Some may argue that it is not fair that business contributions to local funding are capped while domestic taxpayers' council tax bills are not. Is there, then, a case for reconsidering how the cap is set? Well, there are two sides to the story. Business organisations have warned that any changes to the cap would be very sensitive and could damage the UK business tax picture and perhaps endanger businesses' comparative advantage internationally. The balance of funding review is looking carefully at the issue, considering the pros and cons of any changes.

Next I shall say a word about local income tax. The review consultation showed support in some quarters for that, or at least for considering the case for it, as most people admit that the proposal is inherently complex and needs much more work. CIPFA, which presented a paper to the review, highlighted a number of difficult issues, such as set-up costs, costs to business and the

[Mr. Raynsford]

treatment of investment income. It would not be an easy option. It is technically complex and challenging, with much of the devil in the detail.

Matthew Green (Ludlow) (LD): The Minister clearly has quotes from the CIPFA report in front of him. Early on, on page 3 I think, CIPFA lists some advantages and disadvantages of the local income tax. Perhaps the Minister would like to read out the four main advantages cited.

Mr. Raynsford: No, because I should then have to read out the six disadvantages that follow. The hon. Gentleman can no doubt consult the report for himself.

The hon. Member for Kingston and Surbiton has clearly not taken to heart the lesson of complexity. Let us compare his blithe assurances with CIPFA's more measured views.

I take as my evidence the hon. Gentleman's website, which I assume is an authoritative source for his views. Under the question "How quickly could a local income tax be introduced?" he states confidently:

"Within two years maximum. As it is using an existing system, the only major delays would be consultation on details and getting legislation through parliament".

Well, that is pretty clear. So let us see what the experts—CIPFA—say.

"The legislative requirements might be completed within two or three years ... Then appropriate guidance and support would need to be given to taxpayers and employers. A roll of local taxpayers would need to be collated. Most previous observers concluded that the implementation of a LIT would take five years to effect. Despite the advance made in the technology ... the preparations required would be no less elaborate and consequently the proper implementation might well take five years to complete. There would be considerable risk in forcing the pace."

So there we have it. "Seven to eight years and do not rush it", says CIPFA; "Two years and it would be easy", say the Liberal Democrats. I know whose judgment I trust.

After that not very encouraging start, let us look at the Liberal Democrats' specific proposals. They leave a great deal to be desired and would, I fear, lead to disruptive and complicated changes to the tax system without providing the much trumpeted benefits. First, the proposals would do little to improve the flexibility available to local authorities. As authorities in poor and deprived areas would be able to collect less income tax than the richest areas, the proposals would mean that the poorer authorities would become more heavily dependent on grant. There would be less flexibility, and a worse gearing effect, for those authorities, than at present.

Secondly, the proposals would involve substantial costs that are not mentioned by the Liberal Democrats. They plan to combine their local income tax proposal with an increase in the personal allowance to £5,000, but taking into account this year's increase, that would cost an extra £1.5 billion. Of course, we know that the Lib Dems are not very good with figures. Their back-of-the-envelope approach to local government finance usually collapses the moment that it is subject to any serious scrutiny. Even the simplest of their pledges prove problematic.

We all recall the Lib Dems' promises last year of £100 off the council tax, and the hon. Member for Totnes (Mr. Steen) reminded us of it earlier. We were assured that they had done their figures and could deliver that benefit. The voters of Brent, East were lured into voting Lib Dem with the overt promise of that bonus. But six months later it has vanished. The right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) has huffed and puffed about reviews and reconsideration, and when asked recently on "Today" whether people would not be receiving the £100 they had been promised, he replied as follows. I quote from the verbatim transcript:

"well, what we are (nervous chuckle) what we are pledging to people is a local income tax".

So there we have it: the promised £100 has been withdrawn. Even though the leader of their party made that admission a week ago, his message does not appear to have got through to individual Lib Dem MPs, at least one of whose websites today continues to hold out the promise of a £100 refund under an "Axe the Tax" headline. It is no wonder that the leader of their party gave a nervous chuckle. Not only is his party in a shambles, but his proposals would have severe and, in many cases, inequitable consequences. They would impose substantial additional tax burdens on hard-working families, especially those with two or more earners, including those doing vital public service jobs.

At the same time, as the embarrassment of the hon. Member for Kingston and Surbiton demonstrated when he was questioned on "The Westminster Hour" a week ago about investment income, the back-of-the-envelope Lib Dem proposals would open up huge loopholes, allowing wealthy company directors and others living on unearned income to avoid making any contribution to local services—so much for the supposed fairness of their proposals. The whole issue of investment income would not be covered by their PAYE system, and that would be an obvious incentive for evasion.

Finally, the proposals they have made have weaknesses that they do not consider.

Richard Younger-Ross (Teignbridge) (LD): The Minister belongs to the supposed party of fairness and justice. Is it right that under the present council tax proposals an elderly couple should spend 11 per cent. of their income on council tax when under the LIT proposals put forward by my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), they would pay 4 per cent.? Is that just or fair?

Mr. Raynsford: If the hon. Gentleman had been listening to what I said earlier, he would know that I highlighted the contribution to that situation of councils—including many Lib Dem councils—that have pushed up their council tax to an unreasonably high level. I also highlighted the scope for trying to ensure that those who should receive council tax benefits do so. Some of the examples that the hon. Gentleman mentioned are in that category. Some 1 million people are probably paying more than they should because they are not getting their benefit entitlement. We want to tackle that problem, and we are doing so, but it does not mask the fact that his party proposes a wholly inequitable tax system that would create a massive

loophole, enabling some of the richest people in the country to evade any contribution to local services. It is nonsense, and the Lib Dems know it.

Several hon. Members *rose—*

Mr. Raynsford: I must make some progress.

The proposals have weaknesses that the Lib Dems have not considered. They have two ideas for how the tax would be collected. One is to collect it during the year through tax codes, and the other is to collect it at a standard rate across the country, and then to settle up with the individual taxpayer to cover what they should have paid through an end-year adjustment.

The first proposal would impose substantial additional burdens on employers, who would need to deal with local income tax rates for every local authority in which their employees lived. The website of the hon. Member for Kingston and Surbiton even suggests that employers would also have to take account of the precepts from the 9,000 parish councils. Can hon. Members imagine the administrative chaos and confusion of taking into account precepts from 404 local authorities and 9,000 parish councils? I assume that the hon. Gentleman has made a mistake and that he did not mean that. I cannot believe that he would be so unwise as to make such a suggestion. The process of having to account separately for the different amounts of local income tax that employers were subtracting from their employees' wages would impose serious administrative burdens. The more councils with separate precepts, the more complicated and intractable that burden would be.

Mr. Parmjit Dhanda (Gloucester) (Lab): The Lib Dem proposals would not only involve collecting money through the PAYE system. Part of the saving is meant to come from doing away with the existing property-based tax, but they would still need to take tax on second properties. Therefore, they would not make the savings they predict by reducing that layer of bureaucracy.

Mr. Raynsford: My hon. Friend makes an appropriate point. The need for a system to value every property in the country for the application of the site value tax that is proposed in cases in which owners were not liable for local income tax would make it impossible to make any administrative savings, as the Lib Dems implied would be possible by reducing the work of the Valuation Office Agency.

I do not believe that the Lib Dems have even considered the burden on business in their costings for the local income tax. I have seen no evidence of them having made any allowance for the additional cost—it would probably be some £100 million—to business that it would entail.

The second option of an end-year adjustment would be an odd compromise, satisfying no one. It would be a local income tax in which, most of the time, the bill paid had nothing to do with the rate set by one's local authority. How would such a system promote local accountability and flexibility, and how would it aid the taxpayer in understanding how much money their council was asking for or spending on services? In addition, given that the mechanics of the tax system mean that under or over-payments would not be fully settled for months or years, that approach would be doubly complex and unpredictable both for individual taxpayers, who could be presented with unwelcome retrospective demands, and for local authorities and the Inland Revenue.

David Wright (Telford) (Lab): Under that system, what would happen in communities that were reliant on one or two big employers if one went under before the end of a tax year? How would local councils collect their cash?

Mr. Raynsford: My hon. Friend makes a valid point about the unpredictability of depending on a tax that is not predictable—as council tax is—as a main source of revenue. The closure of a major employer in an area would result in a significant reduction in income tax revenue, but it would not affect the council tax yield because those who had lost their jobs would be entitled to council tax benefit.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend give way?

Mr. Raynsford: No, I must make some progress.

I particularly enjoyed—as, I think, will the House—what the hon. Member for Kingston and Surbiton says on his website about the proposal for end-year adjustments:

"if your local authority has set a rate of"—

local income tax—

"lower than the national average, then you will get a rebate. If your authority has set a rate higher than the average, then you pay a little extra."

We should note the selective use of the word "little". He does not say, "You will get a little discount"; nor does he say, as he should, "You will pay a little more unless you are unwise enough to live in a Liberal Democrat area where you will pay a lot more because they charge a lot more."

The final significant option for reform put forward during the public consultation was for a range of smaller taxes or charges. The Local Government Association has been keen to explore that option, and it presented a useful paper at the steering group meeting on 27 April. It includes a wide range of possibilities, including localising existing taxes such as vehicle excise duty or stamp duty on property transfers, or introducing new taxes such as land value taxes, tourist taxes and more charges for local services. The steering group accepted that that is not a panacea, not least because most of the options would not raise sufficient revenue to make significant changes to the balance of funding. It has agreed to look more closely at some of the options, although it has ruled several out. The balance of funding review has just finished hearing presentations on the individual reform options. The next step at our meeting at the end of May will be to start to pull the threads together and to consider what the report will say.

These are important issues. Many Members will remember the consequences of the previous Administration's rushed reform, which gave us not only the disaster of the poll tax, but the hiking of VAT to 17.5 per cent. That lesson of past failure is one good reason why we are adopting a cautious and considered

[Mr. Raynsford]

approach, not a knee-jerk response based on slogans. It is clear to the Government that many people, whether council tax payers on fixed incomes or those working in local government who would like a more transparent funding system, have serious concerns about many aspects of local government finance.

The Government are clear that there are no easy fixes or quick wins and that we need to analyse the options carefully. I am sure that hon. Members will recognise that we must take a measured approach. We will not hold out false promises, as do the Liberal Democrats, to the effect that reform is easy and solutions are painless. "Axe the Tax" must be one of the most mindless slogans ever put forward.

The hon. Member for Kingston and Surbiton may fancy himself as the Arnold Schwarzenegger of south-west London, but it is a bogus prospectus. The Liberal Democrats are not a low-tax party—their councils are increasing council tax by more than any other party's. Their councillors do not want to cut council tax, but at the same time as they are busy increasing the burden, their Members of Parliament try to pretend that there is a quick and easy solution that can magically deliver lower tax bills. That is simply not credible. As I said before, they are no better than snake oil salesmen peddling quack remedies which would, if taken, leave the patient worse not better. Their motion deserves to be rejected with contempt.

Mr. Steen: On a point of order, Madam Deputy Speaker. I wonder whether you could give the House some advice. As the Liberal Democrats' motion has been totally and utterly demolished by the Government, is it possible for them to withdraw it so that we can all go home and not listen to any more?

Madam Deputy Speaker (Sylvia Heal): That is not a point of order for the Chair; we will continue the debate.

8.23 pm

Mr. David Cameron (Witney) (Con): My hon. Friend the Member for Totnes (Mr. Steen) makes a tempting suggestion.

In rising to speak against the motion, I should refer to my entry in the Register of Members' Interests.

This is my first outing on the local government finance ticket, and it is a great pleasure to take part in the debate. I listened carefully to the Minister, who gave us an interesting walk through the balance of funding review. I think that we can take it from his speech that the Government have formally ruled out local income tax as part of the review; otherwise, he would have quite a few words to eat. He said that he expects to make an announcement before the recess. I think that he mentioned a debate, and I hope that the Under-Secretary will be able to give us a guarantee that we will have a debate in Government time before the recess.

I listened carefully to the hon. Member for Kingston and Surbiton (Mr. Davey). Although I am new to the subject, I found his speech rather odd, because he did not say much at all about local income tax. I wonder whether that was due to the fact that next to him was the brooding presence of the hon. Member for Twickenham (Dr. Cable), who speaks for the Liberal Democrats on finance. His speech was a bit like a lecture on the principles of local government finance, and I was taken back to a university lecture hall. I have to tell him that one does not need to try to make this topic boring and impenetrable. I thought that any minute we were going to hear about neo-endogenous growth theory, but we did not quite get to that.

Given that my Sunday papers told me that a leadership election is now under way in the Labour party, I was impressed by the number of Labour Members who stayed in the Chamber, as I thought that they might be in the Corridors being canvassed or canvassing. It was good to see them staying. *[Interruption.]* It is all true—I read in my newspaper that the Chancellor is getting his dream Cabinet ready, and thought that the Minister, who has been knocking on the door for so long, would certainly be making a guest appearance in that dream Cabinet. We will have to wait and see.

The debate is a good opportunity to shed some light on a subject that is normally kept in the dark—official Liberal Democrat policy. I know that many other Members are waiting to speak, so I will restrict myself to three points. First, in recent years the council tax has risen far too far and far too quickly. That has caused real anger and real pain. Every year under this Government, council tax has gone up by at least three times the rate of inflation. Every year, the Minister comes here and talks in his reasonable way about a generous settlement, yet every year we have these significant council tax increases. In England, council tax levels are up by 70 per cent. for a band D property since 1997. In 1997, the average bill was £689—now, it is £1,167. Council tax receipts are up from £11 billion to almost £20 billion. That has happened pretty much across the country—the Minister cannot point to authorities that have been immune. The Prime Minister promised us "no excessive rises" in council tax, yet that is precisely what we have had, year in, year out.

That brings me to my second point: why has that damaging and painful increase taken place? It is possible to identify three separate causes, all of which, interestingly, can to a large extent be laid at the door of central Government. First are the additional and largely unnecessary bureaucratic burdens. My own local authority, West Oxfordshire, has calculated that complying with just two of those—comprehensive performance assessments and best value—adds £14 to each council tax bill, yet it is hard to find anyone who has a good word to say about them or thinks they have altered policy or practice in a meaningful way.

Next are the unfunded liabilities. To be fair to the Minister, some of those include worthwhile goals. A classic example would be the targets for waste recycling. We all want those to be met, but where is the money to make that possible? Let us consider the list. Council leaders have to comply with the Licensing Act 2003, the Care Standards Act 2000, the Homelessness Act 2002 and the Freedom of Information Act 2000. Once they have finished doing that, they can try the School Standards and Framework Act 1998, the Special Educational Needs and Disability Act 2001, a range of transport Acts, and requirements to develop plans on everything from litter to landlords.

After that, councils have to pay the Criminal Records Bureau, bed-blocking fines, higher national insurance contributions, pension liabilities, landfill tax and, of course, higher fuel duties. Next, they have to meet EU environmental directives, extra travel concessions, e-government targets and the cost of asylum and all that it entails.

Mr. Sanders: Do not forget audit.

Mr. Cameron: Time is limited and I have probably left out many things. I am trying to give a sense of the enormous range of burdens that councils are expected to meet without extra funding. They must be starting to feel like Elton John's hairdresser: each year, they are asked to do more and more with less and less.

Mr. Neil Turner (Wigan) (Lab): The hon. Gentleman read out an interesting list. What is Conservative policy on all those measures? Would the Conservatives scrap all those local authority responsibilities, or would they give the authorities extra money to pay for them?

Mr. Cameron: That is a reasonable question—[HON. MEMBERS: "What is the answer."] The first thing to do is to stop making things worse. We have to stop adding burdens to local councils without giving them the funding. We could do one or two things straight away to improve the situation. I have already mentioned comprehensive performance assessments and best value; my constituents are paying an extra £14 for those two bits of red tape, which everyone says are worth nothing.

The third cause, which was mentioned by the hon. Member for Kingston and Surbiton, is the Government's obsession with two nouns that they have turned into verbs: to ring-fence and to passport through—I hope you can see that I am trying to get the hang of the jargon, Madam Deputy Speaker. As the hon. Gentleman said, the more that one ring-fences and the more one insists that a certain amount of money is passported through, the more one restricts local freedom of manoeuvre and the more likely it is that any increase in local spending will lead to a significant increase in taxes. Combined with the gearing effect of local government finance, that has led to the huge increases. As the hon. Gentleman said, a 1 per cent. increase in spending typically means a 4 per cent. increase in bills. Add all that together—the burdens, the legislation, the unfunded liabilities, the plans and the restrictions—and the rest, as they say, is history. Tax rises of 70 per cent: nobody was warned, but everyone pays—it has been the biggest stealth tax of them all.

Mr. Dhanda: The hon. Gentleman made a key point when he referred to the range of measures that he feels have been imposed on local government. Which of those would he remove?

Mr. Cameron: With respect, I do not think that the hon. Gentleman quite heard what I said. I said that the measures included many worthwhile objectives, but we must try to have honest government. We should tell people what we plan to introduce and how much it will cost, and provide the funding for it. The Prime Minister said in the manifesto on which Labour Members stood for election that there would be no excessive council tax increases, yet that list of measures—many of them worth while—was bound to lead to large council tax increases. The Government have a problem with stealth taxes. The biggest stealth tax of all is council tax. That is the cause of the problem.

Mr. Raynsford: I welcome the hon. Gentleman to the Dispatch Box and look forward to many further interesting debates. He has mentioned his local authority, which originally proposed a council tax increase in excess of 30 per cent. yet has now managed to get it down to low single figures. Would he like to reflect on why that happened? Was it because the Government said that we would get tough if authorities went for unreasonably large increases? I do not think the reduction had much to do with the legislation to which my hon. Friends have referred.

Mr. Cameron: I reflect often on that point and I think Labour Members might like to reflect on it, too. In West Oxfordshire, council tax is £63. I suspect that Labour Members—or at least their constituents—go to bed at night dreaming of council tax of £63. The reason the council considered increasing the tax from £60 to £80, which is still a good £60 short of the average figure, was the waste recycling issue. A new waste recycling contract had been signed to meet the Government's very worthwhile targets, and the cost of that alone means that the council will have serious liabilities this year, for which it has not been funded. However, council tax of £63 in West Oxfordshire, compared with the average of £140 for a band D property in a shire district, is staggeringly good value. The council is of course Conservative controlled, and has been for several years.

Mr. Betts: The hon. Gentleman rightly drew attention to the problems of gearing, which all local authorities face—some to a greater extent than others. To deal with that problem, local authorities will, ultimately, have the right to raise a larger amount of their resources locally. What is current Conservative thinking about how that could be achieved, bearing in mind especially the fact that the Conservative party was responsible for two measures that gave rise to the current situation—the nationalisation of business rates and the increase in VAT to keep poll taxes down?

Mr. Cameron: Like the Government, we are holding a balance of funding review. All parties are considering the subject. The speech of the hon. Member for Kingston and Surbiton was all about the fact that we had to consider such things. There is common ground on both sides of the House. We all think that local authorities need to be able to raise a greater proportion of what they spend, but there are different ways of addressing that—some of them are covered by the balance of funding review but some go beyond it. We are committed to looking into the matter.

Mr. Edward Davey *rose—*

Mr. Cameron: I shall give way to the hon. Gentleman before I deal with local income tax in slightly more detail than he did.

Mr. Davey: I welcome the hon. Gentleman to his new position. It is generous of him to admit that I was

[Mr. Davey]

making a serious contribution to the balance of funding review and putting forward some ideas. Will he now put forward some ideas from the Conservatives?

Mr. Cameron: When I read the Order Paper, I thought it said that this was a Liberal Democrat Opposition day, so I thought that it would be chiefly about Liberal Democrat policy. I do not think that we have had a proper airing of local income tax. The Minister had a pretty good stab at it, but I thought I would say a few words about it, too.

Mr. Steen: I, too, welcome my hon. Friend to the Front Bench. He is doing a first-class job and we look forward to the destruction of the Liberal Democrats in the next part of his speech.

The problem is not just the amount of council tax, but how councils deal with Government requests to reduce it. Is my hon. Friend aware of what has happened in Torbay, where a by-election for a council seat is to be held on Thursday? The first cut to its £130 million budget has involved a reduction in the number of public lavatories available to tourists all over the bay.

Mr. Cameron: Like me, my hon. Friend probably has a copy of the Liberal Democrats' little yellow book. I recommend it if one wants to see even greater nonsenses than that.

Before I come on to local income tax, I cannot go on without mentioning the commitment to £100 off every council tax bill and the mystery of what happened to that. I have the leaflet from Brent, East in which the hon. Member for Kingston and Surbiton is pictured holding a very attractive cheque for £100. I am not sure what happened to the cheque. Perhaps we have been paid it or it did not arrive in the post. If the council tax had gone down, he would not need it any more. However, the most likely explanation is that the Liberal Democrats decided that, because they won that by-election, they would not need the cheque any more.

Local income tax is no more credible than the £100 bribe. It is a workable soundbite, but that is as far as it goes. That is why we did not hear any detail today. The Liberals have taken two things that sound very good. They have taken the word "local"—we all want to be local—and the phrase "income tax", because they want to sound fair. They have put the two together but, as soon as one considers the detail, it is clear that the result is neither fair nor local. Liberal Democrats do not care about the detail; they want to be able to say, "Axe the tax." That is what this is all about.

Dr. Whitehead: Will the hon. Gentleman give way?

Mr. Cameron: I was warned that the hon. Gentleman has great expertise in local government finance, so I give way to him with some trepidation.

Dr. Whitehead: The hon. Gentleman is very kind, but he need not worry; I just wish to be helpful in pointing out where the £100 may have gone. The website of the hon. Member for Kingston and Surbiton (Mr. Davey) is a useful source of information. It claims that the £1.7 billion allocated from the proposed top rate of income tax for those earning £100,000 would not be an additional source of local government tax, but would go to keeping the rate of local income tax down to 3.75 per cent. As my hon. Friend the Member for North-West Leicestershire (David Taylor) suggested, the Liberal Democrats realised that their estimates were towards the top end of the Chartered Institute of Public Finance and Accountancy's estimates and have had to put the money that would have previously constituted a £100 saving into keeping the rate down. They have had to make the £100 vanish in that process.

Mr. Cameron: As well as being a lecturer on the subject, the hon. Gentleman is a detective. The hunting of the snark is over; he has found out what happened to the £100. However, I warn him not to spend too much time looking at Liberal Democrat websites. All sorts of things could follow from that.

Let me deal with some of the arguments that the Liberal Democrats are not considering in enough detail. The first point relates to the effect that a local income tax would have on working families. We all know such people. We meet them while canvassing and in our surgeries. They work hard while not earning more than average incomes and are struggling to get on to the housing ladder and to build a better future for themselves. A couple with someone on male average earnings and another on female average earnings would have to pay £630 more than the average council tax—an increase of 65 per cent.

I know that the hon. Member for Kingston and Surbiton will ask about a house that contains just one average earner. Just as I do in Witney, he will find many couples in Kingston in their 20s and 30s who are struggling to get on to the housing ladder or who are making big mortgage payments because of house prices. If they were at or just below or above average income levels, they would be hit very hard. He simply has not thought that through. I predict that, in the local election campaign that is under way, the Liberal Democrats will not talk about that at all.

Mr. Edward Davey: What would be the gross income of a household with two adults on average earnings?

Mr. Cameron: Of course, it is well over £40,000. However, the hon. Gentleman has not published his figures showing the breakdown district by district for local income tax. We have done the work for him and, if one takes the current council tax rate, one finds that the rate in Kingston would be 5.2 per cent.

Mr. Davey: Nonsense.

Mr. Cameron: The hon. Gentleman thinks it is nonsense, but I expect that our leaflets will be going out shortly in Kingston and we want to get the figure right. If he does not think that our figure is right, he should publish his own. If he does not, we will be forced to use the figure of 5.2 per cent. and I offer it to Labour Members, too. They should make a note.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Will the hon. Gentleman give way?

Mr. Cameron: No, I am going to make progress because many Back Benchers want to speak.

The second point about local income tax is that it would mean a return to high marginal rates of tax. To raise the same amount as council tax this year would mean a local income tax rate of nearly 4 per cent. It would be higher in some areas, Kingston being one of them. We know—in a rare outbreak of candour a Liberal spokesman told us so—that in time there would be a regional income tax as well. So the basic rate of tax would soon be pushing 30 per cent. in some areas. The marginal rate for someone on the current top rate of tax—41 per cent. now, not 40 per cent.—would soon be pushing 50 per cent. A person does not have to be rich to pay the current top rate. It is paid by some school teachers, police officers, health workers, taxi drivers and many others. Are the Liberals really saying that those people should pay getting on for 50p in every £1 through income tax? Almost every hon. Member has come round to the view that high marginal rates of tax are bad for incentives and bad for the economy. Someone once said that the Liberals are the party for a better yesterday. On the evidence of their plan for a local income tax, that person was only half right: there would be nothing better about it.

My third point about local income tax is the complexities that it would involve for councils. The tax year of many people would not marry up with the council's revenue year. Some 3 million people are self-employed and pay in arrears. There are also all the disputed income tax revenues. What would happen when the country as a whole, or a particular part of it, had a bad year and revenues fell? How on earth would councils plan their expenditure? You can bet your bottom dollar that the Liberals will not talk about that in the local election campaign.

My fourth point is that we must consider the complexities that such a tax would mean for everyone else. Imagine a small business in London or any other big city that employs lots of different people from lots of different local authorities. Each would have a main local income tax rate—all different. Each would have a precepted rate from their fire authority and town council—all different. There would be more rates from their parish, police force and, in time, their regional assembly—again, all different.

Companies complain to me, as they probably do to other hon. Members, that with all the tax credits and other complications, the Government have turned businesses into tax and benefit offices, but that would be a picnic compared with the complication of the local income tax. We can bet that when the hon. Member for Kingston and Surbiton goes around Kingston and talks to businesses, he does not tell them about that either.

My fifth point is that the local income tax does nothing to address the grant system or the problem of gearing. As other hon. Members said, it could, and will, make them far worse because some areas have higher tax bases than others. There would have to be much more equalisation and even more grants from central Government to make up for the inconsistency. That means that it could not be called a local tax.

My final point—I can give a copper-bottomed guarantee that the Liberals will not talk about this in the local elections—is that local income tax will be paid by millions of people who are not well off. The student nurse, earning just about £10,000, who is barely able to pay rent, who perhaps lives at home or with friends, would pay the local income tax. The school leaver, starting to earn good money, but still living with parents and trying to save for a deposit for a flat, would pay local income tax. The pensioner grandmother, with some income from savings, who is living in the main family home so that she can be looked after, would pay local income tax. So there we are: it is not simple; it is complex. It is not good for the economy; it is bad for incentives. It is not local; it is just a new national tax, backed by an ever-more interfering national grant system. Above all, it is not fair.

Dr. Harris: As a neighbouring MP, I wish the hon. Gentleman well in his new Front-Bench role. I want to ask him about pensioners in Oxfordshire, including those in his constituency. He talked about the two people on average earnings of more than £40,000. There will, of course, be winners and losers. We have always said that there would be, but the winners will in many cases be those on fixed incomes who earn less than £40,000. So the winners will be people in Oxfordshire and the rest of the country who are less well off. The losers will be people who are best able to afford to lose. What is the Conservative position on fairness like that?

Mr. Cameron: As a neighbouring MP, I shall look carefully at the leaflets that the hon. Gentleman puts out in Oxfordshire, and I hope that they draw as much attention to the losers as they do to the winners. An economy like Oxfordshire's cannot go back to the high marginal rates of tax that did so much damage.

It is clear that we need to get to grips with the situation that we face. We need a recognition that the current crisis has been caused above all by the rises in the council tax and its level, rather than its inherent nature. We need a recognition that we should strip away centrally imposed bureaucracy from local authorities.

We need a recognition that we cannot go on asking local authorities to do more things without giving them the money. We need a recognition that the issue of gearing, and the percentage of spending that is paid for and performed locally, must be addressed. Those are the issues that we will be looking at.

In this debate we have heard many figures. There is one, above all, that counts for Conservative Members, and that is the average band D council tax. If one looks at that, one finds that Conservative councils cost £57 less than either Labour or Liberal Democrat councils, yet they have a better record on waste collection and disposal. All the audits that the Minister has produced show Conservative councils in an excellent light. I say to Labour Members that the Labour Government caused this crisis and the Liberal Democrats have come up with entirely the wrong answer, so it falls to the Conservatives to get it right.

8.45 pm

Mr. Neil Turner (Wigan) (Lab): I welcome the hon. Member for Witney (Mr. Cameron) to his position. In grappling with his new-found role, he might like to go back in history a little and remember exactly what the Conservative party did to local councils when it was in government. When I was a councillor in Wigan in the 1990s, we faced cuts in the Government grant of £10 million a year, and still we were having more and more

[Mr. Neil Turner]

policies imposed on us by central Government. The hon. Gentleman might like to consider that before he criticises this Government. They have undoubtedly given local government more to do, but they have given it extra money to carry out those duties.

It would be nice if we were lectured on local government by experts, but that is certainly not true of the contribution from the Liberal Democrat Front Bench. I was reminded of fifth-form debates, although the content was usually better at school. We should not really be surprised because the Liberal Democrat record in local government is dreadful. Of the excellent councils in the country, Labour controls Wigan plus 11 others, the Conservatives have nine and the Liberal Democrats have nul points.

Mr. Edward Davey: I thank the hon. Gentleman for allowing me to intervene to nail that canard. Will he confirm that most Liberal Democrat authorities are district councils, most of which have not yet been assessed by the comprehensive performance assessment process? Will he comment on the performance of Liverpool city council? When the Liberal Democrats took it over in 1998, it had the highest council tax in the country; now, after six years of Liberal Democrat rule, it is 70th. Will he make fairer, more balanced comments, rather than just taking his lead from the Labour Whips Office?

Mr. Turner: I have looked at the record put forward by the independent auditors. The CPA process says that there are no excellent Liberal Democrat councils. I am very sorry about that. The hon. Gentleman may have a problem with that, but it is his problem and he ought to sort it out.

When we look at council tax, what do we see? For Labour councils, the average council tax paid this year is £870; for Liberal Democrat councils the figure is £971; and for Conservative councils it is £1,072. The increase this year is 4.1 per cent. for Labour, 5.4 per cent. for the Conservatives and 6 per cent. for the Liberal Democrats. It is no wonder that the Liberal Democrats' record with the electorate is so lamentable. In council after council, they get elected and get control—then the franchise falls apart, they mess it up and they get voted out. As Julius Caesar might have put it, "We came, we were elected, we got found out, we were rejected."

The problem is that the Liberal Democrats have no history of running major councils for any length of time.

Matthew Green: Liverpool.

Mr. Turner: For how long did the Liberal Democrats run Liverpool council—four, five or six years? Wigan has had more than 60 years of Labour control. That is the sort of period that I am talking about. I am sure that there are many councils that have been run by the Conservatives for a similar length of time. The Liberal Democrats have never run a major local authority for any length of time, and that is the problem.

That problem has been made clear by the £100 rebate fiasco. In February 2003 the Liberal Democrats were offering a

"£100 cut for every Council Tax bill".

In May 2004, their leader was asked:

"So they won't be getting the hundred pounds you promised them?"

He answered, "Correct." We see it and then, pouf, it vanishes. It is the Keyser Soze policy of local government finance.

Everyone recognises that gearing is a huge problem under the present council tax system. That can be addressed only by reducing the amount that central Government pay and increasing the amount that local people pay, yet the Liberal Democrats do not propose any change in that ratio—they do not propose that extra money be paid from local income tax to replace council tax. The gearing issue would therefore not be altered, even though that was one of the main points advanced by the hon. Member for Kingston and Surbiton (Mr. Davey). The Liberal Democrats' costings are calculated on a cost-neutral basis. The difficulty they face is that changing from council tax to local income tax would not alleviate the gearing effect. In fact, it would get worse because central Government funding would increase—by £1.7 billion, as my hon. Friend the Member for Southampton, Test (Dr. Whitehead) said. That increase in Government grant would be funded from the Liberal Democrats higher rate of income tax. By changing the ratio between local and central funding—putting in more money from central Government—they would worsen the gearing effect.

The story gets even worse because of the greater variations in the income tax base than in the council tax base—the property base. Let us examine the effects of council tax and local income tax in four authorities. Wigan's share of the England tax base is 0.534 per cent. under council tax, and 0.402 per cent. under local income tax; its tax base would decrease by 25 per cent. under the Liberal Democrats' proposals. Stockport has 0.575 per cent. of the tax base under council tax and 0.666 under local income tax, so its tax base increases by 16 per cent. Torridge in Devon faces the problem of the number of pensioners living there: its share of the tax base under council tax is 0.122 per cent., but 0.066 per cent. under local income tax; it would face a 46 per cent. reduction in its tax base. Kensington and Chelsea's share of the tax base would increase 125 per cent., from 0.528 per cent. under council tax to 1.19 per cent. under local income tax.

Those four examples illustrate that much greater central Government support would be required to iron out the greater variations resulting from the change from council tax to local income tax. If central Government did not get the equalising formula right, they would face huge problems. We all know what difficulties were caused by the relatively minor changes made to the formula a couple of years ago. The Liberal Democrats would have huge difficulty explaining away the 25 per cent. reduction for my local authority and the 125 per cent. increase for Kensington and Chelsea in ensuring that the formula to redress the balance was fair.

Mr. Betts: My hon. Friend makes an interesting point. Although he dedicated the first part of his speech to the gearing problem in local government, the hon. Member for Kingston and Surbiton (Mr. Davey) did

not say that extra money would be put into the system to deal with the problem. In addition, the greater disparities in the resource base under local income tax than under council tax would make the problem of gearing worse, especially in councils with a low resource base, which would need more money from the centre.

Mr. Turner: My hon. Friend makes my point better than I did. I am grateful to him.

Matthew Green: The hon. Gentleman read out an interesting set of figures about Wigan, which confirms that tax payers in Wigan would pay less under our policy than they do under council tax. He is arguing in favour of his electorate paying more.

Mr. Turner: I do not accept that. We are saying that the income tax base in Wigan is less than the council tax base; therefore, unless a system of equalisation is devised, ensuring that Wigan's tax payers pay less will be extremely difficult. Our base from which to supply our needs will be 25 per cent. smaller, but our needs will not change. I am not clear about how the hon. Gentleman can argue that reducing the resource base by 25 per cent. but retaining spending at the same level will reduce the amount paid in tax. I hope that he will explain in greater detail when he winds up.

The Liberal Democrats claim that their proposal would be fairer, as everybody would pay on the basis of need, but that is not true, as the hon. Member for Witney and the Minister for Local and Regional Government pointed out. Many people whose income is not pay-as-you-earn will not make a contribution, including individuals who receive the majority of their income from dividends. It will be difficult to ensure that contributions are made by the 3 million self-employed, and certainly not in the year when payment is requested.

We have just heard that a cap will be set at £100,000. People on such an income will pay 5 per cent.—that is a reasonable average accepted by the Chartered Institute of Public Finance and Accountancy—or £5,000. Millionaires, however, will pay the same amount, or 0.5 per cent. of their income. That is not fair, and it will be difficult for the Liberal Democrats to explain to Wiganers, who are good at doing their sums, why it is fair that millionaires should pay only 10 per cent. of the proportion paid by others.

The Liberal Democrats have not taken into account the cost of raising the personal allowance to £5,000, which the Inland Revenue estimates will cost £2.4 billion. The hon. Member for Twickenham (Dr. Cable), who speaks on Treasury matters for the Liberal Democrats, did not explain in the Budget debate where the money to meet those costs would come from. My hon. Friend the Member for Telford (David Wright) made an interesting point about recession. In the late 1980s and early 1990s, virtually every mine in the country, and certainly every mine in the Wigan area, was closed almost overnight. Manufacturing industry, which depended on those mines, closed down alongside them, so there was a catastrophic drop in the amount of money for our local economy. How on earth would local councils cope in such circumstances? When there is a dramatic drop in income there is an equally dramatic rise in needs, as local councils must pay for school meals and other benefits. How could Liberal Democrats overcome a recession on such a scale? Indeed, if they were elected with their policies such recessions would be likely.

The Liberal Democrats want to reform business rates in line with land values. However—and this is a problem with which we will have to wrestle under the balance of funding review—property rates vary dramatically. A property in Wigan will not have the same value as a similar property in Warrington, which will differ in value from a property in Manchester, which will differ in value from a property in the south-east. Yet again, the Liberal Democrat policy will be subject to equalisation. More money from central Government will have to be put into local government and the gearing rate will have to be changed.

Mr. Edward Davey: Is the hon. Gentleman in favour of localising business rates, or is he not?

Mr. Turner: I shall come to that later.

Cliff-edge problems were another difficulty that was not mentioned. Local income tax cannot be levied in Scotland and Wales, as such revenue-raising powers are devolved. What will happen on the cliff edge dividing Cumbria and Northumberland from Scotland, or Wales from the adjacent English counties? What happens to people who work in Wales or Scotland but live in England, and vice versa? My right hon. Friend the Minister and the hon. Member for Witney spoke about the costly problem of collecting revenue in two-tier authorities, which has not been addressed by the Liberal Democrats. The hon. Member for Kingston and Surbiton glossed over the difficulty of collecting money in 9,000 parishes.

The whole idea of a local income tax is crackpot policy from a tin-pot party.

Let me address some of the problems with the council tax. All hon. Members understand that the council tax raises difficulties. It is far from perfect, having been cobbled together almost overnight to dig the Conservatives out of the poll tax hole into which they had got themselves. Gearing is a huge problem. We recognise that the 25:75 per cent. local to central Government ratio does not produce good Government. It leads to a lack of transparency, as local people see large rises in council tax but almost minimal increases in the service that they receive.

The bands are certainly not wide enough at either the bottom or the top ends. That needs to be addressed dramatically. Certainly the three times ratio, 6/9ths to 18/9ths—in other words, the ratio of the very poorest household to the very richest household—is not a way to deal properly with those differences in income. Revaluation has been mentioned already by my right hon. Friend the Minister. Of course revaluation needs to take place, but we also need to ensure that we allow local councils to revalue much more regularly than 10 year intervals. I suggest five years, so that some buoyancy is built into the council tax base.

Hon. Members have rightly raised the problem of benefits, which we need to address. Research carried out for the Select Committee on the Office of the Deputy Prime Minister seemed to indicate that between bands B or C up to about bands F or G, and given 100 per cent. take-up of benefits, the council tax was quite fair. Hon.

[Mr. Turner]

Members on both sides of the House must address how we ensure that benefits are taken up on a realistic and full basis.

Let me throw in my pennyworth to my right hon. Friend the Minister. I hope that he will take on board the idea of that we might want to consider allowing people to self-assess their benefits. We could get rid of the stigma by allowing everyone to send in a self-assessment. All local authorities would then determine whether someone was entitled to council tax benefit, rather than leaving that to 60 per cent. or so of people who apply for that benefit now. In other words, everyone should apply and most would say that they are not entitled, but at least everyone could to get their forms to the local council, which would assess eligibility for benefit.

If we address those issues and consider the balance of funding review, revaluation, the ratios and the bandings, we will be able to put local government finance on a much better footing. Clearly, we must also widen the base from a single council tax to include the other elements that are being considered in the balance of funding review. I hope that my right hon. Friend the Minister will take on board those issues in a realistic way in reaching his assessment, so that the council tax base is not the only way that councils raise their money.

9.2 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): I congratulate my hon. Friend the Member for Witney (Mr. Cameron) on a truly outstanding contribution at his first outing in his new brief this evening. He achieved something unusual on the Floor of House: he carried both major parties with him in his argument. The only Members who seemed a little upset by his comments were Liberal Democrats, who, in his own words, seem to have missed a great opportunity this evening to put their case for local income tax. Those on both Front Benches have demolished that proposal quite superbly.

The debate has focused on various other types of local government finance, but there are not many alternatives. There is the status quo or a rejigged version of it; a fully fledged property tax; some form of local tax, either on sales or income; or a combination of some of those. There is nothing fundamentally wrong with the current council tax that a good dose of adequate Government grant and reduced Government directives could not put right.

Why has the council tax, as my hon. Friend told us earlier, gone up for a band D property by 70 per cent. since Labour came to office? Why has council tax soared by three times the rate of inflation? Why are council tax receipts up from £8.7 billion in 1997–98 to more than £19.7 billion in the current year? That is a massive hike of some 80 per cent.

Such is the increase that, for the typical pensioner and pensioner couple, a third of the increase in pensions has been taken up in council tax.

It is not just in my own constituency in Cambridgeshire that we have seen a massive increase in council tax. There have been increases across the board throughout England. The reason is primarily that the Government grant has not kept pace with mandatory service provision. As with many Government Departments, centralisation has not produced the efficiency savings and value for money that were promised and which the Government thought would be delivered.

Who, then, is to blame for the current state of affairs? According to the Audit Commission, it is the Government who are to blame. The Audit Commission report "Council Tax Increases 2003–04", published last December, states:

> "National cost pressures taken together account for about £2.3 billion of the total increase in councils' spending of £4.3 billion. In other words slightly more than half the total increase is due to national pay and price inflation, increased national insurance and general population growth."

The report goes on to say:

> "The causes of increased spending by councils included . . . national policy priorities, such as the requirement to increase funding for schools by an amount determined by government or to meet waste recycling targets"—

we have had comments on both those issues from the Floor of the House this evening. The report continues:

> "Grant redistribution—which moved grant from London and the south to the midlands and the north— led to some councils putting up council tax more than others."

In conclusion the Audit Commission states:

> "We found a clear association between the size of grant increase a council received and their increase in council tax."

Council taxes, as we well know, have been spiralling, some would say out of control, for some years. In the past few months, the Government have belatedly decided to wield the big stick. That brings me to capping. In the Minister's recent statement on capping only a few weeks ago, he said:

> "some authorities' budgets and council tax increases are still too high and impose unreasonable burdens on council tax payers."

He repeated some of those phrases tonight. He also said in his statement:

> "The Government attach great importance to local accountability and believe that first and foremost it is for local authorities to set their council tax and justify it to their electors."

Finally, he said:

> "Of course, it is not just the percentage increase in council tax that is relevant. We have first to decide whether an authority's budget requirement is excessive."—[*Official Report*, 29 April 2004; Vol. 420, c. 1019.]

There are three key statements there that I should like to test against the proposal to cap one of my own local authorities, Fenland district council. Those key statements concern, first, "unreasonable burdens", secondly, "local accountability" and thirdly, "an authority's budget requirement is excessive".

Is the council tax in Fenland district council an unreasonable burden? One of the essential problems in the area is the low tax base. That was a point ably made by the hon. Member for Wigan (Mr. Turner). Some 85 per cent. of our dwellings in Fenland fall into the first three bands of council tax—that is, band A, band B and band C. The average council tax band in Fenland is band B, not band C as in the case of councils in Cambridgeshire as a whole, the English shire districts and the east of England as a whole. In terms of the average bill per dwelling, therefore, Fenland is £54 cheaper than Huntingdonshire district council. It is £63

cheaper than councils in England as a whole. It is £73 cheaper than East Cambridgeshire district council. It is £83 cheaper than the average of councils in Cambridgeshire as a whole.

It is £132 cheaper than the English shire districts, and it is a monumental £183 a year cheaper than the neighbouring South Cambridgeshire district council.

If one compares the average council tax bands, the differences are similar. I remind the House that in Fenland the average band is B, whereas in Cambridgeshire as a whole it is C. It is £33 cheaper in Fenland each year than in Huntingdonshire, £49 cheaper than in Cambridgeshire as a whole, and £115 cheaper than in the English shire districts.

Where, then, is this unreasonable burden by which the Minister and the Government have set such great store? Would the Minister take some time to explain to the House what the Government mean by this unreasonable burden? Is it to be expressed in terms of the finite or actual amount that people physically have to pay in their council tax, or is it based on a percentage increase in any given year?

We had the example from my hon. Friend the Member for Witney of West Oxfordshire, which had an extremely low council tax of some £63. When it sought to increase that towards the level of—though not as high as that of—other district councils in the area, it was threatened with capping because the percentage increase was deemed too high.

The Government must come clean and tell my constituents in Fenland, and indeed people in Oxfordshire, that what they really mean by an unreasonable burden is just the percentage increase, not the finite amount in the bill that people have to pay.

However, because of the relatively low tax base, which is reflected by the number and the value of properties, council tax increases in Fenland have to be much higher than in neighbouring councils to raise the same amount of income. The gearing effect is much exaggerated. For example, in Huntingdonshire and South Cambridgeshire, a £1 increase in council tax raises £56,000 and £55,000 respectively, whereas in Fenland it would raise only £28,000—100 per cent. less. To put it another way, Fenland has to increase its council tax by double the rate of its neighbouring councils to raise the same amount of money. Is that really fair? Is that not the real burden for the council tax payers of Fenland?

Hugh Bayley: Surely the question is why Fenland council was having to raise its council tax so high in the first place, given that Government grant to Fenland was 4.8 per cent., which is twice the rate of inflation.

Mr. Moss: I will explain the situation later.

On accountability, we realise and accept that the difficulties with the low tax base are to some extent addressed by the local government grant formula with which the Government have now come forward and the number of properties at the lower end are taken into consideration. We also welcome the fact that under the new formula, the districts will receive extra money in lieu of what used to be called the area cost adjustment. This is the first time that the districts and the county of Cambridgeshire will enjoy this extra money from the new calculation and formula. But in the first year of the new grant, which was last year, the Government, under their floors and ceilings policy, held back some £566,000, and that is 8 per cent. of Fenland's budget. In fact, at that time last year the Government said that they capped the grant at a ceiling. Of course, they have dropped the word "capped" this year and replaced it with the phrase "scaled back". Obviously, they could not cap their own grant distribution and at the same time wield the big stick and cap local councils. But in the current year, under scaling back as opposed to capping, the Government have withheld £422,000, which is 6 per cent. of Fenland's budget.

Where is the logic behind a Government policy that on the one hand calculates the budget for the district council under the new formula while withholding some of the grant required to deliver that budget, but on the other threatens to cap the council when it proposes to raise sufficient funds from council tax to replace that withheld funding?

The effect of scaling back grant is clear: if the Government had paid the grant that they calculated the council was entitled to and made no other changes, the council tax rise in Fenland would have been 8.17 per cent., which is less than the 8.25 per cent. threshold that the Government chose as the trigger point for capping.

Who is accountable now? Is the council accountable for wanting to deliver the required services, or are the Government, who held back rightful grant, accountable? Why have the Government changed their mind on capping? In March last year, they indicated that they would not cap those councils categorised as excellent or good under the Audit Commission's comprehensive performance assessment system, but they are reneging on that pledge. Telford and Wrekin council is one of the councils in the list for capping, and it has an excellent grading under the CPA.

As I said earlier, the Government are not only withholding grant but piling extra financial burdens and responsibilities on to councils. My hon. Friend the Member for Witney gave us a long but not exhaustive list of extra burdens that the Government have piled on to councils since they entered office. I accept that many of those extra pressures are supported by capital grants, but we all know that capital expenditure has a knock-on effect on the ongoing revenue expenditure required to keep services going, and that that money is provided from local resources and is not met by Government grant.

Let us consider recycling targets, which have been mentioned more than once in this debate. Recycling is not currently mandatory, but the Government strongly recommend and encourage it. If one talks to district councils, none of them thinks that recycling will not be a Government statutory requirement in the near future. This year, Fenland district council put £204,000 into its budget to meet recycling targets, following Government guidelines and encouragement. A similar story can be told about the e-government targets, which are, again, non-funded targets—Fenland district council put £125,000 into its budget to meet e-government targets. Added together, those two amounts meet the Government's required budget savings of £300,000 following capping. Are those examples of excessive budget requirements?

[Mr. Moss]

Fenland district council has submitted a medium-term financial strategy that identified higher increases this year, reducing significantly in future years. Those increases are part of a short-term strategy, and do not indicate a continuing trend. Next year and in future years, the strategy, which was submitted to the Government, outlines efficiency savings of £350,000, and a reduction in the general fund reserves totalling £800,000 spread over the three years from 2004–05 to 2006–07, which will mitigate the increases on council tax payers.

Finally, I come to the issue of re-billing. As a small district council, Fenland has particular problems this year. The current billing system will not allow for automatic re-billing, and the bill for software reprogramming for a new system will come to some £85,000. It is also important that a decision is taken quickly, if the Minister and his Department can do that, because if some council tax payers take the view that substantial savings are to come their way as a result of capping, they may not pay their council tax bills as early as they might have done.

That withholding of payment can create havoc for a council's budgeting and financial position and the final cost according to the Local Government Association could be more than £200,000.

If we take into account the lower estimate for the re-billing exercise, the saving for a band D taxpayer is calculated at only £7 for the year. After all that, we shall save a band D taxpayer 13p a week. For 85 per cent. of taxpayers in bands A, B and C, the amount will be less than 13p. We must ask the obvious question: is the whole exercise not rather pointless?

If Fenland council can demonstrate planned lower increases in its medium-term strategy for the next few years and if it receives a good, if not excellent, category from the recent comprehensive performance assessment review—the outcome is due at the end of the month—surely common sense will prevail and the threat of capping be lifted this year. After all, Fenland district council is not profligate. Its council tax is not an unreasonable burden compared with its immediate neighbours'. Its budget is not excessive; it is a well-run council, which actively and positively seeks to implement Government policies, namely recycling and e-government, and has a clear idea of where it is going, as the CPA review will doubtless bear out.

I invite the Minister to bring the full weight of his acclaimed knowledge, common sense and understanding to bear to foster the correct and logical outcome.

9.21 pm

Hugh Bayley (City of York) (Lab): When the hon. Member for Kingston and Surbiton (Mr. Davey) rose to move the motion, the Liberal Democrat Benches were packed with Members desperately willing him to deliver the knockout blow in the local government election campaign. As his speech continued, they crept out of the Chamber one by one and now only two remain. Neither looks especially happy.

Most hon. Members agree that the council tax needs reform, especially in Liberal Democrat areas where the biggest increases in council tax this year took place. Those increases are 6 per cent. on average, compared with 5.4 per cent. in Conservative-controlled councils and 4.7 per cent. in Labour areas. Although the increases are considerably lower than last year's, they have led to discontent among many people, especially the elderly. The pensioner council tax revolt started in the south-west of England, where there are many Liberal Democrat councils. However, it is not confined to Liberal Democrat areas; there is genuine anxiety among elderly people throughout the country.

I applaud the Government for establishing the balance of funding review. It is an all-party review, which includes local politicians who are nominated by the Local Government Association and it will report this summer. If the Liberal Democrats genuinely wanted a considered improvement on the status quo, they would not try to pre-empt the review but await the proposals from that all-party review team. We therefore need to ask why the Liberal Democrats have jumped the gun with a muddled and costly local income tax proposal.

The answer is simple: it diverts attention from the Liberal Democrats' record in local government throughout the country of poorly controlled spending and poor-quality services. Hon. Members have already mentioned the interesting fact that, of the councils that the Audit Commission independently judged to be excellent, some 12 are Labour controlled and none is Liberal Democrat controlled.

Mr. Edward Davey: Will the hon. Gentleman give way?

Hugh Bayley: The hon. Gentleman has a bit of a cheek. When he was speaking, with all the benefits of a Front Bencher who can speak for more than 30 minutes, I asked four times whether I could intervene on him. He declined and now he wants to intervene when hardly any time remains for Back Benchers to speak and when a Liberal Democrat Back Bencher, miserable though he looks, hopes to be called next. So I shall decline to give the hon. Gentleman the opportunity to intervene.

Until this time last year, City of York had the lowest band D council tax in Yorkshire. Indeed, it had the lowest council tax in Yorkshire in each and every band. Then, a year ago, the Liberal Democrats won control of the council, and I applaud their electoral success. Now, one year later, we no longer have the lowest council tax in Yorkshire; we have the fourth lowest. The band D rate in York is £1,078 this year. In Bradford, it is £1,061; in Wakefield, it is £1,048; and in Leeds, it is £1,040. York has gone from lowest to fourth lowest in just a year.

Last year, when the Liberal Democrats took control, they promised in York, as elsewhere, that they could deliver a £100 a year reduction in council tax. What actually happened this year was an average increase of about £80 a year. The plan for a £100 cut in council tax has been quietly shelved and replaced by another completely uncosted—and, frankly, equally undeliverable—promise on local income tax.

The Liberal Democrats cannot blame the Government for this increase. The Government increased the grant for City of York council by 5.5 per cent. this year, which is twice the rate of inflation. The provisional settlement gave us a 4.3 per cent. increase—a Government grant of more than £100 million for the

first time. I went into battle for the City of York, and I will support the council tax payers in my constituency irrespective of which party controls the council. My right hon. Friend the Minister for Local and Regional Government listened to what was being said, saw what was happening on the ground and increased the Government's support for the City of York by a further £1.2 million, taking the overall increase in Government grant to 5.5 per cent. So the 8.5 per cent. increase in council tax imposed by the Liberal Democrat council in York has not come about because of a poor funding settlement from central Government. It has come about because of a failure of the Liberal Democrat administration in York to control its own soar-away spending.

So, although York still has one of the lowest council taxes in the country, thanks to a legacy of prudent financial management by a Labour council for a good many years, it came within a hair's breadth of being capped this year. The limit set by my right hon. Friend the Minister was an 8.5 per cent. increase in council tax or a 6.5 per cent. increase in the overall council budget. By luck rather than judgment, City of York came in with a council tax increase of exactly 8.5 per cent., and a budget increase of exactly 6.5 per cent. So, had it come in with a council tax increase that was any higher, and had there been just one more council in England to be capped, it would have been the City of York. That is a remarkable turnaround in its financial fortunes in just one year, and it ought to be a stark warning to the Liberal Democrats in control of the council that they have to get their soar-away spending under control before next year.

The Liberal Democrat income tax proposal is a magician's sleight of hand, because it seeks to move attention from the real world of high-cost Liberal Democrat councils to a fantasy world in which everybody is led to believe that somebody else will pay their council tax bill. Who will pay? Hon. Members should not look at the Liberal Democrats' costings, because, like the £100 cash-back offer last year, they will vanish overnight. Instead, they should look at CIPFA's analysis, which was prepared for the cross-party balance of funding review.

CIPFA estimates that the Liberal Democrat income tax proposal, which will vary from council to council because it is local, would raise the basic rate from between 3.2p to 6.5p in the pound. That proposal will hit many people on low incomes in places such as York who do not pay council tax at the moment, while excluding some people on high incomes who pay council tax.

Yorkshire has on average the lowest council tax in England, but it does not have the lowest average incomes, so the Liberal Democrat plans for a local income tax would mean higher bills for working families in Yorkshire. What about people with second homes in York, Harrogate, the Yorkshire dales, or the North York moors? They will not have to pay a penny under the Liberal Democrat local income tax proposals. What about millionaires, who, as my hon. Friend the Member for Wigan (Mr. Turner) said, are not on PAYE and live off investment income? They will not be touched by the Liberal Democrats' proposals.

I do not want to prejudice the outcome of the balance of funding review, but tonight I seek an assurance from my right hon. Friend the Minister that, at this stage at least, the Government do not intend to increase income tax for hard-working families while at the same time letting off some better-off households from paying local taxes altogether. That is precisely what the Liberal Democrat motion proposes.

9.32 pm

Mr. Adrian Sanders (Torbay) (LD): Over the years, each Minister who has spoken on local government has presented to the House the claim that their local government settlement is the best ever. Of course, it always is, because with inflation that will always be so, but Government inflation is based on retail price inflation, not the inflation rate that councils across the country have to meet.

According to a survey by Barclays bank, the public sector inflation rate in the past 12 months was some 7 per cent. If the average council received an increase of 5.5 per cent., every council received a real-terms decrease in central Government funding. The claim that such and such a council got well above the retail price inflation rate is true—it is not a lie—but it is never the whole story. It misleads and confuses the public over whether the Chancellor should get a pat on the back for his Budget, or whether councillors should get it in the neck for the high council tax.

The council tax has three failings. I shall speak from the point of view of my constituency in particular. Labour Members—the hon. Member for Wigan (Mr. Turner), for example, cannot see that under local income tax the people of Wigan would pay less in tax than they pay under council tax—are misunderstanding local income tax, or are happy for their constituents to pay more.

Mr. Neil Turner: I realise that the hon. Gentleman is short of time, but I have to point out that well over 90 per cent. of households in Wigan are in bands A and B, and that is why they would pay more in income tax than in council tax.

Mr. Sanders: The hon. Gentleman has read the tax base figures, but he is incorrect. People in Wigan would pay far less under local income tax, given local incomes.

There are three fundamental flaws in the council tax. First, the grant system is based on historic spend. An authority such as mine, once part of a large shire county with historically low spending patterns, never catches up.

Mr. Cameron: The hon. Gentleman says that the council tax is fundamentally flawed. Why, then, are the Liberal Democrats not getting rid of it in Scotland?

Mr. Sanders: We would like to, if we were in government in Scotland, but we are not. We believe in devolution and different solutions fought for by different people.

Historic spending patterns mean that our grant is kept low and that we never catch up. Secondly, the grant formula is linked to the tax base. If an area has a high base, it gets less money in central Government grant.

[Mr. Sanders]

The third flaw lies in demand for services. In an area such as mine, where there is historic low spending, high house prices and low incomes, and simultaneously there is ever-rising demand for services, as is often the case in seaside resorts because of demographic changes as economically inactive people migrate there and elderly people remain alive longer, demand for services rises faster than the grant formula can keep up with.

There is a further problem, too. Out of the chunk of central Government money that goes to local government, increasing amounts have been top-sliced for a few local authorities that have been able successfully to bid for them. In a sense, the year-on-year increase of that which is available to all councils goes up, but for those that cannot access that top-sliced funding, the amount does not go up by anything like as much as the Government would claim.

I received figures from the local government Minister following a written question last week that show the impact of that. In my constituency, residents are worth £26 per head less than those in the average unitary authority; I compare like with like because it is unfair to compare unitary authority figures with those for other tiers of local government. For a council that is successful in getting access to top-sliced funding, the ratio is even bigger. Our nearest successful neighbour is Plymouth, where residents get £101 per head more than the residents in my council area. If my local authority got the same per head Government grant funding as Plymouth, we could have cut council tax by a quarter this year without cutting services.

Let me put straight something referred to earlier that needs to be corrected. There are toilet closures in my constituency, but we are gearing up for a bumper summer season and our lifeblood is tourism. I am not aware of any beach or tourist area that will be without a public convenience. The closures have been carefully chosen, and some of those closed will reopen as a result of a local initiative. The hon. Member for Totnes (Mr. Steen), whose constituency covers part of Torbay, which is a tourist resort, must be corrected. No tourist should be put off as a consequence of his misinformation.

Bob Russell (Colchester) (LD): He was talking down Torbay.

Mr. Sanders: That is right.

There is a perverse capping logic. Our council tax in the past two or three years has been lower than those of our neighbours in Devon and Plymouth, and our council tax is the second lowest in Devon. Why, then, are the neighbouring authorities not capped? Simply, the answer is that the increase has come this year, and this year brings important elections for the Labour party in metropolitan areas. Capping will therefore fall on my constituents because of Labour's electoral chances.

I must finish now to allow my hon. Friend the Member for Ludlow (Matthew Green) to wind up, but I have one final question for the Minister. He attacked a local income tax on the grounds that many people could evade it. If it is such a big problem, what are the Government doing about all those income tax evaders who fail to make a contribution?

9.40 pm

Matthew Green (Ludlow) (LD): This debate has shown the House at its worst. The public always say that there is too much yah-boo in the conduct of our business. When my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) stood up today, he had a well written speech—

David Taylor: Why didn't he use it?

Matthew Green: The hon. Gentleman is still at it. My hon. Friend had a well written contribution to make to the debate on local government finance, but the representatives of the Labour and Conservative parties clearly had no intention of debating local government finance. They just wanted to play yah-boo politics. However, I will try to answer some of the questions that have emerged from the debate.

The Minister claimed that the Government were reducing ring-fencing. We could achieve a cross-party consensus on that, but the Minister must accept that passporting is ring-fencing in all but name. As long as the Government passport education, which is more than 50 per cent. of local government finance, the funds are dictated by central Government. It does not matter whether it is called passporting or ring-fencing: it is the same thing. The change of word does not let the Minister off the hook. If the Minister promised to tackle passporting, we would be happy, but I suspect that he would then invent another word for it and claim that he had dealt with the first two problems.

The Minister said that the Liberal Democrats should tell our councils to get a grip and lower their council taxes. That comes from a Labour party that has a policy of new localism. I understood that new localism meant giving extra powers to councils and letting them decide issues for themselves. The Liberal Democrats believe that councils should be left to take their own decisions and to face the electorate on that basis, but this Labour Government think that such matters should be decided by central diktat. The Minister cannot have it both ways: he must choose between new localism and capping.

The Minister mentioned capping and I shall give a local example. West Mercia police have been nominated for capping for next year. That authority has had some large council tax rises recently, including 33 per cent. a few years ago. However, I have not had a single letter of complaint about that rise, and I am sure that my hon. Friend the Member for Shrewsbury and Atcham (Mr. Marsden) and the hon. Member for Telford (David Wright), who is no longer in his place, would say the same. That is because the authority was waiting for extra money from central Government, which never came, so in order to deploy 200 extra officers the police authority—

Mr. Paul Marsden (Shrewsbury and Atcham) (LD): My hon. Friend is right, but I had thousands of letters about soaring council tax increases—even though the Government said in 1997 that they would make the council tax fairer. People are happy with the increase in the council tax precept by West Mercia police authority

that will supply 15 extra bobbies on the beat, because the authority is accountable and people feel that they have more control over that decision.

Matthew Green: My hon. Friend is right. The Government have capped an authority that the public support because it has increased the number of officers. The Government are getting it wrong and they should withdraw the proposals to cap that authority.

The Minister would not read out the four advantages of local income tax that were identified by the Chartered Institute of Public Finance and Accountancy. He clearly has not read the document in detail, as he did not know that it mentioned five, not six, disadvantages. I want to pick up on the first of those advantages, because a lot has been said about the balance of funding. CIPFA says that one of the main advantages of LIT would be that it is

"capable of effecting a real shift in the balance of funding".

Mr. Neil Turner: How?

Matthew Green: Because once it is in place, one can, over successive years, reduce national income tax and shift it on to local income tax. That shift in the balance of funding could be effected in other ways. For example, the shadow Chancellor proposed in a speech in February that the proportion that is raised locally should rise and that the amount coming through central Government grant should be cut. However, he also said that council tax is the vehicle to do it. That would effectively mean that were one to, say, double the amount raised locally, council tax would double. One might cut national income tax, but one would double council tax. However one looks at it, shifting the balance of funding means reducing national tax and increasing local tax. The easiest way of doing that is through local income tax, as CIPFA says.

I am short of time, but I do not want to miss the opportunity to welcome the hon. Member for Witney (Mr. Cameron) to his post. Speaking for the Conservatives on local government finance is a bit like being handed a hospital pass. If the hon. Gentleman has ever played rugby, he will know what I am talking about. We would love to be able to debate the issue across all three parties, but the difficulty is that the Conservatives have no policy at the moment.

We know that the Government are thinking about, and consulting on, a new policy. However, I have here the Labour party's local government supplementary manifesto to its 1997 general election manifesto. [HON. MEMBERS: "Yah-boo!"] It is not yah-boo—it is a serious point. The manifesto said:

"Labour proposes to return the business rate to local control as part of our commitment to improved partnership with local business. We are consulting widely on our plans to ensure that any changes bring maximum benefit to local businesses."

We share the aim of restoring business rates to local control, but I hope that the first question that the Under-Secretary addresses is this: what was the response to that consultation, and why are the Government still consulting seven years later?

The hon. Member for Wigan (Mr. Turner) asked about millionaires and why we would cap the tax at £100,000. I am not sure how many millionaires' houses he has seen, but at the moment even if they live in the biggest of houses they pay only three times what is paid by the occupants of the smallest of houses—that is, about twice the amount of band D. The highest amount that a millionaire anywhere in the country pays is about £2,500. Under our proposals, they would pay quite a bit more.

Mr. David Watts (St. Helens, North) (Lab): Not enough.

Matthew Green: The hon. Gentleman says that it is not enough, but what do his Government propose to do to make millionaires pay more? If they had any such proposals, we would welcome them.

The hon. Member for City of York (Hugh Bayley) mentioned excellent authorities, but I am afraid that his Whips' briefing missed one out—Cambridge is an excellent authority with majority Liberal Democrat control.

Hugh Bayley *rose—*

Matthew Green: I cannot give way, because I have only a minute left.

The hon. Gentleman—this is the most telling point—described the idea of local income tax as being for people living in a fantasy world. Clearly, then, people in the United States, Japan and most of Europe live in a fantasy world, because that is where local income tax is used and works. The fact is that local income tax is a fair solution, whereas council tax is an iniquitous tax that hits the poorest and pensioners hardest. The Government should agree with us about scrapping that unfair Tory tax instead of trying to defend the status quo.

9.49 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): We have had a short debate led by the Liberal Democrats. If they were intending to use it to try to boost their chances in the forthcoming local elections, it was an utter failure. We have yet to see a more lamentable performance in the House.

I welcome the hon. Member for Witney (Mr. Cameron) on his first appearance at the Dispatch Box. Although we are never quite sure who is who on the Tory Front Bench, it is good to see him there. His performance was good on style but somewhat lacking in substance—I shall come to that in a moment.

As we are debating local government finance, I remind the House about Labour's record over the last seven years: a real-terms grant increase of 30 per cent. and the longest period of sustained investment in local government in recent decades. This year the grant increase for local councils was 5.5 per cent. Furthermore, we have removed some of the ring-fencing, and that process will continue.

As my right hon. Friend the Minister reminded the House, Labour councils have the lowest council tax increases this year: the figure is 4.7 per cent. for Labour councils and 5.4 per cent for Tory councils, but Liberal Democrat councils are top of the shop with council tax

[Phil Hope]

increases of 6 per cent. I am also pleased to say that Labour councils are doing well in their comprehensive performance assessments.

The missing Liberal Democrat £100 has been mentioned but Members have neglected to mention the extra Labour £100. This year, there is a one-off payment of £100 for pensioners aged over 70 to help them with their council tax costs.

I turn to the substance of the debate—the Liberal Democrat motion. There has been a noticeable absence of Liberal Democrat Members in the debate, although one or two are coming into the Chamber at this late stage. My hon. Friend the Member for City of York (Hugh Bayley) gave an eloquent and devastating exposure of what it is like when Liberal Democrats are in control of local authorities. They lose control of their budgets and find that they are at risk—a clear message to every elector that if they want sensible budgeting and good-quality services they should support Labour councils.

We have heard that the Liberal Democrats propose to sweep away all council tax—to abolish property taxes entirely and replace them with a local income tax under their popular slogan, "Axe the Tax". Of course, when they say "Axe the Tax", they forget to say, "Oh, by the way we'll have to put up another tax to pay for it": only a minor point of detail. We would not want to remind them too much about that but for the fact that it will mean between 3 and 6 per cent. on income tax. So, "Axe the tax (oh, and we'll put up your income tax)" might be a rather more accurate description of Liberal Democrat policy.

Moreover, the Liberal Democrats are not actually going to axe the tax. What do they plan to do about second homes? Second homes will still be subject to a form of property tax. There will continue to be a business levy, or rate, on every second home in the country, which means we shall have to count all those second homes, value them and then tax them. That sounds to me like a property tax, which they have just pledged, under "Axe the Tax", to sweep away. Not only will the Liberal Democrats maintain a property tax, they will also increase income tax. We shall get a double whammy from the Liberal Democrats.

By introducing a local income tax, the Liberal Democrats will attack people such as students. As most Members know, students or nurses in training do not pay council tax. However, a nurse in training who earned some money at weekends or during the holidays and started to pay income tax would be caught by the local income tax, so a new set of people would have to pay local income tax.

The Liberal Democrat sums do not add up—we had that debate in February. They said that they would pay for all their proposals through an increase on the higher rate of council tax that will generate £4.7 billion. They would spend about £6.2 billion in local tax and £1.7 billion on raising the income tax threshold to £5,000 and they would spend on higher education and on care for the elderly. We have costed a list of Liberal Democrat promises and it comes to £6.2 billion, yet they will raise only £4.7 billion.

That seems to be a bit of a gap. It is only £1.5 billion, but that is the Liberal Democrats' finances. Perhaps they might like to spend time at a numeracy summer school to try to get it right in future.

The Liberal Democrats' other great slogan is, "Scrap the cap". That sounds a great idea; we will not put a cap on. What happened to the Liberals' concern for pensioners on low incomes? "Scrap the cap", but what do we see? They would allow local councils to put council taxes through the roof. That is why we have introduced capping to bring down council taxes this year. It is important to protect pensioners on low incomes.

We then come to the great cheque that bounced—the £100 that came and went. Now you see it; now you don't. It is another bit of Liberal Democrat magic for the House. They are not so much pulling a rabbit out of a hat as trying to stuff it rapidly back in as they realise that they cannot afford to pay for it. The Lib Dem agenda is higher income tax, more bureaucracy, sums that do not add up and a U-turn. That is just about right for the Liberal Democrats.

I would not want this Liberal Democrat-led debate to divert attention entirely from the Conservatives and their proposals for local government. It is interesting that their amendment to the Liberal Democrat motion says absolutely nothing about their proposals for the future of local government funding. So I thought that I would remind the House of one or two proposals that we know are now in the public domain.

The first thing is that the Conservatives will not repeat their poll tax disaster; for that, we can be thankful. However, they made a record 7 per cent. cut in local government funding in the last four years of the Tory Government. Have they learned that that was probably not a good idea? No, because they have a shadow Cabinet that represents a recession in waiting. For the first two years, if they got back into office, they would cut spending on local councils by no less than £2 billion. That is not just cuts, but hacking off whole services at a local level.

We have heard some excellent contributions in the debate. My hon. Friend the Member for Wigan (Mr. Turner) spoke, and the budget of his council in Wigan would be cut by no less than £13 million in the first two years of a Tory Government. The budget of the council in the constituency of my hon. Friend the Member for City of York would be cut by £5 million if the Tories got back in. The hon. Member for North-East Cambridgeshire (Mr. Moss) talked about the capping of Fenland. If his party got back in power, the first thing he would be doing is explaining to his councillors why it was going to cut £350,000 from Fenland's budget. That is the impact of Conservative policies.

There would not just be cuts for everyone and cuts across the board. The Conservatives would remove resource equalisation, which involves spending more for those who need it most. The sum total of Tory policy is not only cuts for everybody, but cuts for those councils in the areas with the most vulnerable people who need the resources and services the most.

I might add that the Tories have promised that they would scrap the comprehensive performance assessment and the best value measures. I was trying to work out why that should be. Is it because they want to deny a good management tool for local government? No. Is it because they want to stop local citizens having information to make judgments? No. I shall tell the House what it is about. When they put their cuts in place, they do not want us to know about it. They do not want the citizens to know about it. It is a cover-up for the cuts that the Tories would introduce. We can sum up the Tories' agenda—cuts and cover-up. That is the Conservative way.

Let me draw to a conclusion on where we are going next. We have seen that the Liberal Democrats' proposals involve higher taxes, more muddle, more bureaucracy and reneging on their promises. From the Conservatives, we have seen that, if they got back into power, there would be cut upon cut, with services and councils finding themselves unable to deal with that.

The hon. Member for North-East Cambridgeshire complained about capping, but his views were in direct contradiction to those expressed by those on the Opposition Front Bench, who have said that they would support capping and keep capping reserve powers if they needed them. He should ensure that his local councillors understand the difference between his position and that of those on the Opposition Front Bench.

Where are we now? We have a Labour Government who are investing in local services and investing 30 per cent. more in local government than the other parties. We are in a position of lower council tax increases—

Mr. Andrew Stunell (Hazel Grove) (LD) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 48, Noes 437.

Division No. 177] **[9:59 pm**

AYES

Allan, Richard
Baker, Norman
Barrett, John
Brake, Tom *(Carshalton)*
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burstow, Paul
Cable, Dr. Vincent
Calton, Mrs Patsy
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Doughty, Sue
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Gidley, Sandra
Green, Matthew *(Ludlow)*
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Heath, David
Holmes, Paul
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kirkwood, Sir Archy
Lamb, Norman
Laws, David *(Yeovil)*
Marsden, Paul *(Shrewsbury & Atcham)*
Moore, Michael
Oaten, Mark *(Winchester)*
Öpik, Lembit
Price, Adam *(E Carmarthen & Dinefwr)*
Pugh, Dr. John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Stunell, Andrew
Taylor, Matthew *(Truro)*
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Tyler, Paul *(N Cornwall)*
Webb, Steve *(Northavon)*
Willis, Phil
Younger-Ross, Richard

Tellers for the Ayes:
Bob Russell and
Mr. Roger Williams

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Ainsworth, Peter *(E Surrey)*
Ancram, rh Michael
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Arbuthnot, rh James
Armstrong, rh Ms Hilary
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Bailey, Adrian
Baird, Vera
Baldry, Tony
Banks, Tony
Barker, Gregory
Barnes, Harry
Baron, John *(Billericay)*
Battle, John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Henry
Benton, Joe *(Bootle)*
Bercow, John
Beresford, Sir Paul
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boswell, Tim
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brady, Graham
Brazier, Julian
Brown, rh Nicholas *(Newcastle E Wallsend)*
Browne, Desmond
Browning, Mrs Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burns, Simon
Burnside, David
Burt, Alistair
Butterfill, Sir John
Cairns, David
Cameron, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cash, William
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chope, Christopher
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, rh Kenneth *(Rushcliffe)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clifton-Brown, Geoffrey
Coaker, Vernon
Cohen, Harry
Coleman, Iain
Collins, Tim
Colman, Tony
Connarty, Michael
Conway, Derek
Cook, rh Robin *(Livingston)*
Corbyn, Jeremy
Corston, Jean
Cox, Tom *(Tooting)*
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curry, rh David
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Djanogly, Jonathan
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dorrell, rh Stephen
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Duncan, Peter *(Galloway)*
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Fisher, Mark
Fitzpatrick, Jim
Flight, Howard
Flook, Adrian

Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gerrard, Neil
Gibb, Nick *(Bognor Regis)*
Gibson, Dr. Ian
Gillan, Mrs Cheryl
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Greenway, John
Grieve, Dominic
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gummer, rh John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hammond, Philip
Hanson, David
Harman, rh Ms Harriet
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hendry, Charles
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hoban, Mark *(Fareham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hogg, rh Douglas
Hood, Jimmy *(Clydesdale)*
Hope, Phil *(Corby)*
Horam, John *(Orpington)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howarth, Gerald *(Aldershot)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hunter, Andrew
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*
Jamieson, David
Jenkin, Bernard
Jenkins, Brian
Johnson, Boris *(Henley)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lammy, David
Lansley, Andrew
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leigh, Edward
Leslie, Christopher
Letwin, rh Oliver
Lewis, Ivan *(Bury S)*
Lewis, Dr. Julian *(New Forest E)*
Lewis, Terry *(Worsley)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Linton, Martin
Lloyd, Tony *(Manchester C)*
Loughton, Tim
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIntosh, Miss Anne
McIsaac, Shona
Mackay, rh Andrew
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McLoughlin, Patrick
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Malins, Humfrey
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Maples, John
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Mercer, Patrick
Merron, Gillian
Miliband, David
Miller, Andrew
Mitchell, Andrew *(Sutton Coldfield)*
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Moss, Malcolm
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
O'Hara, Edward
Olner, Bill
Organ, Diana
Osborne, George *(Tatton)*
Osborne, Sandra *(Ayr)*
Ottaway, Richard
Page, Richard
Palmer, Dr. Nick
Paterson, Owen
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Portillo, rh Michael
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prisk, Mark *(Hertford)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Randall, John
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Redwood, rh John
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Roe, Mrs Marion
Rooney, Terry
Rosindell, Andrew
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ruffley, David
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sayeed, Jonathan
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Shepherd, Richard
Sheridan, Jim
Short, rh Clare
Simmonds, Mark
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Anthony
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Streeter, Gary
Stringer, Graham
Sutcliffe, Gerry
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tami, Mark *(Alyn)*
Tapsell, Sir Peter
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trend, Michael
Trickett, Jon
Truswell, Paul
Turner, Andrew *(Isle of Wight)*
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill *(Hamilton S)*
Tyrie, Andrew
Vaz, Keith *(Leicester E)*
Viggers, Peter
Vis, Dr. Rudi
Walley, Ms Joan
Walter, Robert
Ward, Claire
Warsing, Robert N.

Waterson, Nigel
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, rh Alan *(Swansea W)*
Wilshire, David
Winnick, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Paul Clark and
Charlotte Atkins

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 296, Noes 181.

Division No. 178] **[10:16 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Nicholas *(Newcastle E Wallsend)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Corbyn, Jeremy
Corston, Jean
Cox, Tom *(Tooting)*
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hope, Phil *(Corby)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Merron, Gillian
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
O'Hara, Edward
Olner, Bill
Organ, Diana
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*

Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Williams, rh Alan *(Swansea W)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes: Charlotte Atkins and Paul Clark

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Bercow, John
Boswell, Tim
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burnett, John
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Doughty, Sue
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
McLoughlin, Patrick
Malins, Humfrey
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paterson, Owen
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simmonds, Mark
Smith, Sir Robert *(W Ab'd'rs & Kincardine)*
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Trend, Michael
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes: Mr. Hugo Swire and Mr. Geoffrey Clifton-Brown

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government support for local government with its 30 per cent. real terms increase in grant since 1997; notes that the average increase in council tax in 2004-05 is the lowest for nine years; supports the Government's proposals to take action against a number of authorities which have set excessive budgets and council tax increases in 2004-05; and looks forward to the report of the Balance of Funding Review of how local government in England is funded which is due in summer 2004.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

HUMAN RIGHTS

That the draft Human Rights Act 1998 (Amendment) Order 2004, which was laid before this House on 22nd April, be approved.—*[Gillian Merron.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the Northern Ireland Act 1998 and Northern Ireland Act 2000 (Modification) Order 2004 (S.I., 2004, No. 1164), dated 20th April, a copy of which was laid before this House on 20th April, be approved.—*[Gillian Merron.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

That the direction given by the Secretary of State for Northern Ireland under section 51B(2) of the Northern Ireland Act 1998 on 28th April 2004, which was laid before this House on 28th April, be approved.—*[Gillian Merron.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

CO-OPERATION WITH THE OCCUPIED TERRITORIES OF THE WEST BANK AND GAZA STRIP

That this House takes note of European Union Document No.12441/03, draft regulation amending Council Regulation (EC)No.1734/94 on financial and technical cooperation with the Occupied Territories; welcomes this amendment; and supports the European Commission's continued support for Palestinian development and the Middle East Peace Process.—*[Gillian Merron.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, for the purposes of its approval, the draft Guidance proposed to be issued under section 182 of the Licensing Act 2003, which was laid before this House on 23rd March, shall be treated as if it were an instrument subject to Standing Order No. 118 (Standing Committees on Delegated Legislation).—*[Gillian Merron.]*

Bus Re-regulation (Manchester)

Motion made, and Question proposed, That this House do now adjourn.—*[Gillian Merron.]*

10.30 pm

Mr. Graham Stringer (Manchester, Blackley) (Lab): I am grateful for this opportunity to debate the catastrophic effects of the deregulation of buses in 1986 and the potential for re-regulating the bus system in Manchester and other metropolitan and county areas.

This is not a dry academic subject based on economic theory or the history of transport legislation; it is a real story of people in my constituency whose lives have been and are being damaged because of the ineffectiveness of the bus system. I could spend the time allotted to me for this Adjournment debate just going through my casework. There are hundreds of cases of people who are upset and complain that, because the 149 does not turn up, they have missed hospital appointments, or because the 151 service is withdrawn they have difficulty getting to work.

In parts of my constituency, fewer than a third of people have access to a car and therefore are particularly dependent on buses and vulnerable when those buses do not turn up. It is a little known fact that outside London, Manchester, at 22 per cent., has the highest percentage of people using buses. It is well known that one of the largest factors keeping unemployed people from employment is their lack of access to transport. It is estimated from surveys that 40 per cent. of people give that as a reason for not getting a job. Therefore, failures in the bus system have a terrific economic impact and a terrific impact on those who want to use North Manchester general hospital.

A particular problem in my constituency in north Manchester has been the extremely poor performance of First group in providing services. Some 12 months ago, in one week in particular, it had 600 failures, which meant that the bus did not turn up. That means that if only 10 people wanted to use each service, 6,000 people that week were stranded or had to wait for the next service. When the passenger transport authority considered its reliability performances, it was found that on its 10-minute services a third were not making the scheduled time, and on its 15-minute services 20 per cent. were not running to schedule.

On point-to-point fares, First group has higher fares on every rate and distance compared with Stagecoach in the south of Manchester. Its weekly ticket is more expensive, although some saver tickets are better than those of other bus companies operating in the area. But overall, its performance on reliability, punctuality and fares is appalling, and that is still the case. More recently, it has averaged 300 failures a week, so there was not just a peak 12 months ago. The service has been consistently bad.

First group's appalling performance created a crisis before Christmas—it has given a number of reasons to explain why that happened. It claimed that it did not have enough drivers; but when it recruited drivers, it did not have the engineers to start the buses, so the problem did not involve drivers because the buses simply were not there.

[Mr. Graham Stringer]

When the Transport Act 1985 went through this House, it was not envisaged that that would happen because competition was supposed to ensure that an ineffective, badly operated company, which First group is in north Manchester, could not succeed. Other bus companies should have come in, provided a better service and competed on fares, the market should have worked well and the passengers should have been happy.

That has not happened because the people who framed the 1985 Act got it wrong. Nationally, 85 per cent. of the market has been consolidated by five companies, and that situation has been replicated in Greater Manchester. In the north and west of the city, First group run between 80 and 85 per cent. of services, and Stagecoach has a similar dominance of the market in the south of the city. Although about 40 bus companies operate in Greater Manchester, two of them dominate the market. That is a cartel—a monopoly situation—and it was not supposed to happen under the 1985 Act. I am happy to call the situation a cartel, because if it has got a black, cold nose, it wags its tail and it barks, then it is a dog. The two major operators in Manchester engage in little competition and they form a cartel that disadvantages the travelling public.

What are the remedies? The 1985 Act did not work in the way in which it was envisaged. I have written to the Office of Fair Trading on a number of occasions, and it always asks, "Where is your evidence that there is anti-competitive behaviour? Where is your evidence that meetings have taken place between Stagecoach and First group to arrange those anti-competitive practices?" I do not have such evidence. The evidence is that services are poor and that competition is lacking. The OFT says, "The market should take care of that."

The Transport Committee has seen that the OFT does not have a high regard for evidence because the OFT relies on dogma and theory. When it argued the case for deregulated hackney carriages, we took evidence in the Transport Committee showing that where taxis are deregulated, against theoretical expectations fares increase beyond the average and waiting times increase. It simply ignored that evidence and said that competition would drive down fares and waiting times, which has not happened in practice, and it views bus services in a similar way.

I do not know whether you have seen "Planet of the Apes", Mr. Deputy Speaker. The OFT reminds me of the apes who were in charge of the planet and who believed that flight was impossible. When the human beings, who had travelled forward in time, made a paper aeroplane, the apes simply did not believe that it flew. That is how the OFT operates. For an integrated, effective transport system, we need integrated routes so that the timetables meet and people can change from one bus to another. The OFT says that that is anti-competitive and it tries to stop the co-ordination of services. It has failed within the bus industry, and it has no role in examining buses.

Let us consider the traffic commissioner, with whom I believe the Greater Manchester passenger transport authority is in communication. If it was effective in persuading her of the unreliability and lack of punctuality of First group, what are her remedies? They are to fine the company or tell it to remove the service. Removing the service would not be helpful to the people whom I represent when other groups prefer not to operate those routes. First group sometimes tells me that that is because its computer systems try to reduce the dead mileage between the destination and the garages. If that means that it stays on the same routes and does not compete much with Stagecoach and other operators, that is another method of getting computers to arrange an anti-competitive contract for the company.

What remedies exist in the Transport Act 2000? Can we have a quality contract that would enable the specification of service levels and fares and ensure that competition occurred at the tendering stage, with the public sector controlling the routes? I welcome the fact that the Under-Secretary is consulting on reducing the 21-month rule for introducing a quality contract when the scheme has been agreed. However, I do not believe that there is much hope that Greater Manchester or anywhere else can go down the quality contracts route because the hurdle in section 124 of having to prove that a quality contract is the only practicable way of implementing the authority's policies is simply too high.

In Coventry, which tried to introduce a quality contract, Arriva flooded the area with buses and claimed that there was no need. It might take three and a half or four and a half years to implement a quality contract. If the bus operators do not want it, they can change what they are doing to prevent the PTA from surmounting the legislative hurdle.

What is happening in Manchester and Greater Manchester? Since deregulation in 1986, a drop in passengers of between 30 and 40 per cent. has occurred in all metropolitan areas, including Greater Manchester. There is potentially good news in the bare statistics, which show that, during the past three or four years, the number of people who use buses in Manchester has increased by 6 per cent. However, when we look into that, we find that it has made the position worse because the major operators, not only in Greater Manchester but in other metropolitan areas, are consolidating their services on the main routes, where they pick up more passengers, but withdrawing from the non-radial and cross-conurbation routes and from marginal areas. That leads to social isolation and makes using buses more difficult.

Companies are also withdrawing services from the weekends and times outside the rush hour. They put more and more buses on the radial routes and during the morning and evening rush hours. People who want to travel at other times are finding it difficult to do so. That led the National Audit Office, in its recent report on trams, to point out that it is not a sensible use of public money to have private sector operators competing against a light railway system. The Government have put money—I hope that they will put some more—into the tram system in Greater Manchester.

When bus companies consolidate on the radial routes, it means that, if the PTA wants to keep the routes going, it must put the route up for tender. The costs to the PTA in Greater Manchester have more than doubled to £13 million. There is little competition and the bus

companies that previously ran the routes tender for them, usually at a considerably higher cost. That is the experience throughout the country.

We find the public sector supporting the buses through concessionary fares in increasing amounts—it is between £55 million to £60 million in Greater Manchester. Also, it is not widely recognised that, as the buses travel backwards and forwards more on the radial routes, they are doing more miles, even though they are going to fewer places. Even when passenger numbers were decreasing, the buses were making that first consolidation and doing more miles, which means that they get more bus service operator grant.

More money is going into concessionary fares—£60 million in the case of Greater Manchester—via supported tendered services, and the bus service operator grant is going up as mileage goes up, yet we are getting a worse service. In fact, public money is being used to isolate communities and make the public transport system worse. I do not find it tolerable that public money should be used in that way. It is a fact that throughout the metropolitan areas, 30 to 40 per cent. of the bus services' income comes from the public purse, but the passenger transport authorities and county councils have no control over how that money is used. The travelling public find that very difficult to understand.

I believe that bus services should be re-regulated, but they are opposed to that idea. That is not surprising. The one area that was not deregulated in 1986 was London. There, the bus companies get 8 per cent. of their income from the public purse, whereas those in the metropolitan areas get considerably more than that. Over the period since deregulation, and with very low subsidies, there has not been the loss of passengers in Greater London that there has been in the metropolitan areas, and with more money going into the system, we are now seeing huge increases in the number of passengers using buses in Greater London. The Government have to answer this question: why, if a regulated scheme is good enough for London, is it not good enough for the rest of the country? It is better for the travelling public and for the public purse, people know what they are getting for their money, and the system is transparent.

I should like to finish by citing my right hon. Friend the Deputy Prime Minister, who was asked on at least two occasions when he came before the Select Committee whether it was possible to have an integrated transport system without re-regulating the buses. He was clear and unambiguous in his response, which was that that was impossible, because it is not possible to co-ordinate the services to the benefit of the travelling public. I agree with him that that is the case.

I hope that the Government will listen to the arguments and consider re-regulating the buses, whether through a pilot scheme or in some other way, because the pathway to a more sensible use of public money and to a more effective transport system—not just in Manchester but throughout the country—is through a different system from the one that we have. At the moment, the bus companies are laughing all the way to the bank. They are taking more and more money from the Exchequer and providing a service that is less and less good for the travelling public. That is leading to social exclusion and keeping people from jobs and from access to health and education services.

I do not expect my hon. Friend the Minister to stand up and say, "Yes, we will do that tomorrow", but I hope that he and the Government realise the power of the arguments that have been put tonight and that the current situation is not a sensible way of providing a transport system or of using public money.

10.49 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate my hon. Friend the Member for Manchester, Blackley (Mr. Stringer) on securing this debate, on his contribution to the discussion on bus regulation and on recognising the importance of buses to Manchester. I can cheerfully say that I shall not disappoint him, as I am not going to say, "Yes, you can have all you want." The significance of this debate lies in a recognition—much overdue in many areas of the debate on transport—of the importance of buses.

Buses provide two thirds of all public transport journeys, and they are key to making public transport a viable alternative to the car. As my hon. Friend suggests, they also play a vital role in tackling congestion and, crucially, promoting access and inclusion. I welcome this opportunity to set out what the Government are doing to make buses central to our integrated transport strategy.

My hon. Friend alluded to the fact that buses can deliver and are beginning to do so. We have set the target of securing a 12 per cent. increase in the use of local public transport—buses and light rail—by 2010, while improving the accessibility, punctuality and reliability of services. The latest figures for England show a 3 per cent. overall increase last year, including London. Despite my hon. Friend's caveats, Greater Manchester has contributed to that, with bus patronage up 6 per cent. since 1999–2000. I congratulate both cities on that.

To dwell on the wider context for a moment, progress is already being made on fleet modernisation. The average age of the bus fleet has fallen from 9.6 to 8.1 years over the past 10 years and some 30 per cent. of full-sized buses are accessible for wheelchairs. As my hon. Friend will know, there have been significant advances in CCTV and other dimensions, not least real-time information equipment.

Of course, to achieve patronage growth and service improvement, a number of key factors have to be brought together: investment in traffic management, quality, partnership and the appropriate regulatory framework all have a role to play, as indeed does strong political leadership.

My hon. Friend has made the case for re-regulation, and I listened to his arguments carefully. I know others share his view. I certainly agree that it is essential that a city such as Manchester has high-quality bus services as part of a modern, integrated transport system. We are keen to help to create the conditions to make that happen, but we need to look closely at how best to go about it.

The fully tendered system, which my hon. Friend referred to and which operates in London, has produced impressive increases in bus patronage. Ken Livingstone has shown that buses can deliver a quality service and help to tackle congestion when combined with traffic

[Mr. Tony McNulty]

restraint. I welcome that progress, but London is unique in its size and complexity, and it has one of the largest and most comprehensive urban transport systems in the world. Furthermore, as my hon. Friend will know, London was at a different starting point in terms of regulation. We have to think carefully before assuming that replicating the London arrangements is a necessary or sufficient condition for delivering better bus services elsewhere. It is important to recognise both that the existing regulatory framework has strengths and that that system has not been tested to the extremes or as much as could have been the case. The existing regulatory framework has the scope to encourage innovation—responding to customer needs, providing choice and attracting new custom. Many operators have risen to the challenge; indeed, Stagecoach Manchester won an award for its Unirider summer online ticket scheme at the 2003 bus industry awards.

Our experience is that the effectiveness of bus services depends on the level of partnership between local authorities and bus operators. Partnership has shown that it can deliver in some places, and we are keen to build on that. The Bus Partnership Forum has been helping to take this forward by producing many useful resources and sharing best practice.

Where that is not happening, the existing legislation makes provision for strengthening the hand of local transport authorities. The Transport Act 2000 offers a number of avenues for local authorities to pursue if appropriate. As my hon. Friend said, those include statutory quality partnerships and quality contracts. The latter allow authorities to plan and control bus services within a designated area. That can include fares, routes, timetables and driver training.

The legislative framework is already in place. The task is to make it work. We are keen to remove barriers to the introduction of a quality contract where the criteria set down in the 2000 Act can be met, and I am grateful for my hon. Friend's kind words on the consultation to reduce significantly the 21-month statutory minimum waiting period before implementation of a scheme. We are analysing the results of that consultation, and we will shortly publish for consultation guidance on applying for a quality contract. That is important, not least because metropolitan and other areas have suggested that the 21-month period has been an impediment to the regulatory framework, and we are happy to consider that.

My hon. Friend kindly made much of the amount of money going into bus services in Manchester and elsewhere, in both revenue and capital terms. That is an important part of the mix of factors that have to be brought to bear. In December, we announced a £1.9 billion capital settlement for local transport—an increase of more than £200 million on the previous year, much of which is for bus-related projects. Indeed, we have approved £26.3 million for the Greater Manchester quality bus network.

I certainly take to heart my hon. Friend's points about social inclusion. More funding is being provided for urban and rural bus challenges. Greater Manchester was notably successful in the 2003 awards, securing £2 million for six new schemes, among them precisely the sort of schemes that fill the social inclusion gap to which my hon. Friend referred. It is not the fault of people living in communities on a particular side of our great towns and cities if, for whatever historical reason, the key employment activity on that side of town has diminished or entirely gone so that most economic activity is on the other side of town. We are working closely with operators and local authorities to fill those gaps where restoring a fully fledged route would not be appropriate.

I totally agree that it is vital that we get the best use out of the public funding that goes into buses in terms of achieving our objectives. We have been looking at that in the bus subsidy review and the current spending review, the outcomes of which are due this summer. I urge just a little patience on my hon. Friend in that regard, but it is right and proper given the amount of money going in from a range of sources, including bus service operator grant and the challenge funds, that we should look to see whether we are getting entirely the service and return that we need for that investment.

I entirely agree that reliability is crucial. I am aware of the service delivery issues raised by my hon. Friend with First in northern Manchester. As he said, some of the problems have been caused by staff shortages and others by the absence of vehicles. The traffic commissioners have a vital enforcement role, and they are currently working with the bus partnership forum on gleaning better data about bus performance. I hope that Greater Manchester passenger transport executive and First can work together to ensure that users experience better service levels in problem areas.

Reliability also depends on local traffic conditions and traffic management issues such as congestion. We are encouraging local authorities to implement bus priorities to help tackle that. My hon. Friend will know that there is at best a mixed picture nationwide on that, and I believe that keenly focused operators, sharp political leadership and such things as bus priority measures are equally important to securing the service that we need. In addition, the Traffic Management Bill currently going through its parliamentary stages contains provision to encourage the smooth flow of traffic in local areas and reduce disruption caused by street works.

In recent months, we have had discussions with the Greater Manchester authorities, and others around England, about the focus of their next local transport plans. I am heartened by the amount of common ground that we have found. Greater Manchester has made huge strides in recent years—not only in patronage, although I take on board what my hon. Friend said about that. The new night bus has been very successful and trials of yellow buses are showing that they can improve safety and cut congestion.

The Government's vision is of an integrated system that encourages the use of public transport as well as offering choice. Buses are essential in that regard, but we need the right framework of regulation. We are looking in the round at public subsidy for buses.

I thank my hon. Friend for his comments and his contribution, and I wish him well in his desire to see buses playing a greater, more efficient role in Manchester as they fulfil their role in the integrated transport system that Manchester and all our urban and

rural areas deserve. Whatever discussions we have about the regulatory framework, it is absolutely clear to the Government that buses are central to all that we are trying to do, not just on public transport and integrated transport, but in terms of exclusion—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at Eleven o'clock.

House of Commons

Tuesday 18 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Camera Safety Partnerships

1. **Mr Andrew Mackay** (Bracknell) (Con): Whether he has discussed with the Chancellor of the Exchequer ring-fencing revenue raised from camera safety partnerships for road safety purposes. [173493]

The Secretary of State for Transport (Mr. Alistair Darling): The rules of the safety camera programme provide that the resources from speeding and jumping traffic lights are ring-fenced and can be applied solely to safety cameras, enforcement and information.

Mr. Mackay: Surely the Secretary of State realises that that is not good enough. First, speed cameras are raising huge sums of extra money as an alternative form of taxation. Secondly, they are not improving road safety. Thirdly, would it not be better if the ring-fencing, if he needs it, included driver instruction?

Mr. Darling: On the right hon. Gentleman's first point, the vast majority of the money that is raised goes back into the cost of installing and operating the cameras. I think that I am right in saying that about £17 million, which is a small fraction of what the Department spends, goes back to the Treasury. The important point is that all the evidence says that speed cameras do reduce the number of serious injuries. The right hon. Gentleman can shake his head if he wants to, but it is worth reflecting on the fact that the last independent study that was carried out showed a 35 per cent. reduction in the number of people killed or seriously injured. I would have thought that the time had come when road safety should not be a political football, but an issue that unites all Members of the House in ensuring that fewer people are killed and seriously injured on our roads.

Mr. David Kidney (Stafford) (Lab): Some parts of the country, such as Staffordshire, have speed awareness courses for offenders who exceed the speed limit by only a small margin. The running costs of those courses are paid by the offenders themselves, but they involve some set-up costs and a little bit of capital. Would it not make sense to allow money from speeding fines to pay for such courses to be available all over the country?

Mr. Darling: I am not sure that I would want to do anything that actively encouraged people to think about collecting fines for the purpose of generating income. As I have said on countless occasions, the best speed camera is one that does not collect a single penny in income because it has persuaded people to slow down.

The House will be aware that the Government shortly want to consult on a more variable scheme that allows fewer points to be imposed where someone is found to have gone marginally over the speed limit, with perhaps a greater penalty if they drive far too fast. One of the options that we want to consider with the Association of Chief Police Officers is whether, as an alternative to fines, we could introduce driver awareness courses. The objective must be to get across to people that speed kills. A person who is hit by a car going at 40 mph has a 90 per cent. chance of being killed. We need to get that lesson across to people. This should not be about raising money, but about encouraging people to drive safely.

Mr. Damian Green (Ashford) (Con): This is a red letter day for Transport questions. For five months, the Under-Secretary of State for Transport, the hon. Member for Plymouth, Devonport (Mr. Jamieson), the roads Minister, has stood at the Dispatch Box during Transport questions rubbishing Conservative policies on speed cameras; now, the Government have started to adopt them. On 21 April, we produced a 10-point plan for road safety. Two days ago, the Government announced that they would introduce variable penalty points for those caught speeding by cameras—number four of our 10 points. We welcome the Government's conversion. If the Secretary of State adopts one of our policies each time he has to face Transport questions, the world will become a better and safer place. Let me allow him to remove any remaining doubts that all he was doing on Sunday was producing a press release—

Mr. Speaker: Order. The hon. Gentleman mentioned Transport questions, and he must put a question.

Mr. Green: Can the Secretary of State tell us when the consultation period on this policy shift will end; and will he commit himself to introducing these changes before the end of this year?

Mr. Darling: What my colleague, the roads Minister, said was that at the beginning of this year the hon. Gentleman implied that some 4,000 cameras were in the wrong place. So far, as at 11 o'clock this morning, we have yet to hear from him about one such site.

In relation to our announcement over the weekend, there is limited value in trading political points as to who thought of what idea first, but if the hon. Gentleman wants to do that, I draw his attention to the fact that of his 10 points, four were already Government policy. As regards the variable system of penalty points, the Government first canvassed that idea in 2002.

However, in the light of the fact that every day 10 people are killed or seriously injured on our roads, would it not be better if we looked at measures that

improved road safety, including reducing the speed at which people travel? I would have thought that we now have the opportunity to reach an all-party consensus in relation to such matters. If improvements can be made to speed cameras, let us make them. In addition to that, I hope next month to publish details of all speed camera sites in the country so that people can see why they are there and the difference that they are making.

I also hope to publish a further independent study, and we shall wait and see what progress has been made. However, I am optimistic that the campaign to reduce speed is having an effect.

Mr. Green: The Secretary of State did not answer the question about whether he would commit himself to doing anything about the matter. Of course we all want consensus—that is why I welcome the fact that he is adopting some of my policies. What does he say to the Police Federation, whose chairman said last week:

"I believe some cameras are there as a revenue generator. I think police get the blame for that. I think it has been quite destructive."?

Not only Conservative Members but the police, who have to enforce the traffic laws, say that the Government are wrong. They call for an audit of the position of every camera and we agree. Since the right hon. Gentleman is in the mood to adopt our policies, will he adopt the proposals for an audit of every camera position and end his current stance, which is dangerously damaging to relations between the police and the general public? He should know that, without the support of the police, he will not get better road safety in this country. He says that he is in favour of better road safety—will he adopt more of our sensible policies to achieve it?

Mr. Darling: The hon. Gentleman seems more concerned about what he regards as his policies than road safety. On the matters that he raised—inasmuch as I could discern them—we propose, as I said, to consult about a variable points system. We will do that next month and I hope that we can introduce legislation at the earliest opportunity.

The representative of the Police Federation said that some motorists, not the police generally, believe that the cameras are revenue generators. As I said previously, in the light of the controversy, I asked the Department to examine every site in the country with a view to publishing details of each camera site so that people can see why the cameras were put there and the difference that they make. I have no doubt that it will be necessary for me to ask the local partnerships to consider whether cameras should be present on some sites or whether they should be moved elsewhere. However, the vast majority save lives. It is interesting that—*[Interruption.]*

Mr. Speaker: Order. I must stop the Secretary of State and emphasise to Front-Bench Members that we have spent 10 minutes on one question. I must move on to Question 2.

Rail Passenger Services

2. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment has been made of the role for the public sector in the provision of rail passenger services. [173494]

The Secretary of State for Transport (Mr. Alistair Darling): As I said in my statement to the House on 19 January, a key principle of the review is that the public and private partnership is right for the railways and will continue.

David Taylor: The Select Committee on Transport is disappointed in the Government's continued, apparently ideological insistence that the private sector is the only way in which rail passenger services can be provided. Will the Secretary of State explain why, if the public sector can be shown to be safer, more efficient and cheaper, it should not run rail passenger services? As a relatively dogma-free Minister, will he consider the Committee's call for a rethink about the option of retaining South Eastern Trains in public ownership?

Mr. Darling: On ideology, it is a big mistake to assume that everything that the public sector did on the railways was good and everything that the private sector has done is bad. My hon. Friend mentioned safety. The safety record of the railways has been improving year after year for several years.

Let me give hon. Members one reason why I believe that the public and private sectors should operate together. The private sector brings in approximately £11 million every day. Without the private sector, the public sector would have to find that money. I strongly believe that the public and private sectors can work together. That happens in many parts of the world. In this country, the relationship is not right and that is why I set up the review.

Mr. Archie Norman (Tunbridge Wells) (Con): The Secretary of State will know that the publicly-owned South Eastern Trains has performed reasonably well since it came into being under the stewardship of Michael Holden. Does he know that there are sinister rumours of a possible delay in the franchising process because of the disputes about timetabling in mid-Kent? Does he agree that the franchising process is already inordinately long and creates enormous uncertainty for investment, passengers and staff? Will he commit himself to doing everything possible to ensure that the process progresses according to the original timetable?

Mr. Darling: The hon. Gentleman will know that the Strategic Rail Authority is consulting on the Kent franchise at the moment, and it is important that that consultation tries to build as much consensus as possible. He will also know that many people in Kent have reservations about what is being proposed and are making strong representations about it. We need to get this right, and I agree with him that the objective must be to ensure that the franchising process is completed as quickly as possible, so that we can have a degree of certainty. I do not think that anything we are doing in the review will affect the Kent franchise; it certainly will not hold it up. What is needed is for the review to reach a conclusion as to what trains are necessary and when they ought to run.

John McDonnell (Hayes and Harlington) (Lab): Is the Minister aware that, according to a written answer from his Department, it is estimated that £3.85 million—nearly £4 million—is to be spent on tendering the

integrated Kent franchise to facilitate the privatisation of South Eastern Trains? How much money has been spent on negotiating new passenger franchises since 1997? Would not that money have been better spent on direct investment in the rail services, rather than on wasteful franchises such as these?

Mr. Darling: No, I do not agree with my hon. Friend. While there are undoubtedly examples of franchising, and some franchisees, not having been as successful as they should have been, other examples show a better quality of service and better provision for passengers than there was in the past. I am happy to defend the fact that there is inevitably some expenditure involved in the franchising process. I strongly believe that having both private and public sector involvement in the railways is good, but it is important to ensure that the right framework and relationships exist, which is what the review process is designed to facilitate.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I am sure that the Minister is aware that, since the South Eastern Trains franchise became an SRA company, there has been a 9 per cent. improvement in services. We have already heard that the proposals for the integrated Kent franchise have been widely condemned by passenger groups, Transport for London and councils. Will he not therefore accept the value of keeping that franchise in the public sector as a comparator of the public sector versus the private sector, especially as it seems rather a waste of £4 million to provide a franchise that does not meet passengers' aspirations?

Mr. Darling: As I said when we discussed South Eastern Trains at last month's Transport questions, there has been an improvement in performance right across the train operating companies in the south-east—not just in South Eastern Trains, which, as the hon. Gentleman says, is now being operated on behalf of the SRA, but in the companies in the private sector as well. Naturally, I am very glad that performance is improving. Indeed, at present, there are quite significant improvements in performance. The job for the railways is to ensure that that continues.

Mrs. Ann Cryer (Keighley) (Lab): I wonder whether my right hon. Friend is aware that the recent report from the Transport Select Committee comments that:

"Nearly a third of the franchises were no longer expected to function in the entrepreneurial, risk-taking way that was one of the fundamental justifications for private sector involvement in running train services, but simply to function as fee paid agents of the SRA".

What, therefore, is the justification for these services still being run by the private sector?

Mr. Darling: My hon. Friend is quite right, as was the Select Committee, to draw attention to the fact that, in 1995 and 1996, the then Government were anxious to get the whole franchise system away as quickly as possible. It is clear to me and everyone else that some of the deals struck at that time were not good value for the taxpayer. It is well known that the promises made in 1995 and 1996 by one or two franchises in particular seem to have been built on wildly optimistic assumptions. It does not follow from that, however, that having the private sector involved through franchises is wrong. Far from it: I believe that they can bring significant improvements, in terms of both financial discipline—and, therefore, costs—and customer service. There are many examples round the world of the public and private sectors working together. What was wrong in this country was that the model established during the privatisation in the early 1990s was flawed, and that is what we are putting right now.

Bob Spink (Castle Point) (Con): Does the Secretary of State agree that the public sector might enable more coaches to be run on trains? Is he concerned that c2c is proposing to redeploy five of its four-coach class 357 trains to a different line, resulting in a phasing out of the 12-coach trains on the c2c line, which is already impossibly overcrowded? Does he think that the public sector could do anything about that?

Mr. Darling: I had not realised that the hon. Gentleman was so hostile to the private sector; perhaps he should have a word with some of his colleagues. Whoever is operating the trains, whether in the public or private sector, will redeploy them from one service to another. That is what happens when one is running a railway. I do not know why c2c has decided to redeploy these five trains, but I will look into it. Perhaps if the hon. Gentleman looks in the back pages of *Rail* magazine—the trainspotters' guide to where every carriage is—he will find out where they have gone.

Rail Safety Regulator

3. **Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): What plans he has to revise the role of the independent rail safety regulator after completion of the rail review. [173495]

The Secretary of State for Transport (Mr. Alistair Darling): The rail review is continuing to look at the regulation of safety. As I said in my statement to the House on 19 January, the Government will publish their proposals in the summer.

Mr. Clapham: Does my right hon. Friend agree that since the Health and Safety Commission took over the safety remit in 1990, there has been a steady improvement in safety? Does he agree that those who criticise the Health and Safety Executive for gold-plating safety on the railways are sending out the wrong signals to the public because they give the impression that safety is not the priority?

Mr. Darling: My hon. Friend is absolutely right that safety must be in with the bricks. It is absolutely fundamental to the running of the railway, as it is to other parts of the transport sector. Undoubtedly, however, there are too many organisations involved in rail safety and we need to look at that in the review. When the HSE wrote to me at the time of my announcement, it made the point that there was a plethora of industry standards, some of which were over-cautious or applied in an over-cautious way. The culture of safety is of concern to the railway industry, but we must make sure that we have a far more

streamlined system of responsibility. That works in other parts of the transport industry and it can work in the railways.

Mr. Greg Knight (East Yorkshire) (Con): If we cut away all the waffle, is not the Secretary of State attacking the regime put in place by his own Government and his predecessor, the right hon. Member for Tyneside, North (Mr. Byers)? Is it not true that the Government got it wrong and still do not know what to do? As privatisation took place 10 years ago and his Government have been in power for seven of those years, does not the blame for current problems on our rail network clearly rest with him? Will he come clean and admit to the House that, on railways, Labour has let the country down?

Mr. Darling: I notice that the hon. Gentleman could not keep his face straight. I say to him in the nicest possible way that in the months following the loss of his last seat, he must have reflected on the reasons for that loss; rail privatisation might have been one. He says that the Government do not know what we want to do. I have just been reading an article in *The House* magazine by the hon. Member for Maidenhead (Mrs. May)—who, sadly, is not with us today—in which she states Conservative policy; it is to wait and see what the review comes up with.

For a number of years, we tried to make the system that we inherited work. I tried to do that, but I came to the view that if I asked myself whether the system would last for the next 20 or 30 years, the answer was no. It is clear from the review and all the representations that people are looking for a more streamlined, straightforward structure. The way in which privatisation was carried out was a disaster; this country has paid a heavy cost, both financially and in terms of organisation. That is something we are sorting out.

Mr. John Smith (Vale of Glamorgan) (Lab): Will my right hon. Friend assure me that whatever plans he has for reviewing rail safety, he will try to make sure that they are in place by May next year when we plan to open the Vale of Glamorgan railway line for a passenger service for the first time since Beeching shut it in the 1960s? May I invite my right hon. Friend to join me on the inaugural journey across the Porthkerry viaduct, through beautiful Rhoose, Aberthaw, Llanilltyd Fawr, Llandow and on and on?

Mr. Speaker: Order. The Secretary of State has received the invitation.

Freight Transport

4. **Tim Loughton** (East Worthing and Shoreham) (Con): What his policy is on encouraging more freight to be transported around the UK through south coast ports. [173496]

The Minister of State, Department for Transport (Dr. Kim Howells): The Government are keen to see freight transported by water rather than road where this makes sense. Our water freight grant scheme offers help towards investments, including port facilities, where these will allow freight traffic to be transported by sea or inland waterway rather than by road. The scheme can fund facilities at any port.

Tim Loughton: I am glad to hear the Minister's enthusiasm for sea transport. He will be intimately aware of the capacity of Shoreham harbour, in my constituency, for bringing aggregates and other building materials by sea for use along the south coast nearby. However, getting freight into Shoreham harbour by water will be successful only if we have the road infrastructure to get it out and distribute it. In the interests of joined-up thinking in his Government, will the Minister bring pressure to bear on his transport colleagues to ensure that road improvements around Shoreham harbour, and especially a proper link road to the A27 trunk road, go ahead? Without those, the Shoreham harbour maritime vision will simply be unworkable.

Dr. Howells: I shall certainly pass that communication to my right hon. and hon. Friends, and reassure them that there is one member of the Conservative party who obviously does not subscribe to the £600 million cuts that his party's policy will bring to transport.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): My hon. Friend will know that we are rapidly running out of capacity in the south-east ports, which is a matter of great concern. Will he give me an undertaking that no more decisions will be taken on ports development unless there is a clear and firmly adhered-to plan to expand capacity, rather than to cut it back?

Dr. Howells: I am sure that my hon. Friend will agree that we must judge each application on its merits. Sometimes, when there are internationally recognised environmentally sensitive areas that must be protected, we have to take inspectorates' judgments very seriously. However, I assure my hon. Friend that we are well aware of the need to have adequate ports throughout the country to ensure that we can trade properly. We are one nation in the world that depends, probably more than all others, on our ability to trade across seas.

Mr. Christopher Chope (Christchurch) (Con): Is it not clear that on ports policy, as on so many other policies, Labour has let this country down? Why is it that in respect of three key south-coast ports—Dover, Shoreham and Poole—the Minister's Department has not even been prepared to agree with the Treasury definition of those ports as public corporations, which is inhibiting vital investment?

Dr. Howells: In the port of Shoreham, for example—I know that the hon. Member for East Worthing and Shoreham (Tim Loughton) hoped that I would say more in my answer to him—we are definitely considering an application for an award of freight grant relating to facilities there. I must say to the hon. Member for Christchurch (Mr. Chope) that this Government take the problems of ports very seriously. They were

neglected badly under the previous Government, but this Government will ensure that we have adequate port facilities so that we can trade properly.

Mr. Bill O'Brien (Normanton) (Lab): When considering the development of south-east coast ports, will my hon. Friend also consider all the other ports around the country? Inland waterways are one means of transporting freight and taking the pressure off our roads. My hon. Friend will be aware of the recent launch of a large freight-carrying vessel for our inland waterways, and we need more of those if we are to succeed. Will he support that programme?

Dr. Howells: Yes, indeed. We are very interested in helping the technology that must be developed to carry big loads, including on inland waterways. Our freight grants programme provides help towards the capital costs of equipment such as cranes where that investment will help to make water transport a viable alternative to roads. That applies to inland waterways and coastal shipping. My hon. Friend will be glad to know that this year's budget is £9.5 million. In the past two years, we have awarded 12 new water freight grants worth just over £3.5 million. Those grants will save about 17 million lorry miles during the next 10 years.

A1

5. **Mr A. J. Beith** (Berwick-upon-Tweed) (LD): If he will meet the A1 Safelink campaign to discuss future strategy for the A1 north of Newcastle. [173497]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): Yes, I will be happy to meet the right hon. Gentleman and a small delegation of representatives from the Safelink campaign group.

Mr. Beith: I look forward to that meeting. Will the Minister prepare for it by examining the A1's strategic importance to industrial development in the north-east, which is recognised by all those involved in regeneration work? Will he also take into account the increasing importance attached to the A1 by the Scottish Executive, who pointed out in the national planning framework for Scotland the importance of improving road and rail links between Edinburgh and Newcastle, and Aberdeen and Newcastle, in terms of regeneration in both countries?

Mr. Jamieson: The right hon. Gentleman will know that according to the A1 multi-modal study, which represents the local voice on this issue, there are fewer accidents on that road than on many others. It has also been said that dualling from Alnwick to Berwick is not justified in terms of traffic or of economic benefits, but that does not mean that we are not undertaking substantial work on the A1 in that area; indeed, the Stannington and Seaton Burn junctions, the Morpeth to Felton dualling and the Adderstone to Felton dualling constitute £106 million-worth of work. But as the right hon. Gentleman will appreciate, in the light of the study and the view expressed by the Scottish Executive, further work is not thought to have any economic benefit.

Light Aircraft (Noise Pollution)

6. **Mr. Robert Key** (Salisbury) (Con): What plans he has to reduce noise pollution from light recreational aircraft. [173498]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): Light aircraft have to comply with an internationally agreed noise certification standard unless they were on the UK register before 1980. This standard was tightened for aircraft certificated after 1999. There are currently no plans for additional measures to reduce noise from light aircraft, although we expect aerodromes to set, and to enforce, appropriate rules to minimise noise nuisance.

Mr. Key: Does the Minister understand how sorry we feel for him, given this can of worms with which he must deal? My constituents are pleased to put up with the noise of fast jets and military helicopters five days a week, but for two days a week and particularly during the summer weather, their quality of life is diminished by light recreational aircraft. Indeed, hundreds of thousands of people throughout the country will have their quality of life diminished by the pilots of some 8,000 light aircraft and, of course, of those "lawnmowers" that take to the skies, and which take so long to get across them. As part of his big conversation, will he please start a debate on the balance between the right of pilots of light recreational aircraft to fly in our skies, and the right of the vast majority of our citizens to have peace and quiet?

Mr. McNulty: I am sympathetic to the points that the hon. Gentleman makes. In addition to the certification standard and the general noise standard, there are considerations in terms of the planning framework and the other frameworks that need to be taken into account. However, I shall look into the matter further and get back to the hon. Gentleman.

A14 Multi-modal Study

7. **Mr. Jonathan Djanogly** (Huntingdon) (Con): If he will make a statement on the progress of the Cambridge to Huntingdon A14 multi-modal study. [173499]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): The two major projects recommended by the multi-modal study are progressing as follows. As the hon. Gentleman will know, following the receipt of objections, the guided bus system being developed by Cambridgeshire county council is to be examined at a public inquiry, which begins on 28 September. A public exhibition of the options for the A14 is expected to begin in September, and will include exhibitions in Cambridge and Huntingdon. It is expected that an announcement on the preferred route will be made in spring 2005.

Mr. Djanogly: My understanding is that if every private vehicle travelling between Huntingdon and Cambridge were left at home and public transport were used instead, the traffic flow on the A14 between those locations would be reduced by only some 5 per cent. Can

the Minister therefore confirm that, whatever the outcome of the public inquiry into the proposed guided bus system, the road improvement scheme will certainly stay in place? Moreover, could he please give a date for completion of the roadworks?

Mr. McNulty: I have outlined the two major projects emerging from the multi-modal study, both of which remain in the system and are being developed. The A14 improvements form part of the programme of targeted improvements, and one set of improvements is not dependent on another. The outcome of the inquiry depends somewhat on how the objections to the guided bus system are dealt with in the first instance, but as I said, the preferred route for the A14 will be announced in spring 2005.

Traffic (A34/A40)

8. **Mr. David Cameron** (Witney) (Con): What forecasts he has received about traffic levels on the A34 and A40; and if he will make a statement. [173500]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): There are currently two studies looking at the A34 between the M40 and the south coast. Those are a strategic review of the Highways Agency's programme of works for the A34 and a scoping study by the regional planning body and Government office for the south-east to decide how to address the wider role of transport in the area. Average flows on the A34 in 2003 were approximately 34,000 vehicles each way. The hon. Gentleman will know that the A40 around Oxford is currently the responsibility of Oxfordshire county council.

Mr. Cameron: I am grateful for that answer, but will the Minister ensure that the review of the A34 that he mentioned includes the single carriageway stretch of the A40 between Witney and Oxford? Is he aware that that road has some of the worst jams in the south of England every morning and every evening? Is he further aware that the transport network review being carried out by Oxfordshire county council is predicting that traffic volumes on that stretch of road could increase by another 20 to 25 per cent? Does he understand that that could turn it into a giant car park, as a result of which the whole west Oxfordshire economy would grind to a halt? Given that the county council is now considering the option of widening the road, will he ensure that his Department stands ready to fund this much-needed project?

Mr. Jamieson: As has been pointed out to the hon. Gentleman in the past, the A34 is the responsibility of the Highways Agency and we are undertaking an appropriate study of that particular road to establish what improvements need to be made. I am also aware that Oxfordshire county council is undertaking a review of its own roads, but I am not as yet aware of any application to the Department for funding under local transport plans. The hon. Gentleman will know—he was told on a previous occasion—that earlier proposals for the dualling of the A40 were turned down by the Tory Government in 1994.

Ormskirk Bypass

9. **Mr. Colin Pickthall** (West Lancashire) (Lab): What assessment he has made of the case for the Ormskirk bypass. [173501]

The Minister of State, Department for Transport (Dr. Kim Howells): My hon. Friend will know that it is for Lancashire county council to determine priorities for local road building and to make bids for funding accordingly. I understand that the council proposes to develop and submit a bid for a bypass in 2005 as part of the Lancashire local transport plan. We will certainly consider any such bid on its merits.

Mr. Pickthall: Over the last 50 years it has become a tradition for roads Ministers—and, indeed, shadow roads Ministers—to appear in Ormskirk town centre to say that the congestion is terrible and that the town needs a bypass. Yet we still do not have it. I would hate the current roads Ministers to break that tradition, but I hope that they will turn up to cut the first turf of that much-needed bypass. Would my hon. Friend take it on himself to shake the county council a little to speed the matter up? As I said, we have been waiting for more than half a century.

Dr. Howells: I know that my hon. Friend has worked hard to persuade the local authorities to do something about the bypass. I can give him an undertaking that we will certainly contact Lancashire county council to see how quickly it is proceeding with the project.

Mr. Gordon Prentice (Pendle) (Lab): My hon. Friend the Member for West Lancashire (Mr. Pickthall) will know that the A56 village bypass in my constituency is joint second with his on the Lancashire county council list. I urge the Government to ensure that if the bypass in my constituency is built, it does not go along the line of the old railway and disused Colne to Skipton line and that the track bed is preserved. At some stage in the future, we want to be able to reopen that railway.

Dr. Howells: I will certainly take that valuable information into account.

Speed Cameras

10. **Bob Russell** (Colchester) (LD): How many speed safety cameras have been removed in the past 12 months because they do not comply with the siting criteria. [173502]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): The safety camera partnerships keep the continuing need for their cameras and the level of enforcement under review. Those enforcement issues are best determined locally in response to local developments and concerns. I am sure that the hon. Gentleman has noted as well as I have that, despite my constant reminders to the hon. Member for Ashford (Mr. Green), at no fewer than five Question Times, we have not yet heard about the 4,000 cameras that he says were put in the wrong places.

Bob Russell: In view of the constant criticism of some newspaper editors and politicians who seemingly wish

to aid and abet law-breakers, will the Minister confirm that, on an average day, 10 people are killed in road crashes and that excessive speed is a contributory factor in some of them? Does he believe that the views of those who want the speed cameras removed might change if they lost a member of their family in such a road crash?

Mr. Jamieson: The hon. Gentleman reminds us that nearly 10 people a day are killed on our roads. It is estimated that one third of those deaths, and many injuries, are caused by people travelling at inappropriate or excessive speeds. That is why we are determined that the safety camera partnerships should carry on their good work. As my right hon. Friend the Secretary of State has said, on average there has been a reduction of 35 per cent. in the number of people killed or seriously injured at places where cameras are sited. Cameras are mainly sited in urban areas, where the number of deaths and injuries involving children is falling fastest. The hon. Member for Ashford will have to consider very carefully his policy of removing the cameras without justification, which could cause the numbers of children being killed or injured to rise again.

Mr. Ivan Henderson (Harwich) (Lab): One of the local papers in my area recently carried a story in which the Essex safety camera partnership was said to be

"effective . . . the best in the country and highly professional."

The item also quoted Rodney Bass, Essex county council's Tory highways cabinet member, as saying:

"The partnership is an extremely professional and constructive organisation."

Can my hon. Friend understand why anyone, including one of the Opposition Front-Bench team, should be calling for the partnership to be scrapped?

Mr. Jamieson: I have been wondering about that. There seems to be something of a split among Conservatives on this matter. Front-Bench spokesmen here say one thing, but many Conservative local authority leaders—not least Rodney Bass—tell us something else. Many have written to us, asking to relax the standards required for fitting the cameras, or saying how necessary the cameras are. Some openly disagree with Tory Members about the need for cameras in their areas. I think that this would be a good time for the hon. Member for Ashford and his colleagues to back off from their previous position, as it is clearly nonsensical. It would be good sense for everyone if we could reach some common accord on the issue of road safety.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): How many people have lost their driving licences in the past 12 months after accumulating 12 points as a result of speed cameras and other measures?

Mr. Jamieson: A substantial number of people will have lost their licences in that time because they will have accumulated 12 points. People who get caught and are given three or six penalty points must reflect carefully on their driving and the speed at which they do it. Some people may have lost their licences, but I can tell the hon. Gentleman that a large number of people are alive today, and have not been seriously injured, because of the cameras that are in place.

Road Works (Congestion)

11. **Mr. James Plaskitt** (Warwick and Leamington) (Lab): What steps he is taking to ease congestion during road works on trunk routes. [173503]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): The Highways Agency designs roadworks in a manner that minimises disruption to the road user. Where possible, planned works take place during off-peak hours. As many lanes as possible are kept open, following notification to the public.

Mr. Plaskitt: My hon. Friend will be aware that the Highways Agency is carrying out an extensive works programme at junction 15 on the M40, the Longbridge roundabout. That is a very severe pinch point in the road network. I am very pleased that the work is being carried out, and I lobbied hard for it for a long time. While it is being carried out, however, carriageway restrictions from time to time cause very severe congestion. I have asked the agency to look at how the work is phased, and to consider doing more at night, but it is not very keen. Will my hon. Friend discuss the Longbridge work with the agency, to see whether these temporary difficulties can be overcome?

Mr. Jamieson: I can tell my hon. Friend that I have done that already, in the light of the parliamentary question that he has tabled. I understand his concern, on behalf of his constituents, about the delays on that stretch of road. The work being carried out is necessary to improve traffic flow and safety. My hon. Friend will be pleased to know that the work on the island will be completed in the next two weeks, and that all the works in the area will be finished by September. Unfortunately, night work is not always possible on this project. That is due in part to the need to ensure the safety of the work force, as there is a hole 1 m deep at the side of the road, and to the fact that the work being undertaken is of a type that it is difficult to conduct during the night. However, my hon. Friend makes a serious point, and I shall urge the Highways Agency further to expedite the work.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister is always very helpful, but will he ensure that there is more co-operation between the Highways Agency, local highway authorities and the utility companies? That would mean that, when a trunk road was subject to road works being carried out by the utility companies, the alternative route—which may not be a trunk road—would not be subject to works at the same time. To my mind, such co-operation would be sensible and would limit congestion.

Mr. Jamieson: My hon. Friend—*[Laughter.]* The hon. Gentleman said such nice things about me, I thought that I would define him as my hon. Friend. He makes a good point. The Highways Agency is looking to make sure that the works that it carries out are, where possible, co-ordinated with other local works. The hon. Gentleman will know that the new centre in Birmingham and the new regional information centres that are being set up will give far better information to

motorists. Also, traffic offices are now in place around the midlands—not quite into the hon. Gentleman's area yet—and they are helping to keep the traffic flowing.

The hon. Gentleman makes a serious point and it is something that we are mindful of in all the programmed work that the Highways Agency undertakes.

Mr. Kelvin Hopkins (Luton, North) (Lab): My hon. Friend will be aware that roadworks are caused largely by damage from heavy vehicles. I am sure that he will be familiar with the fourth power law, relating axle weight to road damage. Would it not be a sensible way forward to invest more heavily in rail freight, especially that which is capable of taking road trailers on trains? That would take traffic off the roads, reduce the level of road damage and reduce congestion.

Mr. Jamieson: My hon. Friend asks a very clever question. Of course we are making efforts to take freight from the roads on to rail where we can, and where possible on to water, as the Minister of State said earlier. Notwithstanding that, the road network will still be needed to carry the vast bulk of traffic. Most roadworks are due to deterioration caused by all road users over a long time. So it is not an either/or. We must spend money on our rail system for freight and passengers, but it is essential to keep the road system in good condition. I am pleased to say that the Highways Agency roads are probably some of the best maintained not just in the country but in Europe.

Rail Passenger Services

12. **Mr. Peter Luff** (Mid-Worcestershire) (Con): What assessment he has made of the reliability of information provided to passengers *(a)* on stations and *(b)* on trains about services and alterations to them. [173504]

The Minister of State, Department for Transport (Dr. Kim Howells): The latest national passenger survey shows that 13 per cent. of respondents were dissatisfied with the provision of information about train times and platforms at stations and 23 per cent. dissatisfied with the provision of information during the journey.

Mr. Luff: I thank the Minister for that genuinely helpful reply. I have decided that, should the charms of this place ever be subdued in my breast, I will find another way to serve my constituents—to stand on the platforms at Droitwich Spa, Worcester Shrub Hill or Worcester Foregate Street stations and advise them what the trains are actually doing. I remind the Minister of scenes of chaos at Worcester Shrub Hill on Monday when trains were transformed while standing at platforms or eventually, of course, cancelled. When the Minister is talking to train operating companies, will he ask them to review all their procedures in relation to information? When he is talking to the Strategic Rail Authority, will he ask them to give a high priority to information systems within the funding available to them?

Dr. Howells: I can certainly do that. The hon. Gentleman will have to put on a bit more weight if he is going to become the Fat Controller of Worcestershire, but I have no doubt he could do the job if he were asked. There is nothing more infuriating than being on a train that has stopped without explanation or indication of when it is likely to move again. The point is a very important one.

A number of train operating companies have taken this task very seriously. I pick out—

Mr. Damian Green (Ashford) (Con): GNER.

Dr. Howells: Certainly. I think First Great Western is improving a good deal and South West Trains now has some impressive electronic kit at stations which keeps the public well informed in real time about where trains are and how long it will be before they get to the station.

John Cryer (Hornchurch) (Lab): Does my hon. Friend agree that a contributory factor to the problems that have just been alluded to is that when the railways were privatised eight years ago there was a complete lack of vertical integration? Britain's railways had always been vertically integrated going right back to the 1820s when construction was first started on the network. Does my hon. Friend agree that there should be some move towards reintroducing vertical integration? There seems to be indications from the Government that that may be the case. If it is to take place, the most sensible way to do it would be inside the public sector rather than our handing ever greater tranches of power to the private sector, which has already made such a hash of running Britain's railways.

Dr. Howells: I would not agree with my hon. Friend's last point. He is very young still, but I can remember what British Rail was actually like. I advise him not to look back at that bit of history through rose-tinted spectacles. It was very difficult, at times. One of the key themes of the rail review is to discover how the parts of the railway can speak to each other much more coherently, so that we can inform passengers where trains are, how long delays are likely to be and so on. Some interesting experiments in integration are taking place, including one run by South West Trains in which the Wessex train control centre is doing some valuable work.

CABINET OFFICE

The Minister was asked—

Emergency Planning

21. **Simon Hughes** (Southwark, North and Bermondsey) (LD): What the civil contingencies grant for emergency planning was for Greater London, *(a)* in total and *(b)* broken down by borough, in each year since 2000. [173513]

The Deputy Leader of the House of Commons (Mr. Phil Woolas): With leave, Mr. Speaker, I have been asked to reply. I wish to pass on the apologies of my hon. Friend the Minister for the Cabinet Office who—I am delighted to inform the House—is taking paternity leave because of the birth of his daughter. I am sure the whole House will wish to pass on their good wishes to him and his family.

The civil defence grant is paid as a contribution to the emergency planning function of those local authorities that have a statutory duty of civil defence, which in London is the 32 boroughs, the Corporation of London, and the London Fire and Emergency Planning Authority. The total payments to those authorities have increased from £1.75 million in 2000–01, to £2.8 million in 2004–05.

Simon Hughes: I should be grateful if the Minister would pass on our best wishes to the Minister for the Cabinet Office and his family.

Does the Minister accept that all those authorities have told the Government that they have not been given enough? Does he accept that the money that they have been told they may get this year they still have not received? When will the negotiations, which are apparently still continuing, about the money London needs for civil defence and emergency planning be completed so that there can be certainty about the services available to this city and its citizens to protect against an undesirable and obviously unwished for terrorist attack?

Mr. Woolas: I thank the hon. Gentleman for an important question. I accept that local authorities say that they do not get enough money and they are within their rights to do so. However, I have checked the situation and I can tell the House that the amount of civil defence grants paid to the boroughs has increased from £1.74 million in 2000–01 to £2.8 million now. The hon. Gentleman will recognise that while local authorities play a key role in civil defence, they are not the only agency involved. Discussions are indeed continuing between my right hon. Friend the Minister for Local and Regional Government and the representatives of London authorities.

Mr. David Borrow (South Ribble) (Lab): Could my hon. Friend explain to my constituents in provincial England how the balance of funding for civil contingencies is decided and, in particular, address the concerns of some of them that most of the money is going to London, which may not adequately reflect the real balance of risk in the UK?

Mr. Woolas: I thank my hon. Friend for that important question. What is referred to as resilience work is important throughout the UK. The Government have provided an extra £330 million for that purpose, in addition to the local authority money. That sum was earmarked before the tragedy of 9/11. Of course, the regional resilience teams have been established in the devolved authorities and throughout each English region, and they are being provided with the resources that they need to do that important job.

Mr. Oliver Heald (North-East Hertfordshire) (Con): But surely the Minister is aware that since 2002 the grant has been frozen and that the Government's intention is to continue that freeze? How are London's councils to manage the new duties imposed on them under the Civil Contingencies Bill and how can the Government claim to be increasing London's security when they have frozen that important grant? Does that not confirm what the Metropolitan police said in the Project Unicorn report that Government policy is "outdated"? Is not that yet another, more serious example of Labour letting London down?

Mr. Woolas: It is not: the contrary is the case. The Project Unicorn report was commissioned by the Metropolitan police and there has been press speculation about it, but that simply goes to show the important point that in looking at such reports the Government are taking their responsibility extremely seriously.

Mr. Heald: "Outdated"?

Mr. Woolas: The hon. Gentleman says that the policy is outdated, but I put it to him that the robust policies already being co-ordinated across all Government agencies, as well as local authorities—which is obviously important—are being put into an even more robust framework through the Civil Contingencies Bill, which the House will debate next week. We are far from not taking our responsibilities seriously and far from not providing the necessary resources; whereas his party would reduce public expenditure in that area.

Chris Bryant (Rhondda) (Lab): Some of my constituents have told me that they are nervous about their children coming to London on school trips, especially to visit the House of Commons, owing to concerns about security on the London underground and in London generally. What reassurance can the Minister give my constituents? Does he believe that the exorbitant headlines in some national newspapers, which make people more nervous about visiting London, are winning the terrorists' battle for them?

Mr. Woolas: I thank my hon. Friend for that question. There is always a danger that scaremongering will achieve by propaganda what terrorists want to achieve by violence. However, when researching this portfolio, I was very, very pleased by the amount of effort that is going into London. The fundamental review of London's resilience arrangements has been carried out and there is a new London-wide strategic emergency-planning regime. Enhanced command and control centres are in place and there are specific plans to deal with different types of possible terrorist attack. The Mayor—the very excellent London Mayor—has provided for 100 extra British Transport police officers. I can also inform the House that the closed-circuit television network on the London underground system is the most extensive anywhere in the world.

E-government

22. **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on e-delivery of Government services. [173515]

The Deputy Leader of the House of Commons (Mr. Phil Woolas): The latest reported figures show that 68 per cent. of Government services are now available online. Departments continue to report steady progress towards the target of delivering all services electronically by 2005 and, most important, achieving high levels of use of those services. To maximise take-up

of services, the new Directgov site—www.direct.gov.uk—brings together information and services from many Whitehall Departments so that members of the public can have a single access point.

Miss McIntosh: Will the Minister describe to the House the difficulties that have been experienced in rolling out and implementing the e-delivery programme in almost every Department? Can he understand the frustration of our constituents who are being driven dotty by this dotcom roll-out? Does he agree that there is no substitute for having a real person at the end of a phone line when those difficulties are experienced?

Mr. Woolas: I respect the hon. Lady's point, but I do not agree. Of course, there are difficulties in implementing the strategy, but I should have thought that the House would see that it is positive and shows that Departments across the range are working closely together. That is what my hon. Friend the Minister for the Cabinet Office is doing—I can give the House some real examples. Last year, the system enabled 705,000 people to fill out their self-assessment tax forms and more than 60,000 people successfully obtained their passport. It provides a good service for the public and saves money for the taxpayer. I should have thought that the hon. Lady would support that.

Mr. Richard Allan (Sheffield, Hallam) (LD): Will the Minister pass on to his hon. Friend the Minister for the Cabinet Office my congratulations on the delivery—if not the e-delivery—of his child?

Will the hon. Gentleman clarify a point on the 2005 target for getting all services online? Does that mean January 2005, mid-year 2005 or the end of 2005?

Mr. Woolas: It means what it says. It means 2005—next year. So far, the figure is 68 per cent. and I am confident that further good news will be published shortly. Incidentally, according to a survey commissioned by the Cabinet Office from a respected City organisation, our e-environment is the second best in the world; we are second only to Denmark.

On the hon. Gentleman's specific question, if the date is not the end of 2005 I shall write and tell him.

Rob Marris (Wolverhampton, South-West) (Lab): The Minister mentioned the number of people who have applied for passports and done their tax returns online. Will he outline what the Cabinet Office is doing to increase the availability of services for people who are not online?

Mr. Woolas: Of course that is a very important follow-up question. The capacity to get those services is all very well, but it is whether they are used that counts. Indeed, the Government have improved and refined their target in a way that the House would support. It is not enough just to achieve that target by 2005; the take-up is important, and we are providing extra money—more than £1 billion across Departments and more than £30 million to the regional agencies—to help us to achieve that aim.

BILL PRESENTED

Children's Food

Ms Debra Shipley, supported by Mr. Robert Walter, Mr. Paul Burstow, Mr. Graham Allen, Vera Baird, Mr. Ernie Ross, Peter Bottomley, Mr. Andy Reed, Mr. Paul Tyler, Alan Howarth, Angela Eagle and Mr. Simon Thomas, presented a Bill regarding the marketing, promotion and sale of food and drink to and for children; to make provision for education and the dissemination of information about children's diet, nutrition and health; to place certain duties on the Food Standards Agency; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 15 October, and to be printed [Bill 110].

Points of Order

12.31 pm

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): On a point of order, Mr. Speaker. You will, no doubt, be aware of the terrible events going on in the Gaza strip, with the Israeli armed forces slaughtering large numbers of Palestinians day after day, and demolishing huge numbers of homes, making large numbers of innocent people homeless—all in violation of international law and human decency. I rise to ask for your guidance on how we can raise this matter as an issue of urgency, so that whatever our Government can do to intervene to try to stop these events can be done as soon as possible.

David Winnick (Walsall, North) (Lab): Further to that point of order, Mr. Speaker. Foreign Office questions will not be taken until 15 June but, as my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) says, we should have an opportunity to raise this matter in view of the deep disquiet and concern that exist in the House, and certainly in the country at large, about what the Israelis are doing. I am totally opposed to suicide bombing and terrorism as such, but innocent civilians are undoubtedly being killed, many homes are being demolished—we have seen it on television—and the Palestinians are being forced to live in tents. Those are terrible events, so I hope that there will be an opportunity for a Minister to come to the House, where we can ask questions, press for the British Government to dissociate themselves very strongly indeed from what is happening and urge the British Government to ask President Bush so to dissociate himself. What is happening now in the Gaza strip is totally unacceptable. For that reason I hope, Sir, that you can advise us how we can raise this matter as quickly as possible.

Mr. Speaker: These are very troubled and serious matters indeed, but both the right hon. Gentleman and the hon. Gentleman are well aware of the procedures of the House, and they will know that I cannot bring a Minister to the House unless an application has been made for an urgent question; but, of course, the relevant Ministers will have heard the comments and the concern that has been expressed and, no doubt, will take whatever action they feel is necessary in informing the House. The right hon. Gentleman and the hon. Gentleman know the rules of the House, and they know what they can do to bring a Minister to the House.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): On a point of order, Mr. Speaker. I wish to raise a point of order of which I have given you some notice; I apologise that it was not more notice. In reviewing my written parliamentary answers in preparation for my oral question on today's Order Paper, I discovered that I tabled a question on 19 November 2003, to the Minister for Crime Reduction, Policing and Community Safety, the hon. Member for Salford (Ms Blears), to which the reply was:

> "I will write to the hon. Member and place a copy of my letter in the Library."—[*Official Report*, 19 November 2003; Vol. 413, c. 1035W.]

In investigating the matter this morning, I found that I have still not had a reply in the Library. I understand that, at the end of last year, there were a substantial

[Mr. Geoffrey Clifton-Brown]

number of such cases. Although the number has fallen, there may still be several of them, and it is unacceptable for Ministers to say that they will write to hon. Members and then not do so. I seek your advice on this matter.

Mr. Speaker: I thank the hon. Gentleman for giving me warning of this matter. I will investigate it and come back to him.

Pete Wishart (North Tayside) (SNP): On a point of order, Mr. Speaker. Have you been approached by the Secretary of State for Culture, Media and Sport about her coming to the House to make a statement about tomorrow's planned auction of the papers of Sir Arthur Conan Doyle? You will know that there is substantial public concern that due process has not been followed by Christie's on this issue. It is proposing the break-up of papers that would be better placed in the British Library to serve the public good. Such is the concern that, last Friday, the British Library made it clear that the sellers are refusing to make available documents to confirm the legal title of the papers that are being sold. With just 24 hours to go before the planned auction, is there anything that Members can do to raise the issue on behalf of the public interest?

Mr. Speaker: There are certain things that hon. Members can do to raise these matters, but I have no powers to raise them. It is up to the hon. Gentleman to approach the Department and Ministers with his deep concerns.

Doorstep Selling (Property Repairs)

12.36 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): I beg to move,

That leave be given to bring in a Bill to prohibit unsolicited household visits to sell property repairs, maintenance and improvements; to provide penalties and powers of arrest in connection with this prohibition; to require all doorstep vendors of property repairs, maintenance and improvements to give seven days' notice in writing of an intended visit to a home; and to extend property owners' rights to cancel any contract entered into for the provision of property repairs, maintenance or improvement; and for connected purposes.

The abuses that the Bill seeks to control are serious and widespread. A Trading Standards Institute survey in November 2002 revealed that, in the previous two years, nearly 10 per cent. of householders reported problems with or following cold calling for property repairs, maintenance and improvements. Translated nationwide, that would equate to 2.5 million householders being affected. An Office of Fair Trading "snapshot" survey in March 2002 found that 45 per cent. of doorstep selling complaints made to trading standards officers related to home maintenance repairs and improvements. The sums involved are not trivial. The average value of services for which people have been billed when they complain about property repairs was £2,264.

A ban on cold calling for property repairs and maintenance would be popular. The Trading Standards Institute report that I mentioned found that nearly 96 per cent. of householders do not want doorstep sellers cold calling. It is not just the amount of money involved or the number of people affected that make the Bill so necessary. Cold calling for property repairs is not just a way for cowboy builders to drum up trade; it has also become a preferred cover for criminals targeting vulnerable, frail and elderly people.

The case of a Mr. D reported in a West Sussex trading standards and Help the Aged inquiry is sadly typical. He is aged 87 and was approached at home by a group of men to whom he ultimately gave £9,200. The men originally said that his front drive needed doing. They started clearing the drive and then said that the back needed doing. They then said that the job was bigger than they thought and they wanted more money. This was refused after the intervention of Mr. D's friend, but it was only through the subsequent involvement of trading standards and Help the Aged that these predators were finally warned off.

Evidence is strong of a link between this sort of activity and distraction burglary, and there is also disturbing evidence of repeat targeting of the most vulnerable victims by organised criminal gangs. The comprehensive April 2003 Trading Standards Institute report argues for a ban and quotes one offender:

"Another team may have been and done work there and found them to be a soft touch . . . They might be moving on or feel it's risky to go back and do it again. They will sell us the house for a cut of our take, or we might give them a soft touch of our own in exchange."

Recently, these vile, Artful Dodger-style modes of criminality have rightly attracted significant attention in the House. My hon. Friend the Member for Pudsey (Mr. Truswell) has raised the issue in two Adjournment

debates, and has championed trading standards initiatives to tackle the problem. The hon. Member for New Forest, East (Dr. Lewis) told us in an Adjournment debate that his own father had been a victim, and the hon. Member for Blaby (Mr. Robathan) highlighted similar abuses in his recent Property Repairs (Prohibition of Cold-Calling) Bill. I am grateful to all of them for their support.

Last week, hon. Members may have seen coverage of the report by the Office of Fair Trading on doorstep selling, which was produced in response to the super-complaint from Citizens Advice. It is an important examination of that undesirable activity and the techniques involved, including the way in which those people worm their way into the confidence of elderly and often housebound people. It offered constructive suggestions, which Ministers will want to consider closely, including a welcome proposal for consultation on a ban on work or payment within seven days. The OFT is looking at the case for banning cold calling for property repairs and maintenance, and has suggested that

"the DTI should consult on the option of such a ban and on specific issues and alternatives involved".

In view of the mounting evidence of abuse, I would strongly urge Ministers to go further and move swiftly to consult directly on legislation to implement such a ban.

A ban on such cold calling has already been discussed, and has the strong support of Help the Aged, for whose assistance with the Bill I am indebted. Jan Williams of the organisation wrote:

"Too often, when consumers are confronted on the doorstep, they end up paying high prices for work . . . not needed in the first place . . . and are left feeling embarrassed, their confidence is damaged, and they no longer feel able to live independently. Banning doorstep trading for property repairs would mean rogue traders were unable to take advantage of older people."

A ban also has the support of the Trading Standards Institute, whose team, including Brian Steele, the Leeds police co-ordinator of its distraction burglary project, and Stuart Pudney, head of trading standards for North Yorkshire, have worked tirelessly to gather evidence. Indeed, Ron Gainsford, chief executive of the Trading Standards Institute, said:

"The Institute has been working hard for over a year to gain support for this initiative . . . Older and vulnerable adults are often persuaded to part with thousands of pounds for shoddy or unnecessary work, and in some cases, losing their entire life savings."

Victim Support, Neighbourhood Watch and Sense, the charity for people with deaf-blindness and associated disabilities, support a ban. Importantly, it has the backing of the Federation of Master Builders, which says:

"Vulnerable consumers should be protected from being pressurised into purchasing repairs on their doorstep, often at grossly inflated prices and with shoddy workmanship".

A ban has the support of Detective Sergeant David Stone of Operation Liberal, a consortium of 11 police forces dealing with distraction burglary. I am delighted that Assistant Chief Constable Graham Gerrard, the senior police representative on the Home Office distraction burglary taskforce, has confirmed that the police

"are often called to investigate cases where work is either carried out to inferior standards or payment is obtained and no work is undertaken. There are also cases where grossly inflated costs are claimed by the property repairers and intimidation is used to make the householder pay. Legislation that bans cold calling will greatly reduce the opportunities for rogue traders."

I do not wish to damn everyone who promotes goods door to door or companies that have demonstrated their probity and professionalism over many years. My proposal would impose nothing more than a mild inconvenience on them, but only the absolute clarity of a ban, backed up with tough enforcement powers, will protect elderly and vulnerable people from the vultures who prey on them.

The scale of some abuses and the harm done is shocking. I shall conclude with the story of Mr. H, whose daughter contacted trading standards after discovering that her father had been systematically targeted by rogue traders for about four years. An unknown trader carried out some work for Mr. H, then claimed that his garage needed underpinning, demanding over £10,000 to carry out the work. It then appeared that a trader had been returning almost fortnightly to carry out building work and obtain money. No paperwork, no receipts and no invoices had ever been issued. Mr. H had remortgaged his home in order to pay the trader a sum of approximately £80,000.

Help the Aged made it clear to me when we discussed options for action in this area that without a complete ban on cold calling for property repairs, backed with powers of arrest, those criminal elements would continue to be able to target vulnerable older people. That generation, many of whom in the second world war helped save our country and the values we hold dear, deserve better than that. I hope the House will give leave to introduce the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Gordon Marsden, Mr. Paul Truswell, Mr. Andrew Robathan, Sandra Gidley, Dr. Julian Lewis, Mrs. Joan Humble, Lawrie Quinn, Ann Clwyd, Dr. Howard Stoate, Mr. Mike Hancock and Mr. David Drew.

Doorstep Selling (Property Repairs)

Mr. Gordon Marsden accordingly presented a Bill to prohibit unsolicited household visits to sell property repairs, maintenance and improvements; to provide penalties and powers of arrest in connection with this prohibition; to require all doorstep vendors of property repairs, maintenance and improvements to give seven days' notice in writing of an intended visit to a home; and to extend property owners' rights to cancel any contract entered into for the provision of property repairs, maintenance or improvement; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 16 July, and to be printed. [Bill 111].

Pensions Bill (Programme) (No. 3)

12.47 pm

The Minister for Pensions (Malcolm Wicks): I beg to move,

That the Order of 2nd March 2004 (Pensions Bill (Programme)) as amended by the Order of 19th April 2004 be amended by the substitution for paragraphs 4 and 5 of the following—

'4. Proceedings on consideration shall be taken in the order shown in the first column of the following Table. In that column, any reference to new Clauses or Amendments relating to Part 1, 3, 4 or 5 does not include new Clauses or Amendments relating to any arrangements for financial assistance for members where pension schemes are wound up.

5. The proceedings shown in the first column of the Table shall (so far as not previously concluded) be brought to a conclusion at the time specified in the second column.

TABLE

Proceedings	*Time for conclusion of proceedings*
New Clauses standing in the name of a Minister of the Crown, other than new Clauses relating to Part 2 or to any other arrangements for financial assistance for members where pension schemes are wound up; remaining new Clauses and Amendments relating to Part 1; remaining new Clauses and Amendments relating to Part 3; remaining new Clauses and amendments relating to Part 4; remaining new Clauses and amendments relating to Part 5	At the moment of interruption on the first allotted day.
New Clauses and Amendments relating to any arrangements otherwise than through the Pension Protection Fund for financial assistance for members where pension schemes are wound up or relating to the categories of scheme in relation to which the Pension Protection Fund applies	Two hours before the moment of interruption on the second allotted day.
New Clauses and Amendments relating to Part 2; remaining new Clauses and Amendments relating to Part 6; remaining new Clauses and Amendments relating to Part 7; remaining new Clauses; Amendments relating to Schedules; new Schedules	Three hours before the moment of interruption on the third allotted day.

5A. In the Table "allotted day" means a day on which the Bill is put down on the main business as first Government Order of the Day.

5B. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the third allotted day.'.

The Pensions Bill is a long and technically complex piece of legislation. Following considerable scrutiny during 22 sittings—all enjoyable, I might add—in Standing Committee B, we are now returning to the House for consideration and Third Reading. Not only is the Bill large; it is also very important legislation, and hon. Members deserve time to discuss the amendments tabled at this stage, without debate being unduly restricted. We have a very full agenda to deal with on Report, and for this reason the Government propose to set aside a greater length of time than originally planned for the consideration and Third Reading of the Bill.

Members of the Standing Committee will recognise some of the amendments before us over the next few days, but the Government are tabling further new clauses to reflect changes brought about by both the Finance Bill and the European directive on occupational pensions. We will be hearing further about those subjects later today.

The programme motion before us means that we also intend to discuss today all the Government new clauses. We also intend to take today any amendments or Opposition new clauses that relate to the regulator, scheme-specific funding, retirement planning and part 5 of the Bill, which relates to personal and occupational pension schemes. This will give us a full programme of deliberation today.

Mr. Frank Field (Birkenhead) (Lab): Will my hon. Friend give way?

Malcolm Wicks: Perhaps I can anticipate my right hon. Friend's question.

The exception to the new clauses is that Government new clause 34—this might have been my right hon. Friend's question—

Mr. Field: The English is poor.

Malcolm Wicks: Yes, the English is poor. The exception is that Government new clause 34 will be taken tomorrow, together with amendments to it. That will be followed by new clauses and amendments that relate to the pension protection fund. The Government are fully aware that many hon. Members will want to join in the discussion of this new clause and the remaining business on the PPF. For this reason we believe it is important to set aside a reasonable amount of time for consideration of the subject and so have added a further day's debate for this important new measure. I trust that hon. Members in all parts of the House will welcome the opportunity to support the Government's new proposals in this crucial area. We will conclude our business and any remaining amendments on Thursday, before moving to Third Reading on Thursday afternoon.

Throughout our deliberations in Standing Committee we have had constructive debate on all the issues, and I am grateful to the hon. Members for Eastbourne (Mr. Waterson) and for Northavon (Mr. Webb) for their co-operation—I hope that I can still say that in three days' time. They sought assurances that the timetable would allow sufficient time to discuss new clauses and amendments on Report, and I hope they agree that the Government have paid heed to their requests by providing the extra time.

I do not want to use up valuable time by debating this motion for longer than is necessary, because it seems more sensible and productive to spend our time discussing the real issues of concern to the House.

12.50 pm

Mr. David Willetts (Havant) (Con): The Minister is right: we should not allow the programme motion to delay us for too long, but I shall make some quick comments on what he just said and the process by which the Bill has been considered in the House. I did not serve

in Committee, and I pay tribute to the members of the Committee from both sides of the House who took on that onerous obligation.

When we heard that we would get three days on Report, we were pleasantly surprised because we thought that that would give us time to consider the Bill properly. We did not expect the Government to concede three days with quite such alacrity. At first, I thought that it was because the Minister is a reasonable man, but I now see that it is because we are considering 28 Government new clauses and 128 Government amendments. Even with three days, we cannot be confident that it will be possible properly to scrutinise 28 Government new clauses and 128 Government amendments.

This debate is the latest example of how the Government have presented the Bill. Hundreds of Government amendments and 36 Government new clauses were introduced in Committee, where the Minister, who is smiling in a slightly guilty way, said:

"I had better not describe it"—

the Bill—

"as a work in progress".—[*Official Report, Standing Committee B*, 9 March 2004; c. 34.]

The Bill is clearly work in progress, and it has been subject to continuous amendment as it has made its way through this House.

The Green Paper was produced in December 2002 and the White Paper came out in June 2003, but nearly one year later, amendments are being tabled with virtually no time for scrutiny, which suggests that the Government lack a clear and rigorous strategy to tackle the pensions crisis. The Minister is like a schoolboy who is in a perpetual crisis about getting his homework in on time.

It is good to see the Minister in the House. We thought that he might be in Blackpool speaking to the National Pensioners Convention, where my hon. Friend the Member for Eastbourne (Mr. Waterson) is now. Cynics might suggest that one reason why the Bill is on Report today is to give the Minister a good reason not to go to Blackpool to confront the pensioners, who might have told him what they think of the Government's record on pensions.

Mr. Speaker: Order. We are going far too wide of the programme motion.

Mr. Willetts: I apologise if I am ranging more widely than I should. Does the Minister want to intervene?

Mr. Speaker: Order. The Minister does not want to intervene because he would be out of order, and the hon. Gentleman is out of order.

Mr. Willetts: I shall restrict myself to saying that I am pleased to see the Minister in the House today, despite the possible alternative engagements.

The Secretary of State for Work and Pensions (Mr. Andrew Smith): Will the hon. Gentleman apologise when he learns that a Minister is attending today's National Pensioners Convention conference?

Mr. Willetts: I am aware that the Under-Secretary of State for Work and Pensions, the hon. Member for Liverpool, Garston (Maria Eagle), is attending the conference, but she is not responsible for pensions. The Minister should be at the National Pensioners Convention conference.

Mr. Speaker: Order. We must get on to the programme motion.

Mr. Willetts: We will scrutinise the Bill as best we can, but it is difficult for the Commons to perform that role when so many Government new clauses and amendments are produced at such short notice. Outside bodies, which have considerable expertise to offer this House and which may be directly affected by the provisions, also find it difficult to put forward their comments in those circumstances. Perhaps the other place will take the opportunity to correct the mistakes that slip through here because we do not have sufficient time to scrutinise the Bill properly.

12.55 pm

Mr. Steve Webb (Northavon) (LD): Who could object to a three-day debate on Report, which, on the face of it, offers ample scope for debate?

I thank the Department for Work and Pensions because, along with all the new clauses that we must cover in the next three days, we have been given a briefing, which reached my pigeonhole this morning—obviously, I have read all of it. Some of the briefing relates to new clauses that we will consider in a matter of minutes, which makes a mockery of the suggestion that we are scrutinising this important Bill. We are enormously grateful for the briefing, which we will speed-read and spew back out as best we can.

Instead of moving this programme motion, the Government should have recommitted the Bill to Standing Committee, especially given the substantial new clause 34. New clause 34 arrived on our fax machines on Friday lunchtime, and we have had no time to scrutinise it in detail. As the hon. Member for Havant (Mr. Willetts) rightly says, a lot of the material is technical. It took a long time for people to realise some of the major flaws introduced by the Pensions Act 1995, and I fear that the Bill will introduce many more unforeseen consequences, which just a few more days of mature reflection and detailed scrutiny in Committee would enable us to prevent.

Although the DWP has been helpful by advising us of what was coming, the Bill is not finished—some Government new clauses have not even been written yet. If we want a good Pensions Bill, we need proper scrutiny. Three days on the Floor of the House is not adequate when we are considering Government amendments on which the ink is still wet. The Bill should return to Standing Committee, and we do not believe that the programme motion provides for proper scrutiny.

12.57 pm

Malcolm Wicks: Although we do not want to be drawn on this matter, on occasions in the distant past Ministers have been reprimanded for not coming to this House of Commons. This is the first occasion on which I have been challenged for being in the House of Commons rather than by the seaside in Blackpool. I prefer being here to

[Malcolm Wicks]

being in Blackpool, because the Pensions Bill is on Report, and my duty as Minister for Pensions is to the House of Commons.

Mr. Willetts: The objection is that the Pensions Bill is being taken on the same day as the National Pensioners Convention conference in Blackpool.

Malcolm Wicks: Feebler and feebler. The shadow Minister of State, the hon. Member for Eastbourne (Mr. Waterson), must judge where his priority lies today, and I think that his duty is to this House of Commons.

On the serious issues, we said many times in Committee that the Bill is technical. I have made the point that we have had to amend it, and I apologise for that because I realise that it inconveniences those who wish to scrutinise it. We have always done our best to introduce information at appropriate times, but I have explained in Committee and to the whole House that we were under pressure to introduce the Bill. All other things being equal, we would have taken a year or two to get the Bill absolutely right, with all the semi-colons in the right places, perhaps by introducing a draft Bill. All other things are not equal, however, and tremendous pressure exists to bring security to those people in private companies who have final salary pension schemes and who risk losing all or a large proportion of their pensions, if their company becomes insolvent. Although people are impatient because we cannot introduce such security until April next year, they would be very impatient if we were not to introduce it for another year or two. Therefore, although I apologise as a matter of courtesy, I do not apologise for the fact that the Government are introducing the Bill, even if it means that we have to amend it more heavily and more often than would normally be the case.

Mr. David Drew (Stroud) (Lab/Co-op): As I am sure the Minister understands, some people cannot retire at the moment such is their uncertainty about their pensionability. It is an issue of life and death for some people—that is why we have to introduce the Bill, get it right and do it quickly.

Mr. Speaker: Order. The hon. Gentleman is straying from the programme motion.

Malcolm Wicks: Let me sum up by saying that notwithstanding the Bill's complexity, we think that three days is a very adequate amount of time for the House to consider it on Report and Third Reading.

Question put:—

The House divided: Ayes 260, Noes 154.

Division No. 179] **[1:00 pm**

AYES

Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, Jean
Cousins, Jim
Cranston, Ross
Cruddas, Jon
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Donohoe, Brian H.
Doran, Frank
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gerrard, Neil
Gibson, Dr. Ian
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Heyes, David
Hood, Jimmy *(Clydesdale)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Lazarowicz, Mark
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonnell, John
MacDougall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy

Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meale, Alan *(Mansfield)*
Merron, Gillian
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moonie, Dr. Lewis
Moran, Margaret
Morley, Elliot
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
Olner, Bill
Organ, Diana
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pond, Chris *(Gravesham)*
Pound, Stephen
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Robertson, John *(Glasgow Anniesland)*
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheridan, Jim
Shipley, Ms Debra
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Sutcliffe, Gerry
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wyatt, Derek

Tellers for the Ayes:
Ms Bridget Prentice and Vernon Coaker

NOES

Allan, Richard
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burns, Simon
Burstow, Paul
Butterfill, Sir John
Cameron, David
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Djanogly, Jonathan
Doughty, Sue
Duncan, Peter *(Galloway)*
Duncan Smith, rh Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flook, Adrian
Forth, rh Eric
Francois, Mark
Gale, Roger *(N Thanet)*
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Hague, rh William
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jenkin, Bernard
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paterson, Owen
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Webb, Steve *(Northavon)*
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Willis, Phil
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Alan Reid and Mr. Geoffrey Clifton-Brown

Question accordingly agreed to.

Orders of the Day

Pensions Bill

[1ST ALLOTTED DAY]

As amended in the Standing Committee, considered.

New Clause 24

EARLY LEAVERS: CASH TRANSFER SUMS AND CONTRIBUTION REFUNDS

'After section 101 of the Pension Schemes Act 1993 (c. 48) insert—

"CHAPTER 5

Early leavers: cash transfer sums and contribution refunds

101AA Scope of Chapter 5

(1) This Chapter applies to any member of an occupational pension scheme to which Chapter 1 applies (see section 69(3)) if—

(a) his pensionable service terminates before he attains normal pension age, and

(b) on the date on which his pensionable service terminates—

(i) the three month condition is satisfied, but

(ii) he does not have relevant accrued rights to benefit under the scheme.

(2) For the purposes of subsection (1), the three month condition is that the period of the member's pensionable service under the scheme, taken together with—

(a) any previous period of his pensionable service under the scheme, and

(b) any period throughout which he was employed in linked qualifying service under another scheme,

amounts to at least three months.

(3) A period counts for the purposes of paragraph (a) or (b) of subsection (2) only so far as it counts towards qualification for long service benefit within the meaning of Chapter 1.

(4) For the purposes of subsection (1), "relevant accrued rights to benefit under the scheme", in relation to a member of a scheme, means rights which—

(a) have accrued to or in respect of him under the scheme, and

(b) entitle him to the relevant benefits which would have accrued to or in respect of him under the applicable rules if paragraphs (a) and (b) of section 71(1) (and the word "and" immediately preceding them) did not have effect.

(5) References in the following provisions of this Chapter to a member, in relation to an occupational pension scheme, are to a member of the scheme to whom this Chapter applies.

101AB Right to cash transfer sum and contribution refund

(1) On the termination of his pensionable service, a member of an occupational pension scheme acquires a right to whichever one he elects of the following options—

(a) a cash transfer sum;

(b) a contribution refund.

(2) Subsection (1) is subject to the following provisions of this Chapter.

(3) In this Chapter "cash transfer sum" means, in relation to a member of an occupational pension scheme, the cash equivalent, at the date on which his pensionable service terminates, of the benefits mentioned in section 101AA(4)(b).

(4) In this Chapter, "contribution refund" means, in relation to a member of an occupational pension scheme, a sum representing the aggregate of—

(a) the member's employee contributions to the scheme, and

(b) where transfer credits have been allowed to the member under the scheme by virtue of a payment ("the transfer payment") made by the trustees or managers of another occupational pension scheme, the member's employee contributions to that other scheme, so far as they—

(i) relate to the transfer payment, and

(ii) do not, in aggregate, exceed the amount of the transfer payment.

(5) In subsection (4), "employee contributions" means, in relation to a member and an occupational pension scheme, contributions made to the scheme by or on behalf of the member on his own account, but does not include—

(a) a transfer payment by virtue of which transfer credits have been allowed to the member under the scheme, or

(b) any pension credit or amount paid to the scheme which is attributable (directly or indirectly) to a pension credit.

101AC Notification of right to cash transfer sum or contribution refund

(1) This section applies where the pensionable service of a member of an occupational pension scheme has terminated.

(2) The trustees or managers of the scheme must—

(a) within a reasonable period after the termination give the member a statement in writing containing information adequate to explain—

(i) the nature of the right acquired by him under section 101AB, and

(ii) how he may exercise the right,

and such other information as may be prescribed, and

(b) afford the member a reasonable period after giving him that statement within which to exercise the right.

(3) The statement given under subsection (2)(a) must specify, in particular—

(a) in relation to the cash transfer sum to which the member acquires a right under section 101AB, its amount and the permitted ways in which the member can use it,

(b) the amount of the contribution refund to which the member so acquires a right, and

(c) the last day on which the member may, disregarding section 101AI(2), exercise the right ("the reply date").

(4) Information which may be prescribed under subsection (2)(a) includes, in particular—

(a) information about any tax liability in respect of, or deduction required or permitted to be made from, the cash transfer sum or contribution refund, and

(b) information about the effect on other rights of the member (whether under the applicable rules or otherwise) of exercising the right.

(5) The trustees or managers may notify the member that, if he does not exercise the right mentioned in subsection (2)(a)(i) on or before the reply date, the trustees or managers will be entitled to pay the contribution refund to him.

(6) Where the trustees or managers of the scheme fail to comply with subsection (2), section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.

101AD Exercise of right under section 101AB

(1) This section applies where a member of an occupational pension scheme acquires a right under section 101AB.

(2) The member may exercise the right by giving a notice in writing to that effect to the trustees or managers stating—

(a) which of the options under section 101AB(1) he elects, and

(b) if he elects for the cash transfer sum, the permitted way in which he requires that sum to be used.

(3) The notice under subsection (2) must be given on or before—

(a) the reply date, or

(b) such later date as the trustees or managers may allow in his case under section 101AI(2).

101AE Permitted ways of using cash transfer sum

(1) This section applies in relation to a cash transfer sum to which a member of an occupational pension scheme acquires a right under section 101AB.

(2) The ways in which the cash transfer sum may be used are—

(a) for acquiring transfer credits allowed under the rules of another occupational pension scheme—

(i) whose trustees or managers are able and willing to accept the cash transfer sum, and

(ii) which satisfies prescribed requirements,

(b) for acquiring rights allowed under the rules of a personal pension scheme—

(i) whose trustees or managers are able and willing to accept the cash transfer sum, and

(ii) which satisfies prescribed requirements,

(c) for purchasing one or more appropriate annuities,

(d) in such circumstances as may be prescribed, for subscribing to other pension arrangements which satisfy prescribed requirements.

(3) For the purposes of subsection (2), "appropriate annuity" means an annuity which satisfies prescribed requirements and is purchased from an insurer who—

(a) falls within section 19(4)(a),

(b) is chosen by the member, and

(c) is willing to accept payment on account of the member from the trustees or managers of the scheme.

101AF Calculation of cash transfer sum and contribution refund

(1) Cash transfer sums are to be calculated and verified in the prescribed manner.

(2) Any calculation of a contribution refund must conform with such requirements as may be prescribed.

(3) Regulations may provide—

(a) for amounts to be deducted in respect of administrative costs in calculating cash transfer sums;

(b) for a cash transfer sum or contribution refund to be increased or reduced in prescribed circumstances.

(4) The circumstances that may be prescribed under subsection (3)(b) include in particular—

(a) a failure by the trustees or managers of the scheme to comply with section 101AG(2) or (4) in relation to the cash transfer sum or contribution refund, and

(b) the state of funding of the scheme.

(5) Regulations under subsection (3)(b) may provide—

(a) for a cash transfer sum to be reduced so that the member has no right to have any amount paid by way of cash transfer sum in respect of him;

(b) for a contribution refund to be reduced so that the member has no right to receive any amount by way of contribution refund under this Chapter.

101AG Duties of trustees or managers following exercise of right

(1) This section applies where a member of an occupational pension scheme has exercised a right under section 101AB in accordance with section 101AD.

(2) Where the member has elected for the cash transfer sum, the trustees or managers of the scheme must, within a reasonable period beginning with the date on which the right was exercised, do what is needed to carry out the requirement specified in the member's notice under section 101AD(2)(b).

(3) When the trustees or managers have done what is needed to carry out that requirement, they are discharged from any obligation—

(a) in respect of any rights (including conditional rights) of, or in respect of, the member to relevant benefits under the applicable rules, and

(b) to make any other payment by way of refund to or in respect of the member of, or in respect of—

(i) the contributions, or any payment, mentioned in section 101AB(4), or

(ii) any other contributions made to the scheme, or any other scheme, in respect of the member (other than any pension credit or amount attributable (directly or indirectly) to a pension credit).

(4) Where the member has elected for the contribution refund, the trustees or managers of the scheme must, within a reasonable period beginning with the date on which the right was exercised, do what is needed to secure that the amount of the contribution refund is paid to the member or as he directs.

(5) When the trustees or managers have done what is needed to secure the payment of the contribution refund as mentioned in subsection (4)—

(a) they are discharged from any obligation in respect of any rights (including conditional rights) of, or in respect of, the member to relevant benefits under the applicable rules, and

(b) if they are required under the applicable rules, or determine in accordance with those rules, to make any payment ("the refund payment") by way of refund to or in respect of the member of, or in respect of—

(i) the contributions, or any payment, mentioned in section 101AB(4), or

(ii) any other contributions made to the scheme, or any other scheme, in respect of the member (other than any pension credit or amount attributable (directly or indirectly) to a pension credit),

the amount of the contribution refund may be set off against the refund payment.

(6) Where the trustees or managers fail to comply with subsection (2) or (4), section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.

101AH Powers of trustees or managers where right not exercised

(1) This section applies where—

(a) a member of an occupational pension scheme does not exercise a right acquired by him under section 101AB on or before the reply date or such later date as the trustees or managers of the scheme allow in his case under section 101AI(2), and

(b) the trustees or managers of the scheme have notified the member as mentioned in section 101AC(5).

(2) The trustees or managers may within a reasonable period beginning with—

(a) the reply date, or

(b) if a later date has been allowed as mentioned in subsection (1), that later date,

pay the contribution refund to the member.

(3) When the trustees or managers have paid the contribution refund to the member—

(a) they are discharged from any obligation in respect of any rights (including conditional rights) of, or in respect of, the member to relevant benefits under the applicable rules, and

(b) if they are required under the applicable rules, or determine in accordance with those rules, to make any payment ("the refund payment") by way of refund to or in respect of the member of, or in respect of—

(i) the contributions, or any payment, mentioned in section 101AB(4), or

(ii) any other contributions made to the scheme, or any other scheme, in respect of the member (other than any pension credit or amount attributable (directly or indirectly) to a pension credit),

the amount of the contribution refund may be set off against the refund payment.

101A1 Rights under section 101AB: further provisions

(1) A member of an occupational pension scheme loses any right acquired by him under section 101AB—

(a) if the scheme is wound up, or

(b) subject to subsection (2), if he fails to exercise the right on or before the reply date.

(2) If the member has failed to exercise any such right on or before the reply date, the trustees or managers of the scheme may allow him to exercise it on or before such later date as they may determine on the application of the member.

(3) Where the trustees or managers determine a later date under subsection (2)—

(a) they must give a notice in writing to that effect to the member, and

(b) subsection (1)(b) applies in relation to the member as if the reference to the reply date were a reference to the later date.

(4) For the purposes of subsection (3) and sections 101AC(2) and 101AD(2), a document or notice may be given to a person—

(a) by delivering it to him,

(b) by leaving it at his proper address, or

(c) by sending it by post to him at that address.

(5) For the purposes of subsection (4), and section 7 of the Interpretation Act 1978 (c. 30) (service of documents by post) in its application to that subsection, the proper address of a person is—

(a) in the case of a body corporate, the address of the registered or principal office of the body, and

(b) in any other case, the last known address of the person.

(6) This Chapter is subject to any provision made by or under section 61 (deduction of contributions equivalent premium from refund of scheme contributions)—

(a) permitting any amount to be deducted from any payment of a contribution refund, or

(b) requiring the payment of a contribution refund to be delayed.

(7) In this Chapter, except where the context otherwise requires, the following expressions have the following meanings—

"the applicable rules" means—

(a) the rules of the scheme, except so far as—

(i) paragraph 3 of Schedule 5 to the Social Security Act 1989 (c. 24) (equal treatment),

(ii) section 129 of this Act,

(iii) section 117 of the Pensions Act 1995 (c. 26),

(iv) section 31(4) of the Welfare Reform and Pensions Act 1999 (c. 30) (pension debits: reduction of benefit), or

(v) section 264 of the Pensions Act 2004,

overrides them,

(b) any provision of any of those Acts which overrides or modifies any of the rules of the scheme by virtue of one of the provisions mentioned in paragraph (a), and

(c) any provision which the rules of the scheme do not contain but which the scheme must contain if it is to conform with the requirements of Chapter 1 of this Part;

"member" has the meaning given in section 101AA(5);

"permitted way", in relation to a cash transfer sum, means any of the ways specified in section 101AE(2) in which the sum may be used;

"relevant benefits" means benefits which are not attributable (directly or indirectly) to a pension credit;

"reply date", in relation to a member whose pensionable service has terminated, has the meaning given in section 101AC(3)(c).".'.—*[Malcolm Wicks.]*

Brought up, and read the First time.

1.14 pm

The Minister for Pensions (Malcolm Wicks): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this, we may take Government amendments Nos. 147, 156, 157, 159 to 164 and 171.

Mr. Wicks: Although the Opposition would prefer me to move the new clause at the end of Blackpool pier, I am—rather conventionally and conservatively—in the House of Commons, which is appropriate.

New clause 24 introduces a new provision that will increase opportunities for pension saving for early leavers. It will give them the choice of a cash transfer sum to be taken to a stakeholder or other appropriate scheme, or a refund of their contributions. Occupational pension schemes can have rules that require employees to be members of the scheme for a specified length of time before they secure rights under the scheme. That is known as a vesting period. Legislation provides that a vesting period cannot be longer than two years.

When members leave a pension scheme after their rights have vested but before their pensions are payable, their pension rights must be preserved in the scheme, or transferred to another scheme or arrangement. However, at present, employees who leave during a vesting period may find that the best they can get is a refund of their contributions, less tax. We believe that more employees, especially those who change jobs frequently, should be given greater opportunity to build up pension rights. The new clause will apply to employees who have been members of an occupational pension scheme for at least three months but leave before the end of a vesting period.

The trustees of the scheme will be required to inform the early leavers of their entitlement to the choice between a cash transfer sum and a refund of their contributions. They will have to set out the value of each option, tell the members about the types of scheme to which a cash transfer sum may be transferred, and give them a reasonable time in which to decide. Supplied with sufficient information to make an informed choice, early leavers should, in future, be in a better position to make positive decisions about their pension savings.

Younger people in particular, who may expect to have several relatively short-term jobs at the start of their working lives, may be more attracted to joining a scheme, when one is on offer, if that means that they can start to build up savings for a pension. Hon. Members may recall that, in our Green Paper, "Simplicity, security and choice: Working and saving for retirement", we proposed that rights in all schemes should vest immediately. The quid pro quo, to avoid schemes having to administer very small pensions for many years, was that trustees should be able to transfer small pension rights below a de minimis value to a stakeholder scheme, so long as the member did not object.

Consultation on the proposals produced several concerns, to which we gave careful thought. There was much anxiety about imposing extra administrative burdens on schemes and about the risk of trustees facing mis-selling claims if they transferred de minimis amounts without the members' consent. On the other hand, the proposals were warmly welcomed by consumer groups, especially those such as the Equal Opportunities Commission, which took the view that they would be of particular benefit to many women. We therefore drew up the revised proposal as set out in the subsequent paper, "Action on occupational pensions".

We believe that the amendments present a balanced way of improving opportunities for pension saving for early leavers without the disadvantages of the original proposals. They put the focus on individuals making an informed choice about their pension savings. Although we acknowledge that there will be some extra administrative requirements on schemes, they should be less burdensome than the original proposals. Many schemes that operate a vesting period already provide contribution refunds under their own rules. All schemes already have to have arrangements in place to calculate transfer values. The extra administrative load in those cases will be in presenting the options to members. It is not great when compared with the potential benefits for members.

We estimate that funding costs could be approximately £50 million a year for all occupational schemes and that additional administration costs will be around £9 million a year—clearly, with greater impact on companies where there is a high turnover of staff. Those additional costs will of course be incorporated in the revised regulatory impact assessment for the Bill.

On the other hand, the benefits for individuals could be significant. Let us consider, for example, the case of an employee who is a member of a defined contribution scheme for 18 months, earning £20,000 a year. If employee contributions were 3 per cent. of earnings and employer contributions were 4.5 per cent., a refund of contributions would be £900. Depending on investment return, a cash transfer sum might reasonably be between £2,000 and £2,500. That would provide a significant boost to personal saving for retirement. The clause itself is quite complex because it inserts a new chapter 5 into part 4 of the Pension Schemes Act 1993.

Mr. Steve Webb (Northavon) (LD): That example is in the guidance notes that have helpfully been provided to Members. Rather than giving the figures of £2,000 and £2,500, as the Minister has just done, the notes cite a figure

"of the order of £2,385",

which is quite precise. Are these amounts determinate? The Minister's figures had a range of about a quarter. Is there a formula involved, or do we not know what the figure will be? Perhaps there is some discretion as to how much will be involved. I am slightly puzzled by this discrepancy.

Malcolm Wicks: It will depend on returns on investments, and things of that kind. The information note gave a very precise figure, and perhaps we have very precise calculators at the Department for Work and Pensions. I have now given the House a range of between £2,000 and £2,500, which might be more realistic. If I can give the hon. Gentleman more guidance in writing, I will do so. The main point that I am trying to make is that, in introducing this choice, we are determined that the individual making the choice should have proper information, because a transfer will often be the most sensible option for a younger person, or anyone else, to choose. The differences between taking the money, as it were, and the transfer value will be quite considerable.

Part 4 of the Pension Schemes Act 1993 deals with protections for early leavers. The new chapter 5 contains many of the provisions that apply to current rights to transfer values for members whose rights have already vested by the time they leave pensionable service. I assure the House, therefore, that the significant length of this clause does not represent some new substantial burden of regulation. It is rather a self-contained section of legislation in which some of the existing requirements on transfers are brought together to underpin the new option for employees. This forms a complete legislative guide for schemes to operate.

The clause provides that the scheme's trustees or managers must give early leavers sufficient written information for them to be able to make a choice of taking either a contribution refund or a cash transfer sum, as I have just noted. They must be given a reasonable period of time to make this decision. The notice issued to them must have a date by which they need to confirm their choice in writing. A code of practice produced by the regulator will set out what is a reasonable time, and the regulator will be able to impose sanctions on trustees or managers who fail to comply with the obligations in the legislation.

If a member elects to take a cash transfer sum, the trustees must ensure that it is used in a way permitted through this clause. Permitted options include transferring the sum into another occupational pension scheme, transferring to a stakeholder scheme or other personal pension, or purchasing an annuity. The clause also provides that, if a member fails to inform the trustees or managers in writing of his choice by the reply date, or any later date allowed, the trustees may by default pay a contribution refund. The scheme will not then be left with an obligation to hold on to small amounts of pension and maintain records of them for an indefinite period.

I believe that these new provisions will be of significant benefit to early leavers in future, and I commend them to the House. I should add that amendments Nos. 147, 156, 157, 159 to 164 and 171 are technical consequential changes—to existing definitions, for example—as a result of new clause 24. I ask hon. Members to accept the amendments.

Mr. George Osborne (Tatton) (Con): This is the first of the 28 Government new clauses that my hon. Friend the Member for Havant (Mr. Willetts) talked about and the first of those that have not been subjected to adequate parliamentary scrutiny. At least we know that one new clause—new clause 23—has been subjected to adequate scrutiny, because I introduced it in Committee, where the Government objected to it but they have now brought it back. Unfortunately, new clause 24, which is one of the most significant new clauses, has not had adequate scrutiny. As the Minister said, it gives employees who have been with a company for just three months the ability to take with them, when

[Mr. George Osborne]

they leave, a refund or a cash transfer sum of the kind that is currently available only to those who have been employed for more than two years.

Of course we want to encourage people to build up pension provision. It is generally recognised on both sides of the House that people are not making adequate provision for their pensions and that younger people often make no such provision because they think that it is something that they can delay until they are settled into employment later in life. I certainly see the merit, therefore, in helping people who change jobs quite often in their younger years to build up a pension provision, although there are already products such as personal pensions available to help them to do that. With the Government's proposed changes to the taxation of pensions and the idea of a lifetime limit, for example, it will also be much easier—one hopes—for people who change careers consistently to build up their pension provision. I recognise, however, that the proposal is worth considering.

The Equal Opportunities Commission, Age Concern and the Fawcett Society have all pointed out that the measure could disproportionately help women. We discussed pension provision for women in Committee and we all agreed that it needed to be improved, although we disagreed on how that might be done.

Why has the new clause been tabled so late in the Bill's passage? I am afraid that that will be a theme for the next hour, because the measure did not come out of the blue. Nor—unlike new clause 34, which we shall discuss tomorrow—has it required crisis meetings in the Government, the bringing together of different Departments and the brokering of an agreement by the Prime Minister. It was in the Green Paper and was then amended and put into the White Paper, so why was it not included when the legislation was introduced in the House of Commons? Why was it tabled only at the very last moment, a couple of days before Report? The explanatory notes were given to Members only yesterday or this morning, depending on when we received the letter. In fact, I am not sure that I received the letter at all; I had to photocopy the one that had been given to my hon. Friend the Member for Eastbourne (Mr. Waterson)—but do not worry, I have read it anyway.

Because the measure has been introduced so late, the Government have not allowed outside organisations to make comments and criticisms or question the new clause's drafting. The Minister knows only too well that that is an important part of the legislative process. It is not simply a question of Ministers and Opposition spokesmen arguing things out across the Dispatch Box; the parliamentary process allows us to raise these issues in Parliament on behalf of outside organisations such as trade unions—I know that some hon. Members will speak on their behalf today—pension fund managers and many others. That is simply not possible when important changes such as this are introduced at the last moment.

Will the Minister say more about the significant changes that have taken place between the publication of the Green Paper, the White Paper and the Bill? He touched on the matter earlier when he said that the proposal in the Green Paper for immediate vesting was objected to by employers, although it had been welcomed by consumer organisations and people representing employees. Will he tell us more about the practical nature of those objections, because some of them will apply to people who have been working for only three months?

Will the Minister also explain why he has dropped altogether the proposal in the Green Paper for schemes that have to administer very small amounts of pension to be able to transfer the de minimis amounts to a stakeholder pension? There will still be people on low incomes who will have de minimis amounts after three months and the administration of a large number of such pension schemes could place significant burdens on the pension provider, the cost of which will have to be picked up by all the other scheme members; there is no such thing as a free lunch.

1.30 pm

I asked the National Association of Pension Funds for its view but, like the rest of us, it has struggled to keep up with the Government's new clauses. It stressed that its initial comments did not represent a settled NAPF view, but it highlighted some interesting concerns, saying that

"the 3 months vesting period could potentially cause large problems for an employer who has a large turnover of staff. The result will be lots of small value benefits being vested and significant ongoing admin of these benefits as a result. A lot of the detail around the transfer value is to be prescribed so it is difficult to comment on the basis to be used. The power to transfer out must be given full protection and effective ways to do this will need to be stated."

But, of course, we do not know what these are yet. It continues:

"How viable is the transfer out of very small benefits and are other providers willing to accept these small values?"

Are there providers who will accept the value of someone who has been in employment for only three months? The NAPF also pointed out that the original two-year vesting requirements were suggested precisely because of those potential problems.

In the Green Paper, the Government said, optimistically, that the proposals could help employers to retain staff. That claim was subsequently dropped in the White Paper and the Minister did not repeat it in the House, because it might have exactly the opposite effect. The pension rights offered by a company are often an incentive to remain with a company for the long term, but these measures could give a perverse incentive that allows employees to leave after three months without having to make a commitment over a longer term. Someone will not be as settled in employment after three months as they would be after a year or two. Perhaps the Government could explain the three-month figure.

I know that, elsewhere in the Department, 13 weeks is the definition of sustainable employment in new deal programmes and the like. What is the reason for three months? What assessment have the Government made of the impact on employers' ability to retain staff? Have they any evidence to back up the claim made in the Green Paper? What are the costs? The Minister said that the measure did not represent significant extra burdens for schemes, but what is the evidence for that? We have not seen a full regulatory impact assessment, but there

will be administrative costs for schemes. I know that the Minister mentioned that in passing, but he did not give hard figures. Perhaps he would undertake to provide us with a proper regulatory impact assessment.

Has the Minister considered something that was floated by the Government themselves? There may be a perverse incentive for employers to introduce waiting periods; in other words, periods after which an employee could join a scheme. In effect, that would defeat the object of the new clause. A company could take on a new employee but say that he could not be a member of the pension scheme for at least two years.

Flexibility and enabling people to build up pension funds while they move jobs is important. We are not against the principle of the new clause, but a huge amount of detail remains to be fleshed out. As it has been introduced so late in the process, it is difficult for the Opposition to undertake the scrutiny that is needed.

Mr. Webb: We welcome the spirit of new clause 24. The people affected by regular job moves or short-term employment will tend to be younger people and, perhaps, women in particular. One of the legion of reasons why many women have poor private pension rights in retirement today is a problem that we are trying to deal with through new clause 24: the fact that they may never have entered a scheme or that, if they were part-time, they had fewer rights than full-time workers. Many of those things have been changed but the new clause deals with something that remains a problem: the fact some people never get into a scheme for long enough to build up a decent pension right.

My wife left the NHS pension scheme after a fairly short period and, as they used to say, took out her superannuation. As a result, she will accrue smaller occupational pension rights. Obviously, she married wisely, so that should not be a problem but—abstracted from my present circumstances—we want women to have good pension rights in their own right, not least because they might not end up being married to their present husband as pensioners. Anything that gives people in short-term jobs, and women in particular, better pension rights has to be a good thing in principle. We welcome the principle of the new clause.

Before the thoughtful speech of the hon. Member for Tatton (Mr. Osborne), I had written down, "Why now?" The Minister referred to "Action on Occupational Pensions", the White Paper that we were not allowed to call a White Paper that was published about a year ago. Why has the new clause appeared at this point in the proceedings when it is so difficult to make a serious assessment of it? It is not driven by the EU directive or by the tax simplification in the Finance Bill, which is the reason why so many parts of the process have been late.

What has been the problem? Were the drafters so busy with the other things that the Government have done that this was deemed a low priority and had to be done late in the day? I am concerned that this has been slipped in, as it were, especially given that we are all sympathetic towards the measure. I do not think that the Government want to avoid scrutiny of it; I am sure that they do not.

I intervened on the Minister to get an understanding of how much people can transfer across. In the worked example given by the Minister—someone on £20,000 a year, with 3 per cent. employee contributions and working for 18 months—one can see that, if they have their money back, they get £900, but I am puzzled as to where the cash equivalent transfer figure comes from. I thought that if they got £900, presumably the tax relief would have been considered. If one put £900 into a pension fund, it would be grossed up by the amount of tax relief, presumably, and would be worth more than £1,200. If one then added back in the value of the employer contributions, one would get a figure of about £2,500, rather than the £2,385 we have been given. The figure is not clear.

New clause 24 alone takes up six pages—one can see why we sought to divide the House on the timing of debates—that none of us really understands. *[Interruption.]* I am sure that the Minister does understand it; I absolve him from that, but the rest of us are struggling. For example, subsection (1) of proposed section 101AF, which is headed, "Calculation of cash transfer sum", says:

> "Cash transfer sums are to be calculated and verified in the prescribed manner",

which we have not seen.

It is apparent that dozens and dozens of regulations will be associated with the dozens of new clauses that the Government have tabled. That raises a serious issue that we might as well deal with now, rather than at every single new clause. Presumably, there will be a substantial burden on the parliamentary drafters in the Department who produce the regulations, which are the law of the land just as much as the new clauses. Have additional staff been taken on by the Government? Have the Government obtained additional parliamentary drafting resources to deal with the vast range of regulations that will be needed to support the new clauses? Given that we want this measure included—we want early leavers given good opportunities to build up pension rights—we want it to be included as soon as possible. If the Government have a couple of dozen regulations to write, we might have to wait a long time. I hope that the Minister can reassure us that his Department has the capacity needed to produce the detailed regulations required.

There are also worries about the scrutiny of those regulations. I am not aware that they will be subject to the affirmative resolution procedure. The chances are that they will be among the many negative resolutions that just appear on a list, about which many of us think, "Can we be bothered to try to force an hour and a half on that, when we can't amend it anyway?" I am worried about the Department's capacity to produce the regulations in a timely manner and in a way that will allow people to make useful comment.

My point on the cash transfer sums is that they must be definitive. To produce the figures given to us in our briefing notes, the Department must have had in mind a formula or structure for the sums. For the benefit of the wider audience who read our proceedings, will the Minister put on record the Department's current thinking on the way in which the transfer values will be calculated? A quite precise figure was given in our briefing, but the Minister implied that there would be a large range of possible transfer values. It would be helpful if the Government's thinking could be placed on record now so that, if there is a problem, actuaries and

[Mr. Webb]

others who understand such matters far better than we in the House do can make early representations to the Government to allow them to do the best job possible when the regulations appear.

I have a further question on calculating cash equivalent transfer values. Are they intended to be actuarially neutral? In other words, is it intended that the amount of money that I will be given to put into a new pension if I leave my old one will be simply the equivalent of the money that I have put in, the money that the employer has put in and the return that we have had on it, or is some concept of incentive built in? Are the Government adding a bit at the expense of other scheme members or is there a slight penalty? Under the regulation in new section 101AF(3)(a), "amounts" may

"be deducted in respect of administrative costs in calculating cash transfer sums",

which involves something of a penalty element. Apart from that, is it intended that the transfer values should be actuarially neutral or is there some reward? The Minister hinted that there would be some reward for taking the money and reinvesting it in a new pension. Presumably, any such reward would be to the detriment of other scheme members if it were other than actuarially fair. If that were the case, we would object, so I hope that the Minister can clear up that point for us.

We want improved provision for people who leave early and, ideally, we want the money that they already have in a pension scheme to go into a new pension scheme, rather than just paying for a foreign holiday. That has to be the right direction. However, as will no doubt be remarked again this afternoon and during the coming three days, much is still being left to regulations of which we have not yet even seen drafts, so I hope that the Minister can give the House and the wider audience a clearer idea of the Government's thinking on these matters.

Peter Bottomley (Worthing, West) (Con): If new clause 24 and its associated amendments had been introduced when the Bill was first laid before the House, I could have consulted actuarial adviser Mr. Gordon Bayley, but sadly his memorial service will be held on Thursday at St. Lawrence Jewry. The Society of Actuaries memorial notice to him shows that he was one of the people who helped to build up the pensions industry in a massive way at the National Provident Institution, because he saw that the effect of tax on pensions would allow great growth in the provision of second pensions. Both main parties now agree that that is the way to go forward where possible, and the only reason to introduce the new clause is to allow the best value to come from what remains of second pensions.

This is not the debate in which to discuss every other matter on which adjustment is necessary but, just to mention one or two, we have not solved the problem of the overseas pensioners in half the world who do not even receive upratings on their state pensions. That might be lawful, but it is a totally unjustifiable penalty on British pensioners living in the old Dominion countries, such as Canada, South Africa and Australia. Nor does this measure deal with the problem of the second wives of officers married before 1973. However, what we can do on this measure is to give in some detail the questions that the Government must answer.

One of those questions, on actuarial fairness—I am sure that Gordon Bayley would have asked me to ask this—is whether we are dealing with fairness simply in terms of the contributions made by the employer and employee, or whether we are talking about an actuarially fair share of the pension fund itself. If, for example, I am affected, and my pension fund has for some reason been invested incredibly wisely, will I receive a greater amount in the cash transfer than if I had been in a pension fund that had not been invested with particular success?

1.45 pm

If there are adjustments in relation to taxation, can the Government say now whether the rates prescribed will be the tax rates that exist now or a collection of the tax rates that have existed since the time when I was a member of a pension scheme? If I may use a small example—I shall not take it too far, because it is not important—I have an expectation in 2009 of receiving £351 a year from the successor to the pension fund that I was in before I entered the House of Commons. I used to put neon lights outside theatres and cinemas in the west end, and the old Signs Department for which I worked, which became part of Mills and Allen, and is part of the united pension plan, will apparently give my estate £250 if I die before 2009, and will give me £351.47 if I survive long enough.

I am interested to know whether people like me will, in principle—I have had the chance of earning a pension here, so I am not concerned about the pennies—have a gain to their pension fund because they will not have to have those little pots, which will be accepted as a reason why the Government are introducing this measure. The question is whether the transfer value in is the same as that which an actuary would volunteer as the transfer value out. In the days when, in the private sector, I was responsible for the interests of pensioners and prospective pensioners, that was the question that I put. I would ask not only how much a company would give in transfer to a person who wanted to leave but how much prospective pension entitlement it would want to give to a person in those circumstances in the future, and see whether the actuary gave the same answer to both questions.

I hope that there will be some way, in consultation with the actuarial profession, insurance companies and pension managers, in which Ministers will be able to give a clear answer to that question. I do not think that it will be possible for them to give one today, because there has not been time to go into the details, but that is one question that needs asking.

A further question is on the tax treatment of pension funds. We will tie round this Government's neck until they go from office—which I hope will not be too far away—the fact of their taking away what was £5 billion a year from prospective pensioners. The study by John Littlewood for the Centre for Policy Studies shows that, although the economy may not have done too badly during the past seven years, the stock market, which is where many pension funds have gone, has gone down in real terms. When we are talking about the calculation for the transfers, we have to realise that one of the inglories of the present Government is the way in which

they have diminished the funds that pensioners have held on their behalf. I hope that the Government are suitably ashamed of that.

Malcolm Wicks: I shall try to deal with some of the points raised by the hon. Member for Worthing, West (Peter Bottomley) in a moment, although I shall not be drawn too far on the period before he entered the House of Commons when, as I understood his story, his name was in lights above west end cinemas. Perhaps I have deliberately misunderstood that, although I think that it led to an issue about transfer values.

I shall first deal with some of the questions of the hon. Member for Tatton (Mr. Osborne), who is not in Blackpool but in the House of Commons. I am pleased to see half of his Front-Bench team here. He asked, not for the first time, why the new clause was late. There is no specific answer to that question, although the reason relates to the general answer that I gave when we were discussing the motion on the three days of debate: we have been under a great deal of pressure to get the Bill into shape because of the demands for the protection that it offers to come into force as soon as possible. Because of the need to consider the issues surrounding the pension protection fund, and the more recent concerns about Allied Steel and Wire and other workers and the regulator, this measure has had to take its place in the queue in terms of time for consideration and drafting. I am afraid that I can add nothing more on that.

The idea of simply doing away with vesting periods altogether has been touched on. The Green Paper proposal that such periods no longer be permitted was coupled with the proposal that trustees be able to transfer de minimis amounts to a stakeholder pension. Those proposals received a mixed reception and we are concerned that they would impose excessive funding and administrative costs on schemes. The provisions in the new clause strike a reasonable balance for both schemes and members, and fully support the promotion of informed choice in pension saving. It is a question of striking a balance and we hope that we have got it right.

Mr. George Osborne: On a related point about which I forgot to ask the Minister earlier, what happens to police officers and firemen, for example, in unfunded public sector schemes who leave after three months? Is the police service or fire service required to provide a cash transfer?

Malcolm Wicks: If I may, I shall come back to the hon. Gentleman on that point.

During the discussion of transfer values, it was almost implied—although not by the hon. Gentleman—that we have invented a new concept but, of course, we have not. Transfer values have been around for a very long time—since before the name of the hon. Member for Worthing, West was in cinema lights. Essentially, the answer to the question of how they are calculated is the same as the answer to the general question about transfer values. We are not establishing a new concept. Indeed, as some of us know, many people in public sector schemes can already transfer money from one scheme to another type of scheme, so I would imagine that such an arrangement is perfectly possible. For the sector as a whole, we concede that a reasonable time should be allowed for people to make use of their pension rights, but in our view that period should be three months. Two years was too long.

The hon. Member for Tatton asked whether certain providers will accept very small investments. We accept that very small amounts might cause disproportionate administrative costs, which is why an employee will have to have been in a scheme for three months to qualify for a cash transfer sum. Such a provision reflects the argument about where we should draw the line in terms of a time period. However, so far as people who have been in a scheme for up to two years are concerned, we are not talking about trivial sums, especially where such a person qualifies for more than one cash transfer sum from a succession of employments.

Peter Bottomley: Can the Minister tell us, either now or later, whether the three-month period applies not only to full-timers but to part-timers?

Malcolm Wicks: It is very important that we give equal rights to part-time and full-time workers, so the answer to the hon. Gentleman's question is yes.

On the cost burden of the schemes, I did in fact give the figures during my opening speech. I am pleased to reiterate that the estimated administrative cost is £9 million a year and that the actual cost of the new pension rights could be some £50 million a year. It is clearly important that a fully revised regulatory impact assessment be published before this issue is considered in another place, and that is what we shall do. Essentially, cash transfer sums are based on the rights that the individual would have accrued in the occupational pension scheme but for the vesting rule. I do not pretend to be an actuary myself, but if any Member requires more detail on the actuarial niceties of the provision, I am happy to supply it.

I should make clear to the hon. Member for Northavon (Mr. Webb)—I thought that I had already done so, but perhaps the point was missed—one of the differences in terms of choice. During the period in question, an employee can choose to take out their contribution but not the employer's. Of course, because the transfer value is going to be used for pension purposes, it includes both the employer's and the employee's contribution. That will help to explain the arithmetic to the hon. Gentleman. *[Interruption.]* He looks doubtful, but we shall put new batteries in our calculator and provide him with any further information that we can.

Mr. Webb: I am not sure that the Minister has responded to the point that the hon. Member for Tatton (Mr. Osborne) made about the danger of the new clause being circumvented by certain schemes. If a given scheme has to count someone in straightaway, new rules could be set up that prevent someone from being in the scheme for the relevant period. Is there not a danger that the new clause could indeed be circumvented in the way that he suggested?

Malcolm Wicks: I think that one or two such schemes—in which one serves a probationary period, as it were—already exist, and I regret that fact. Of course, this issue touches on a wider question. The Government

[Malcolm Wicks]

are committed to what we call the voluntary approach to spreading good practice and to encouraging and enabling employers to have proper pension schemes; we are not in the business of compulsion. However, many urge that approach on us, and the Pensions Commission will one day report on such matters. The logic that follows from the hon. Gentleman's question requires that we move towards compulsion, but that is not where we are at the moment.

Mr. George Osborne: I am grateful to the Minister for giving way, and to the hon. Member for Northavon (Mr. Webb) for pointing out that the Minister has not in fact answered my question. Indeed, in talking about some of the representations that they had received, the Government raised this issue themselves in their White Paper. They said:

"There were a number of concerns, not least the extra administrative burdens that would arise and the risk that these might prompt employers to introduce waiting periods, which would be a regressive step".

The Government have not answered a question that they themselves posed.

Malcolm Wicks: Such a step would be regressive, but the question is whether the Government should be able to legislate to prevent that from happening. As I said to the hon. Member for Northavon, that raises the wider question of compulsion. We do not want to go there, but of course, the door remains ever open.

It is very useful that the hon. Member for Northavon is prompting the hon. Member for Tatton on certain questions. Given that the Conservative Front Bench is only 50 per cent. full and that the shadow Minister of State cannot be here today, such co-operation is important.

In the light of my comments, I ask that the new clause be accepted.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 25

CATEGORIES OF PENSION SCHEME

'(1) Section 1 of the Pension Schemes Act 1993 (c. 48) (categories of pension scheme) is amended as follows.

(2) The provisions of the section shall become subsection (1) of the section.

(3) In that subsection, for the definitions of "occupational pension scheme" and "personal pension scheme" substitute—

""occupational pension scheme" means a pension scheme—

(a) that—

(i) for the purpose of providing benefits to, or in respect of, people with service in employments of a description, or

(ii) for that purpose and also for the purpose of providing benefits to, or in respect of, other people,

is established by, or by persons who include, a person to whom subsection (2) applies, and

(b) that has its main administration in the United Kingdom or outside the member States;

"personal pension scheme" means a pension scheme that—

(a) is not an occupational pension scheme, and

(b) is established by a person within any of the paragraphs of section 144(1) of the Finance Act 2004;".

(4) After that subsection insert—

"(2) This subsection applies—

(a) where people in employments of the description concerned are employed by someone, to a person who employs such people,

(b) to a person in an employment of that description, and

(c) to a person representing interests of a description framed so as to include—

(i) interests of persons who employ people in employments of the description mentioned in paragraph (a), or

(ii) interests of people in employments of that description.

(3) For the purposes of subsection (2), if a person is in an employment of the description concerned by reason of holding an office (including an elective office) and is entitled to remuneration for holding it, the person responsible for paying the remuneration shall be taken to employ the office-holder.

(4) In the definition in subsection (1) of "occupational pension scheme", the reference to a description includes a description framed by reference to an employment being of any of two or more kinds.

(5) In subsection (1) "pension scheme" (except in the phrases "occupational pension scheme", "personal pension scheme" and "public service pension scheme") means a scheme or other arrangements, comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of people—

(a) on retirement,

(b) on having reached a particular age, or

(c) on termination of service in an employment.

(6) The power of the Treasury under section 144(4) of the Finance Act 2004 (power to amend sections 144 and 145) includes power consequentially to amend—

(a) paragraph (a) of the definition in subsection (1) of "personal pension scheme", and

(b) any provision in force in Northern Ireland corresponding to that paragraph.".'.—*[Mr. Pond.]*

Brought up, and read the First time.

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss Government amendments Nos. 76, 132, 169, 170 and 172.

Mr. Pond: New clause 25 introduces new definitions of the occupational pension scheme and personal pension scheme in section 1 of the Pension Schemes Act 1993. The changes are a consequence of the tax simplification provisions in the Finance Bill, and they also ensure that the UK is compliant with the European Union directive on institutions for occupational retirement pensions. I shall also deal with Government amendments Nos. 76, 132, 169, 170 and 172, which are directly consequential to the changes to the definitions.

The current definition of "occupational pension scheme" is very similar to that for "personal pension scheme". If we had had to rely on those definitions alone, it could have proved difficult to decide how some schemes should be classified. In practice, that has not proved to be a problem until now, because the Inland

Revenue system has always made it clear within its eight categories for determining tax approval whether a scheme is given tax approval as an occupational pension scheme or as a personal pension scheme. However, that will change under the simplified tax regime introduced in the Finance Bill. In future, schemes will register for tax purposes, rather than having to obtain approval.

Clause 143 of the Finance Bill will introduce a single simplified regime that will apply the same registration treatment to all schemes, no longer distinguishing between occupational and personal pension schemes. The definitions in the Pension Schemes Act 1993 will therefore become critical in determining to which regulatory regime a scheme will be subject—the pensions regulator for occupational pension schemes or the Financial Services Authority for personal pension schemes.

2 pm

The new definitions in the new clause will ensure that pension schemes are correctly classified. For example, the group personal pension scheme is properly classified as a personal pension scheme, not as an occupational scheme. Subsection (3) provides that an occupational pension scheme is a scheme that provides

"benefits to, or in respect of,"

employees and ex-employees in a particular employment, as described in the scheme documentation. It may be a single-employer scheme or a multi-employer scheme. It further provides that, for the purposes of definition, an "occupational pension scheme" is one

"that has its main administration in the UK or outside"

the EU. The definition of personal pension scheme is in line with that in the Finance Bill, but includes the words

"is not an occupational pension scheme".

That is to ensure that, where a company—an insurance company, for example—is authorised under clause 144(1) of the Finance Bill to establish a personal pension scheme and it has an occupational pension scheme for its own employees, that scheme is correctly classified as an occupational scheme.

Subsection (4) makes it clear that an occupational pension scheme can be established by a single employer, a group of employers or by a person representing such employers or their employees. It further defines a pension scheme as a scheme or arrangement that provides benefits "on retirement", at "a particular age" or "on termination of service". It does not include arrangements that provide only death benefits. As now, those will be excluded from the scope of the Pensions Act.

Government amendments Nos. 76, 132, 169, 170 and 172 are directly consequential on the new definitions of occupational pension scheme and personal pension scheme introduced by new clause 25.

Mr. Webb: Before the Minister moves on to the consequential amendments, I refer him to subsection (3) of the new clause. According to our helpful notes, the subsection is needed for particular schemes, such as MPs' schemes—that obviously caught our eye—or those for the police. Will he clarify what is so special about those schemes that they require a separate subsection, because I do not understand what makes them so different?

Mr. Pond: The schemes are in respect of those employees or former employees in a particular employment, as described in the scheme documentation. It could be a single-employer or a multi-employer scheme. We were seeking to clarify definitions in the new clause, so it was important to show where those schemes fitted within the structure of classifications.

The consequential Government amendments Nos. 132, 169, 170 and 172 amend the definition of "employer" in clause 275 of the Bill and in section 124 of the Pensions Act 1995. Clause 275 provides definitions of the terms used in the Bill, and section 124 does the same for part 1 of the Pensions Act 1995, which deals with occupational pensions. The amendments will ensure that the definition of employer is consistent with the new definition of an occupational pension scheme. The amendments are clarifications, which ensure that occupational pension schemes and personal pension schemes are correctly identified and that, as a result, they fall to be regulated by the appropriate authority—the pensions regulator for occupational pension schemes and the Financial Services Authority for personal pension schemes.

Mr. George Osborne: It seems strange that, after ploughing through a Bill of 282 clauses and 13 schedules, which were debated in 22 sittings in Committee, at the end of the process, the Government suddenly decide that they need to include some definitions of what is being talked about. At times, while listening to the Minister, I felt that I was attending one of the lectures about pension schemes provided by the hon. Member for Northavon (Mr. Webb)—*[Interruption.]* That is probably a fate worse than death, when I think about it.

I have no fundamental criticism of the new clause, but I do want to ask about the extent of joined-up thinking involved in it. As I understand it, the new clause will define all pension schemes as either occupational or personal. That sounds like a pretty good thing, but if we study the Bill, we find that it is littered with other terminology. For example, when I looked at the Bill this morning, I opened it at clause 113, which deals with money purchase schemes. We know that such schemes are personal pension schemes, but why is the terminology used in that clause different from that used in the definitional new clause? If we want simplification and if the point of the new clause is to create common terminology, should not the same terminology apply throughout the Bill? One of the problems that the wider public have with understanding pensions is the fact that different forms of words are often used to describe pretty much the same product.

That brings me to the Finance Bill. When I have finished on the Pensions Bill, my joy on Tuesday next week will be to embark in Committee for five weeks or so on consideration of the pensions tax provisions of the Finance Bill, shadowing for much of the time the Financial Secretary. I have already started to mug up on the Finance Bill, and I am sure that the Minister knows that clause 142 of it has its own set of definitions for

[Mr. George Osborne]

pensions. Indeed, it has four definitions—dividing pensions into four different categories. The first is occupational, though it also calls them defined benefit schemes—another example of the use of different terminology. Secondly, the Finance Bill refers to money purchase schemes, using the words "money purchase" instead of "personal" as in this Bill. It introduces a third new category called "cash balance schemes". They do not appear in Department for Work and Pensions legislation, but in Inland Revenue legislation they do so. Finally, there are hybrid schemes. Leaving them aside—they explain themselves—we have three definitions: occupational, money purchase and cash balance. Only one—the occupational—uses the terminology in new clause 25.

There is no evidence of joined-up thinking, and it is genuinely confusing for outsiders reading the legislation to come across a whole series of different definitions and to encounter phrases used in one piece of legislation that do not appear in another. Even in the same Bill, as in the one before us, different terms are used to describe exactly the same scheme. I am all in favour of definitions. Personally, I am attracted to those set out in the new clause, which defines all pensions as either personal or occupational. When the Minister responds, will he explain why the Government have used a multitude of different phrases in different legislation and in different parts of the same legislation?

Mr. Webb: To paraphrase the Minister loosely, the purpose of new clause 25 is to deal with the complications arising from tax simplification. In the past, pensions legislation has relied on tax legislation, but that has now changed, so we have to do something to ensure that pensions legislation still works.

One matter of concern is the distinction in the new clause between occupational pensions and personal pensions, which is not as clear cut as it appears at first sight. As far as a worker in a company that runs a group personal pension is concerned, his pension is the works pension. It is the pension arranged through the employer, who may make an employer contribution, and the provider may come into the workplace to explain the scheme. As far as the worker is concerned, it is a company pension. However, the new clause states that it is not an occupational pension, but a personal pension. The practical significance of that distinction is that complaints about the different pensions must be directed to different regulators.

I have some sympathy for employees who do not understand the first thing about pensions, but they will be asked to understand that pensions can be arranged through the workplace and involve employer contributions and so on, and yet not be occupational schemes. It is possible for such pensions to be group personal schemes, in which case people must go to the FSA and not the pensions regulator when they are unhappy with the pension or when something goes wrong.

I do not want to go beyond the scope of the new clause, so I shall merely observe in passing that that is another reason why new confusion will be created by having one set of pensions regulated by the pensions regulator and another by the FSA. New clause 25 makes a clear distinction between two sorts of pensions in order to send people down different regulatory tracks, but should not both be regulated by a single pensions regulator? We are talking only about different types of pension, after all. New clause 25 perpetuates a distinction whereas the process of simplification suggests that all pensions should fall under one regulatory regime. Why do we want people to have recourse to two different regulators, when their view is the same as Alan Pickering's—that a pension is a pension is a pension? Clearly, that is not the view of the Department for Work and Pensions or, as the hon. Member for Tatton (Mr. Osborne) noted, the Treasury.

I have two specific and detailed questions about new clause 25. First, I intervened on the Minister in relation to proposed new subsection 3(a)(ii), which deals with pensions for MPs, police officers and so on. I am still not 100 per cent. clear as to what makes those schemes different. I suppose that Members of Parliament are employed by the Fees Office, as that is what pays our salaries. Police officers are employed by police authorities, but what makes those schemes different from an occupational scheme run by Wiggins Widgets, for example? Why does the Bill need a separate provision for those schemes?

Secondly, I do not understand why subsection 3(b) of the new clause states that an occupational pension scheme is a pension scheme which

"has its main administration in the United Kingdom or outside"

the EU. If I belong to the occupational scheme of, say, a French company, why would that scheme not be regarded as an occupational pension scheme under new clause 25? Not being a personal pension, the scheme would not be regulated by the pensions regulator, but neither would a scheme outside the EU. Why does the new clause have that rather bizarre scope? It provides that the only occupational schemes that count are ones in the UK or outside the EU. Surely the pensions regulator has no jurisdiction outside the EU, for goodness' sake? What on earth is that provision about? I am bewildered by that bit. I am sure that there is a good reason for it; there usually is, but the point of the provision is completely lost on me.

To sum up, I should prefer it if the Bill did not distinguish between the different types of pensions. We have tax simplification, so could we not also have pensions simplification? Could we not have one regulator for pensions, and not send people down different regulatory tracks? What is special about the schemes that I have mentioned, and what is the point of the provision in respect of the country in which a scheme's main administration takes place? Why do we have the two categories, with some sort of gap in between them? I am sure that clarification of those points by the Minister would be helpful for the House.

Mr. Pond: The hon. Member for Tatton (Mr. Osborne) sought to make us all jealous by telling us what his diary looks like for the next few weeks, given his involvement with the Finance Bill as well as this Pensions Bill. He asked why we were proposing a new clause that deals with definitions, given that we spent a long time discussing the Bill in Committee. I can tell him that new clause 25 and other new clauses that we are putting forward are consequential on the Finance Bill.

2.15 pm

The hon. Member for Northavon (Mr. Webb) said that the Government were going in for extra complication because of the simplification being introduced in the Finance Bill. I do not go along with that characterisation, but the Inland Revenue is simplifying its procedures for exempting pension schemes and is moving away from the eight different sets of rules that currently apply to a process of registration. I think that the House will agree that that is sensible if we want to ensure that the system is more straightforward and simple, but it gives us a problem when it comes to classifying pension schemes as either occupational or personal.

The hon. Member for Northavon also said that schemes had been described in different ways throughout the Bill and our discussions, and he referred to money purchase schemes, direct contribution schemes, and so on. The important point is that those terms are descriptions of different types of pension scheme, but that we need to know whether they are classified as occupational or personal pensions. For instance, DC and DB schemes are both occupational pension schemes, but it is important to distinguish between them, as their provisions could be rather different. That is why the changes that we propose are necessary.

David Winnick (Walsall, North) (Lab): My immediate diary commitment is that I must go to the Select Committee on Home Affairs very shortly, but I want to take up the point made by both the Conservative and the Liberal Democrat spokesmen. I do not know whether this matter is the subject of some other amendment, but how much information is given to employees to ensure that they understand their pension schemes and how they differ from others? Are trade unions able to give detailed information so that their members can know whether their pensions are personal or occupational, what their rights are, and how to pursue complaints?

Mr. Pond: When my hon. Friend goes to the Home Affairs Committee, I hope that he remembers to take his identity card with him, or he might not gain entry.

David Winnick: Not if I have anything to do with it.

Mr. Pond: That is precisely why I made that point.

A very important component—of this Bill and of the Government's agenda on pensions—is that people should be able to make an informed choice. We must make sure that people fully understand their responsibilities and entitlements under the various schemes. We want to make sure that the various stakeholders involved, including the trade unions and representatives of scheme members, are given as much information as possible. That is a very important part of what we are trying to achieve, with this Bill and through the wider agenda of informed choice.

The hon. Member for Tatton also asked why the Government have adopted the different approaches evident in the Bill. I can tell him that it is because we need to make sure that the appropriate mechanism for regulation—the pensions regulator or the FSA—is used.

The hon. Member for Northavon asked why all pension schemes should not be regulated by a single organisation. We discussed that matter in Committee, as he will recall. The regulator will be concerned not with the sale or conditions of sale of products such as personal pension schemes, but with making sure that occupational schemes are properly administered. Those are two quite different functions, and we feel that it is sensible to provide that they be carried out separately by separate organisations.

Mr. Webb: I accept that the sale of pension schemes is a separate matter, but what about schemes that are up and running? I think that I am right in saying that the Government intend that, in future, an employer can require an employee to join an employer-sponsored group personal pension scheme as a condition of employment. So an employer will make an employee join a scheme and will put money into it, and the scheme will be delivered through the workplace, but the employee, if he is not happy with how the money in a scheme is managed, is supposed to know that that is nothing to do with the pensions regulator. If the scheme were a defined benefit final salary scheme or something similar, the employee would have recourse to a different regulator. Does not that seem an unnecessary confusion for the employee?

Mr. Pond: We went round this course a number of times in Committee. Of course a number of provisions in the Bill will give protection to people in whatever sort of scheme that is operated, but our feeling is that it is important to have specific forms of regulation for the different types of scheme. When talking about the definition of schemes—whether they are occupational or personal—what is important is the focus of that regulation and trying to disentangle it from Inland Revenue arrangements for the tax exemption of schemes.

I think that I have—

Mr. Webb *rose—*

Mr. Pond: Oh, there is one further point to address before the hon. Gentleman rises to speak. He gave a hypothetical example of the French scheme and an occupational pension scheme based in another member state—a cross-border scheme. We will apply elements of pensions legislation under the provisions that we shall discuss in a few minutes when we deal with cross-border arrangements. Perhaps we could defer my response to the hon. Gentleman's point until then.

Mr. Webb: I am grateful for the Minister's response on the specific example that I gave, but the new clause refers to schemes outside member states. If the point of the new clause is to direct people to the right regulator, what dominion does the pensions regulator have over schemes based outside member states? Why is there reference to anything to do with schemes outside member states?

Mr. Pond: As I shall explain in a few moments, the regulator will have a role in relation to schemes that have a host member state, if we are talking in EU terms, from which the contributions flow. That is what I hope

[Mr. Pond]

I shall be able to clarify when we talk in a few moments about some of the cross-border and multinational issues.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 26

UK-BASED OCCUPATIONAL PENSION SCHEME TO BE TRUST WITH EFFECTIVE RULES

'(1) Subsections (2) and (3) apply to an occupational pension scheme that has its main administration in the United Kingdom.

(2) If the scheme is not established under irrevocable trusts, the trustees or managers of the scheme must secure that no funding payment is accepted.

(3) If the rules stipulating—

(a) the benefits under the scheme, and

(b) any conditions subject to which benefits under the scheme accrue,

are not in force, or if those rules are not set out in writing, the trustees or managers of the scheme must secure that no funding payment is accepted.

(4) Subsection (2) or (3) does not apply to an occupational pension scheme if it is a prescribed scheme or a scheme of a prescribed description.

(5) Section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to a trustee or manager of an occupational pension scheme that has its main administration in the United Kingdom if—

(a) subsection (2) or (3) requires the trustees or managers of the scheme to secure that no funding payment is accepted,

(b) a funding payment is accepted, and

(c) the trustee or manager has failed to take all reasonable steps to secure that no funding payment is accepted.

(6) In this section "funding payment", in relation to a scheme, means a payment made to the scheme to fund benefits for, or in respect of, any or all of the members.'.—*[Mr. Pond.]*

Brought up, and read the First time.

Mr. Pond: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 27—*Non-EC occupational pension scheme to be trust with UK-resident trustee.*

Government new clause 28—*Representative of non-EC occupational pension scheme to be treated as trustee.*

Government amendments Nos. 213 and 214.

Mr. Pond: I have not had to ask the hon. Member for Northavon (Mr. Webb) to be patient for too long, because we are now talking about new clauses 26, 27 and 28, which will ensure that occupational pension schemes established in the UK and those established outside the EU that have employees in the UK continue to be set up under trust. Occupational pension schemes that are established in other member states are not covered by these clauses, and I will deal with those when we come to the clauses on cross-border schemes in a few moments.

New clauses 26 to 28 are consequential on the tax simplification provisions in the Finance Bill and are in compliance with the European directive, which demands legal separation between an occupational pension scheme and a sponsoring undertaking. At the moment, it is a condition of tax approval that an occupational pension scheme is set up under trust. Under the new arrangements introduced in the Finance Bill, that condition will no longer apply. As I have explained, instead there will be a single simplified registration regime for all pension schemes for tax purposes. The same registration requirements will apply for all schemes.

It has long been the practice in UK pension schemes to use trust law to provide that separation, and this approach is recognised by the directive. We also believe that trust law continues to be the best legal basis under which occupational pension schemes in the UK should operate. The Pensions Act 1995 and other pensions legislation are built on the foundation of trust law and it offers the best means of providing security and confidence for scheme members. These clauses, therefore, maintain the requirement that an occupational pension scheme established in the UK must be set up under trust. Subsections (1) and (2) of clause 26 provide that where an occupational pension scheme has its main administration in the UK, it can accept funding payments—contributions and transfer payments—only if it is established under trust. Similarly, subsection (3) provides that a scheme must have proper written rules before it can accept funding payments, as demanded by article 9 of the directive. As schemes already have written trust deeds and rules, this is not a new or onerous requirement.

Subsection (4) allows us to make regulations to exempt certain schemes from the requirements—statutory schemes for example. Subsection (5) gives the pensions regulator the power to sanction trustees or managers who accept payments into a scheme that is not trust based or does not have proper written rules.

Clause 27 makes similar provisions for occupational schemes that have members in the UK but where the scheme is established outside the EU. It provides that such a scheme cannot accept contributions unless the scheme is established under trust and there is a trustee in the UK.

New clause 28 permits overseas schemes to appoint someone to act on their behalf in the UK, and for that person to be treated as the trustee under UK pensions legislation. Amendments Nos. 213 and 214 amend clause 62 of the Bill and are directly consequential on these new clauses. Clause 62 provides that an inspector may enter premises that are liable to inspection, in order to investigate whether specified provisions of pensions legislation are being complied with. Premises are liable to inspection if the inspector has reasonable grounds to suspect that members of the scheme are employed there, documents relevant to the administration of the scheme are being kept there, or the administration of the scheme, or work connected with the administration of the scheme, is being carried out there. These amendments are necessary so that inspections may be carried out to investigate potential breaches of the requirements of these new clauses.

The new clauses ensure that the long-established arrangement under which occupational pension schemes are established under trust law is maintained. In doing so, they provide that the legal separation of the pension scheme and the employer is also maintained, and that UK workers continue to have the protection of the Pensions Act and other pensions legislation that provides protection for UK workers.

Mr. George Osborne: I do not wish to detain the House for long. I have a question, and I begin with an observation. It seems to me that many of the new clauses are consequential on the Finance Bill. Why is the Department for Work and Pensions playing catch-up? After all, the Finance Bill has been around for more than a month, during which time we have considered the Bill in Committee. One can only assume that the new pension tax proposals were drawn up in consultation with the DWP. Far be it from me to assume that the Treasury did all this without letting the DWP know or that it merely informed the Department once the process was over. If the proposals were dreamed up with the DWP, I am surprised that they were not built into the legislation as we discussed it in Committee. There we go, that was my comment.

My question, which is straightforward, is one of information, and I do not know the answer. Are there occupational schemes that are not statutory—that is, not prescribed schemes—and are not trusts? I understand the point that the Minister made, that under the process of tax approval it is a condition that a scheme is set up as a trust, but I want to know whether there are any exceptions to that rule that will be caught by the new clause? Is the Department absolutely certain that there will be no unintended consequences, even if it is on a small number of non-trust occupational schemes. I just want to check that the Government have done their homework.

Mr. Webb: I am grateful to the Minister for returning to the point about schemes based outside the member states. That is what new clause 27 deals with. This has a slight "Britannia rules the waves" feel to it in the sense that new clause 27(2), which deals with schemes that have their main administration outside the EU, says that an employer based somewhere in the UK can pay contributions to a scheme outside the UK, say in north America, only if the conditions in subsection (4) are met. One condition in subsection (4) is that there has to be a UK-resident trustee. Say I lived in the UK but my pension scheme was run in north America. Under the provision, my employer could not pay money into my pension scheme unless it had a UK-based trustee. What would happen if my employer did pay some money into my pension scheme? After all, the scheme is based in the US, not in the UK. The pensions regulator will not march down Wall street, bang on the door and say, "You shouldn't have taken that money, you naughty people. Give it back."

2.30 pm

What is this all about? I do not understand what the Government are trying to stop. We no longer have tax-approved status, and surely the pensions regulator has no jurisdiction over a scheme based in north America or elsewhere. We will come to the issue of the EU and reciprocal arrangements later. Does new clause 27 have any force? If employers want to put money into schemes run in north America for their employees, good luck to them. If that does not satisfy the condition in new clause 27(4), that would be tough luck. What would be the consequence of failure to adhere to new clause 27, given that the pensions regulator, who is supposed to enforce such matters, would have no jurisdiction? I hope that the Minister can clarify that point, because I am at a loss to understand it.

Mr. Pond: The hon. Member for Tatton (Mr. Osborne) raised the issue of whether there are occupational pension schemes that are not trusts and therefore whether the new clause would have unintended consequences. I can reassure him that we have done our homework on that point. I am not expecting that inspiration will tell me that any such schemes exist, but if that inspiration hits me later in the day, I will share the information with him.

The hon. Member for Northavon (Mr. Webb) asked whether new clause 27 would have any force. I should explain that the regulator will have a locus over the UK-resident trustee if a scheme has its main administration outside the UK. That is the purpose of having a trustee based in the UK. In the case of trying to have some sort of enforcement in terms of a scheme based outside the UK, he suggested that the regulator would march down Wall street, but we have not built foreign travel for such purposes into the regulator's budget. However, I am sure that my hon. Friend the Minister for Pensions would be happy to undertake such responsibilities. We expect that the regulator in the countries where the schemes operate will work with the domestic regulator and, therefore, the information will be supplied. The expectation is that the regulator in the other countries would use domestic regulation to ensure that scheme members' interests were properly upheld.

Mr. Webb: That was a fascinating response. The Minister initially said that the UK pensions regulator has locus when there is a trustee in the UK, and indeed that is the condition in subsection (4). I asked what would happen if that condition were not satisfied, there was no trustee in the UK and the firm said, "We don't care what British law says. We are going to put some money in our workers' American pension scheme. Get lost." Is the Minister really saying that the British pensions regulator will have to liaise with pensions regulators in every country in the world that might have the head office of a firm that employs a UK employee? Some such countries may not even have pensions regulators. What if the foreign pension regulator does not agree with the Government on the necessary requirements? I am completely bewildered by the matter. Has any dialogue taken place with regulators in other countries to see whether the Government's proposal is realistic?

Mr. Pond: As the hon. Gentleman will know, the community of pensions regulators throughout the world operates on a comradely and co-operative basis. Given that they have shared interests, in that multinational cross-border arrangements are increasingly common, our expectation is that co-operation will occur. In some

[Mr. Pond]

circumstances, that may not happen, although the Wall street example is not necessarily a good one. We may need to revisit the issue if that proves to be the case, but we are confident that the provisions will work better than the current arrangements, albeit without being the perfect solution.

If a firm has workers in the UK, they should be covered by UK pensions legislation. If there is no UK-based trustee, it is the employer who is subject to sanctions by the regulator, and that is how sanctions would be applied in the hon. Gentleman's example of a US scheme refusing to set up a trustee in the UK.

I can tell the hon. Member for Tatton that no further inspiration has come to me on whether there are any occupational schemes that are not trust based. As far as the DWP and the Inland Revenue are concerned, we are aware of no such schemes.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 27

NON-EC OCCUPATIONAL PENSION SCHEME TO BE TRUST WITH UK-RESIDENT TRUSTEE

'(1) Subsections (2) and (3) apply to an occupational pension scheme that has its main administration outside the member States.

(2) An employer based in any part of the United Kingdom may cause a contribution to be paid to the scheme in respect of an employee (whether or not employed in the United Kingdom) only if the conditions in subsection (4) are satisfied at the time of payment.

(3) An employer based outside the United Kingdom may cause a contribution to be paid to the scheme in respect of an employee employed in the United Kingdom only if the conditions in subsection (4) are satisfied at the time of payment.

(4) Those conditions are—

(a) that the scheme is established under irrevocable trusts, and

(b) that a trustee of the scheme is resident in the United Kingdom.

(5) Subsection (2) or (3) does not apply to an occupational pension scheme if it is a prescribed scheme or a scheme of a prescribed description.

(6) Section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to an employer who causes a contribution to be paid to an occupational pension scheme that has its main administration outside the member States if—

(a) subsection (2) or (3) applies in relation to the payment of the contribution,

(b) the conditions in subsection (4) are not satisfied at the time of payment, and

(c) the employer does not have a reasonable excuse for causing payment to occur at a time when those conditions are not satisfied.

(7) In this section "based"—

(a) in relation to an employer who is a body corporate, means incorporated, and

(b) in relation to any other employer, means resident.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 28

REPRESENTATIVE OF NON-EC OCCUPATIONAL PENSION SCHEME TO BE TREATED AS TRUSTEE

'(1) In the case of an occupational pension scheme that has its main administration outside the member States, a reference in pensions legislation to the trustees, or a trustee, of the scheme includes a person who is for the time being appointed by the trustees of the scheme to be a representative of the scheme for the purposes of this section.

(2) Subsection (1) does not apply to a prescribed reference.

(3) In subsection (1) "pensions legislation" means any enactment contained in or made by virtue of—

(a) the Pension Schemes Act 1993 (c. 48),

(b) the Pensions Act 1995 (c. 26),

(c) Parts 1 to 4 of the Welfare Reform and Pensions Act 1999 (c. 30), or

(d) this Act.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 29

ACTIVITIES OF OCCUPATIONAL PENSION SCHEMES

'(1) If an occupational pension scheme has its main administration in the United Kingdom, the trustees or managers of the scheme must secure that the activities of the scheme are limited to retirement-benefit activities.

(2) Subsection (1) does not apply to a scheme if it is a prescribed scheme or a scheme of a prescribed description.

(3) Section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to a trustee or manager of a scheme to which subsection (1) applies if—

(a) the scheme has activities that are not retirement-benefit activities, and

(b) the trustee or manager has failed to take all reasonable steps to secure that the activities of the scheme are limited to retirement-benefit activities.

(4) In this section "retirement-benefit activities" means—

(a) operations related to retirement benefits, and

(b) activities arising from operations related to retirement benefits.

(5) In subsection (4) "retirement benefits" means—

(a) benefits paid by reference to reaching, or expecting to reach, retirement, and

(b) benefits that are supplementary to benefits within paragraph (a) and that are provided on an ancillary basis—

(i) in the form of payments on death, disability or termination of employment, or

(ii) in the form of support payments or services in the case of sickness, poverty or need, or death.'.—*[Mr. Pond.]*

Brought up, and read the First time.

Mr. Pond: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendment No. 215.

Mr. Pond: I need not detain the House too long on new clause 29, which is closely related to new clauses 25, 26, 27 and 28, which we have just discussed. It assists in the UK's transposition of European directive 2003/41/EC. This clause will implement article 7 of the directive.

The article requires the UK to limit occupational pension schemes to carrying out activities that relate either to retirement benefits, or activities that arise from that activity.

Currently, pension schemes are restricted from carrying out activities that are unrelated to pensions through requirements that arise as part of the Inland Revenue's tax approval process. Through this new clause, we largely achieve the same result. It is, however, necessary for the purposes of transposing the directive to place this requirement in pensions legislation separately from the tax approval process.

Amendment No. 215 is a consequential amendment linked to new clauses 25 to 29. It will amend clause 62 of the Bill, to ensure that the pensions regulator can inspect premises to investigate a potential breach of this clause.

Mr. George Osborne: Like the other new clauses we have discussed, new clause 29 appears to be consequential on the proposals in the Finance Bill. Subsection (2) provides an exemption for

"a prescribed scheme or a scheme of a prescribed description."

I wonder whether the Minister could tell us what sort of schemes are prescribed and do not offer "retirement-benefit activities", and why subsection (2) has been included. As, presumably, we are introducing the new clause so that we comply with European legislation, would not a prescribed scheme that did not offer retirement-benefit activities be illegal under European law? In that case, what is the point of subsection (2)?

Mr. Pond: If the hon. Gentleman will bear with me on that point, I shall get back to him once I have received inspiration about the answer to his question.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 30

PAYMENT OF SURPLUS TO EMPLOYER

For section 37 of the Pensions Act 1995 (payment of surplus to employer) substitute—

"37 Payment of surplus to employer

(1) This section applies to a trust scheme if—

(a) apart from this section power is conferred on the employer or any other person to make payments to the employer out of funds held for the purposes of the scheme, and

(b) the scheme is not being wound up.

(2) Where the power referred to in subsection (1)(a) is conferred by the scheme on a person other than the trustees—

(a) it cannot be exercised by that person but may be instead be exercised by the trustees, and

(b) any restriction imposed by the scheme on the exercise of the power shall, so far as capable of doing so, apply to its exercise by the trustees.

(3) The power referred to in subsection (1)(a) may only be exercised if—

(a) the trustees have obtained a written valuation of the scheme's assets and liabilities prepared and signed by a prescribed person;

(b) there is a certificate in force—

(i) stating that in the opinion of that person the prescribed requirements are met as at the date by reference to which the assets are valued and the liabilities are calculated, and

(ii) specifying what in the opinion of that person is the maximum amount of payment that may be made to the employer;

(c) the payment does not exceed the maximum amount specified in the certificate;

(d) the trustees are be satisfied that it is in the interests of the members that the power is exercised in the manner proposed;

(e) where the power is conferred by the scheme on the employer, the employer has asked for the power to be exercised, or consented to its being exercised, in the manner proposed,

(f) there is no freezing order in order in force in relation to the scheme under section 20 of the Pensions Act 2004, and

(g) notice of the proposal to exercise the power has been given, in accordance with prescribed requirements, to the members of the scheme.

(4) Provision may be made by regulations as to—

(a) the requirements (which may be alternative requirements) that must be met, in relation to any proposed payment to the employer out of funds held for the purposes of a scheme, with respect to the value of the scheme's assets and the amount of its liabilities;

(b) the assets and liabilities to be taken into account for that purpose and the manner in which their value or amount is to be determined, calculated and verified;

(c) the maximum amount of the payment that may be made to the employer, having regard to the value of the scheme's assets and the amount of its liabilities;

(d) the giving of a certificate as to the matters mentioned in paragraphs (a) and (c); and

(e) the period for which such a certificate is to be in force.

(5) The trustees must also comply with any other prescribed requirements in connection with the making of a payment under this section.

(6) If the trustees—

(a) purport to exercise the power referred to in subsection (1)(a) without complying with the requirements of this section, or

(b) fail to comply with any requirement of regulations under subsection (5),

section 10 applies to any of them who has failed to take all reasonable steps to secure compliance.

(7) If a person other than the trustees purports to exercise the power referred to in subsection (1)(a), section 10 applies to him.

(8) Regulations may provide that in prescribed circumstances this section does not apply, or applies with prescribed modifications, to schemes of a prescribed description.".'.— *[Malcolm Wicks.]*

Brought up, and read the First time.

Malcolm Wicks: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 31—*Payments of surplus to employer: transitional power to amend scheme.*

Government amendments Nos. 175 to 180.

Malcolm Wicks: The new clauses provide new rules governing occupational pension schemes making payments to an employer from an actuarial surplus in an ongoing scheme.

[Malcolm Wicks]

Section 37 of the Pensions Act 1995 allows pension scheme trustees to make a payment to an employer only where the Inland Revenue has approved the payment as part of a strategy to reduce an excessive actuarial surplus. The Inland Revenue currently requires schemes to take steps to reduce such surpluses. Section 37 also imposes further conditions, for example, by extending limited price indexation to all the rights of members and by requirements on informing members.

The tax simplification measures in the Finance Bill remove the requirement to reduce an excessive surplus, which in turn requires a consequential amendment to section 37 of the Pensions Act. However, simply removing the reference to tax law in the Pensions Act would leave the matter of making payments to the employer entirely dependent on the rules of individual schemes. We do not believe that would provide an adequate safeguard against the inappropriate removal of funds from pension schemes, so we propose to replace section 37 with a provision that allows us to ensure that such payments are not made unless a scheme is sufficiently well funded, to the extent that it can more than cover the accrued rights of a scheme.

New clause 30 provides for the making of regulations, which will be used to ensure that payments to an employer may not be made from a defined benefit scheme unless it is funded to a level sufficient to purchase annuities and deferred annuities securing the rights of all members and beneficiaries. That is known as the full buy-out level. The scheme actuary will be required to carry out a valuation and provide a certificate confirming that those conditions have been met before a payment can be made. Trustees must also be satisfied that such a payment would be in the interests of members.

We believe that the higher threshold for the withdrawal of surplus funds serves members' interests better than the present requirement to enhance members' benefits by the application of limited price indexation to all scheme benefits before a payment to the employer can be made, so that requirement is dropped. However, existing statutory or scheme indexation will of course be reflected in the valuation of the scheme's liabilities carried out by the actuary.

The new clause also allows for rules to be made governing payments to employers from defined contribution schemes. Regulations will define the more limited number of occasions when refunds of an excess of assets over liabilities may take place in defined contribution schemes, such as where, for example, a member of an earmarked scheme takes a refund of his contributions, leaving the employer's contributions as a surplus.

The process for making a payment of surplus will be simplified, but members will have to be notified of the intention to make a payment and given time to make representations on the matter to the regulator, who has powers to intervene if the payment appears to be irregular. The Finance Bill provides that any such payments will continue to be taxed at 35 per cent.

At present, Revenue requirements for tax approval generally require scheme rules to prohibit payments to employers except in accordance with Revenue rules and with Revenue approval. Those scheme rules would be ambiguous given the removal of the Revenue requirements, so new clause 31 contains transitional provisions to allow trustees to amend their scheme rules consequential to the relaxation of Inland Revenue and current section 37 requirements. Where schemes may currently make payments of surplus to the employer, trustees may choose to continue to do so; but if they do not so amend scheme rules within five years of the commencement of the provisions, they will be unable to make such payments.

Amendments Nos. 175 to 180 are consequential to the replacement of the existing section 37 and to the requirements under schedule 22 of the Income and Corporation Taxes Act 1988. They also remove the requirement for limited price indexation to be applied to all pensions before an excess of assets over liabilities can be paid to an employer where a scheme is winding up. That is to ensure that the valuation of assets and liabilities in a scheme that is winding up is in line with the new section 37 requirements for ongoing schemes.

2.45 pm

Mr. Webb: I apologise to the Minister for having missed the beginning of his speech. It would inform our discussion if he could clarify how it would ever be in the interests of scheme members that money was taken out of their pension fund and handed back to their employer. How could that ever satisfy the interests of members?

Malcolm Wicks: It is in the interests of members that their full pension rights should be protected, so that in due course their pensions are paid. It would, however, be absurd to argue that a pension scheme should have substantially more than it requires for that purpose. As the hon. Gentleman missed my introductory remarks, he may not realise that we are saying that in the new regime money could be paid back to an employer only when the actuary has substantiated—by signing a certificate and so on—that there is a full buy-out fund in place should that become necessary. Currently, it may seem unlikely that we could return to circumstances where there is more than enough money to meet pension rights, but after several tests money could, in those circumstances, be returned to the employer, bearing in mind that the employer is normally—although not always—the major funder of the company pension scheme.

I believe that our proposals strike a fair balance between the legitimate interests of both members and sponsoring employers. Restrictive rules on building up and retaining surplus in pension funds since the 1980s are frequently cited as having played a role in contributing to the funding problems of the last few years. At the same time, there are naturally also concerns that employers should not be able to cream off surplus funds where that could affect the fundamental well-being of the scheme—the point that we have just discussed. The complementary changes in tax and pensions law requirements are aimed at solving both those problems. In future, there will no longer be a restriction on employers who wish and are able to fund

their scheme generously, but at the same time they will be able to remove funding only above a level that should not threaten the health of the scheme.

Mr. George Osborne: The new clauses bring in significant changes to the rules governing the disposal of scheme surpluses. I am beginning to sound like a cracked record, but I point out again that it is extraordinary that we have not been accorded a proper process to scrutinise something that will affect every member of an occupational scheme and many employers.

As the Minister acknowledged, the present problem is usually one of deficit rather than of surplus, but it is important to get the rules right and to prepare for a future, perhaps under a Conservative Government, when the stock market recovers and schemes are in surplus. I thus have a direct interest in ensuring that the rules are right.

One of the problems we face is that much of the detail is left to as yet unpublished and unseen regulations. Indeed, we have only just seen the new clause. The regulations will include matters such as the valuation of the assets and liabilities of schemes, which assets and liabilities are to be taken into account, the maximum amount that can be paid, who should carry out the valuation and who should inform the Inland Revenue and the pensions regulator—a very significant detail.

My favourite sentence in the explanatory notes, which I found when I was reading them last night, is:

"The Government will, as customary, consult extensively on these draft regulations before laying them before Parliament."

Very little consultation on any of those proposals is taking place. The Bill is being rushed through on Report in the House of Commons, where a couple of Members are taking part, both of whom only saw these new clauses on Friday. They had not received representations from outside bodies because they have had no chance to examine or comment on such things in detail, and the whole thing goes through on the nod. Indeed, as we heard during the debate on the previous clause, the Minister did not really know what he was putting through Parliament. Perhaps he will say something about what he imagines will be in the regulations.

Certainly, when I asked the National Association of Pension Funds what it thought of the new clause—I stress that it said that it had not had time to reach a formulated viewpoint—its initial observations were:

"Much of the detail is to be prescribed so it is difficult to comment. From the clause as it stands it is difficult to be sure what level the funding needs to be in order for a surplus payment to kick in. If the main aim is to protect the PPF then one would assume that the funding level would be to full buy-out basis. If that is the case, how useful is this clause? You would also need to get clarification of who owns the surplus and ensure that there are correct powers to pay the money back out of the fund."

The Minister said—this is clear in the explanatory notes—that in the great majority of cases, the new rules will be more restrictive than the existing Inland Revenue requirement that those provisions supersede. What assessment has the Minister made of the resulting impact on the scheme and the ability to move surpluses to employers? What consultations has he had with the industry? Will there be any unintended consequences? In Committee, we discussed the unintended consequences of the minimum funding requirement's impact on gilts, for example. Will any unintended consequence be involved in requiring schemes to hold on to surpluses that they would otherwise have disposed of?

May I ask the Minister—perhaps this is the wrong place in our proceedings on the Bill, but I do not think that it is—how these proposals interact with the European pensions directive's requirements on surpluses? I am sure that the Minister will be aware that there is enormous concern in the pensions industry that the EU directive will force company pension schemes to hold sufficient assets so that, at all times, they are able to pay out all the benefits promised to members, whereas the UK rules tend to be more flexible, allowing schemes to take a longer-term view of promised benefits, without being held to the day-to-day movements of the stock market, for example. As a result, UK schemes have not had to hold as many assets as their European counterparts. Of course, that has not only downsides when schemes turn out to be underfunded, but upsides in allowing schemes to pay more generous benefits and encouraging more companies to set up schemes.

The industry says that complying with the EU directive could cost up to £300 billion—a huge sum—and I have no reason to doubt its figures. Interestingly, at the end of last year the chief executive of the NAPF, Christine Farnish, said:

"The UK has to implement this directive. Continuing to provide a defined benefit pension is a hugely costly undertaking for supervising employer. We know a number of firms have closed their schemes to new members but our concern is that greater numbers will also close to future accruals because of these extra costs. It is unquantifiable, and finance directors do not like having that sort of risk on their balance sheets. It is very dangerous and very costly to UK schemes, and because the rules cannot be scheme-specific, will no doubt lead to endless battles in the court. It is ridiculous; it is not the real world."

That is what the chief executive of one of the most respected pensions organisations has said.

I mention the EU pensions directive because these proposals relate to scheme funding and the interaction with the disposal of surpluses. Are these new clauses compliant with that directive, or will the Government have to return with further new clauses, perhaps in the other place? How will the Government deal with the industry's concerns on this important point?

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): However much I welcome the announcements on retrospective matters, I do not want that welcome to blunt my critical faculties in relation to these new clauses. To vest in a regulator the right to say whether a surplus can be considered in terms of the employer's benefit is a bridge too far.

I have considered regulators across a range of industries and I have not yet found one from a trade union background. They all seem to come from that group of people who have been involved in the world of the City for many years. I am drawn again to the wisdom of Woody Guthrie, the American folk singer. *[Interruption.]* Yes, he guides me on so many things.

John Robertson (Glasgow, Anniesland) (Lab): Here we go.

Mr. Purchase: No, no—my hon. Friend will be interested in this. On occasion, Woody Guthrie said:

[Mr. Purchase]

"I've been robbed more times by a man with a fountain pen than I ever have been by a man with a six-gun."

I have noticed that the Minister is holding a pen—it may not be a fountain pen—and the complexities of what he was explaining, which I tried desperately hard to follow, leave me a little apprehensive. Again, the conspiracy theory may be coming to the forefront, but who will the regulator be, who will he listen to and what note will he take of the workers' interests? How much will he or she be in hock to his or her colleagues in the City, who, frankly have only one interest in life: to ensure that they and their colleagues benefit to the greatest extent that they possibly can from our hard-earned wages?

We have gone through a recent period in history when, in another way, companies have taken very long pension holidays because the funds have been so much in surplus that it seemed pointless adding any more money to them. Yet we now find, of course, in the changed circumstances of a much reduced stock market valuation of pension funds, that that money could have been usefully put towards ensuring that workers actually got their pensions.

I welcome the announcements about retrospective pension failures because it is natural justice that something should be done, but are we not putting ourselves in the very same position again? Is it not likely that in the not-too-distant future—perhaps just 10 years down the line—a similar set of circumstances will occur where a surplus is paid back to an employer?

I make the point, as an aside, that we are talking about deferred wages. However they might be defined legally, the money is part of people's wages. It is theirs; it is not for someone to take it away from them again, which is what has been happening and to which I imagine these new clauses are designed to put an end. However, by any name we are talking about the employer taking out the money that has been put in by them exclusively, using whatever mechanism—the very dodgy one of a regulator worries me more than enough—when the money involved should be paid to the workers in any event but is taken back from them to pay a bonus, which is all I can call it, to an employer who can convince the regulator, or someone else, that the fund is so much in surplus that it is pointless not to take out that money. I think that I have a legitimate reason to worry.

The Minister will know that probably upwards of 500 people in Wolverhampton will, I hope, benefit from the retrospective provisions. What I do not want to happen is that whoever is standing here in 10, 15 or 20 years' time has to say exactly the same thing because the money that should rightfully be in workers' pockets, or at least in a very safe fund, has found its way back to the employer's pockets at the expense of the workers, who then find themselves with no pension. I hope that the Minister will give us a very convincing reply about why I should have any confidence in a regulator. However, if there must be a regulator, could that regulator have a duty to consult the workers' representatives before deciding to pay back any surplus?

3 pm

Mr. Webb: I was asked by one of the broadcasters about today's deliberations, and I said that this debate was very much one for anoraks. However, this new clause touches on meaty issues relating to pensions, to our concerns about our constituents' pension rights and to the circumstances in which money can be taken out of pension funds. These are practical and important issues. I hope that "Today in Parliament" is listening.

I want to ask the Government to withdraw the new clause because there is a mistake in it. I am sure that the House has read all the texts carefully, but I have a confession to make. I have only just read the fine print of new clause 30 which will replace section 37 of the Pensions Act 1995, and I refer the Minister to proposed new subsection (3)(d). It says that

"the trustees are be satisfied that it is in the interests of the members".

The phrase "trustees are be satisfied" is not grammatical.

I will come to the point about pension surpluses in a minute, but I assume that the fact that the grammar is wrong partly reflects the speed with which the new clauses and amendments were tabled. I assume that the Government do not want an ungrammatical sentence to become part of the law of the land, but I do not know what "trustees are be satisfied" means.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): "Are be" sounds like west country to me.

Mr. Webb: Yes, the phrase does have a west country ring to it, but I hope that the Minister will withdraw the new clause and table it again in another place with the grammatical error corrected.

There are other reasons why we should have substantive reservations about the new clause. Let me be sure that I understand what is going on. The Finance Bill and the pension simplification are getting rid of the 105 per cent. rule, and that must be a good thing. I hope that the Minister will stop me if I am wrong, but I understand that that rule—which said that a scheme that gets to 105 per cent. funding is so badly over-funded that we must take money out of it—is going. If I am right, that is a good and welcome change.

Whereas one of the ways in which a surplus could be disposed of hitherto was by providing enhanced benefits, the new clause says that there is no longer a requirement for that to be the first thing that a scheme does. The enhanced benefits that no longer have to be provided are indexation benefits—other than those already in the scheme rules—that relate to pre-1997 service. Post-1997 service must be indexed. Given that we are only in 2004, if someone coming up to pension age has worked in a company all their working life, three quarters or more of their service could be pre-1997 and could have no indexation rights attached to it at all. Surely if there is a surplus in the fund, the first call on that surplus should be to do something about the non-indexation of rights earned pre-1997. Money should not go out of the fund instead. If we are interested in avoiding pensioner poverty, in building up occupational pensions and in increasing funded pension rights, the first call should be pre-1997 indexation. It is surely wrong that the new clause allows an employer to request

that money be taken out of the fund to the benefit of the employer when scheme members will receive pensions that will, to all intents and purposes, be frozen because of very limited price indexation. That worries me greatly.

The Government's goal is to raise from 40 per cent. to 60 per cent. the proportion of income in retirement that comes from funded pension schemes. Although the new clause might be an own goal, the Government can further their objectives by saying that before so-called surplus money can be taken out of a pension fund, it must be spent on the bare minimum of indexation of pre-1997 entitlements. That surely should have the first call. Although I welcome the abolition of the 105 per cent. rule—I never understood why we had to have it in the first place—I am unhappy about the suggestion that firms can simply take the money.

The Minister said that there would be a certification process and that the change would be in members' interests. However, I do not understand how it can ever be in members' interests for money to be taken out of a fund when their pre-1997 rights have not been indexed. When I intervened on the Minister, he said that the scheme has to provide buy-out rights. In other words, before a surplus comes out of a fund, the scheme must prove that it has enough money to meet the buy-out equivalent rights of some of the scheme members. However, those buy-outs presumably do not cover indexation for pre-1997, so there is no guarantee that the interests of the scheme's members will be looked after in respect of their pre-1997 rights, which, as I said, could be the majority of the accrued rights.

Although there must be certification that a change must be in the interests of the members, the test does not appear to be very strong. Therefore, the Minister should revisit the new clause not only because the grammar is wrong, but because it does not boost occupational pensions. It potentially undermines them.

The past few years have shown us that the valuation of funds is hugely volatile and that a certification at a point in time that there is enough money in the fund may prove to be wrong some years down the track. Given that stock markets can fall by half in three years, a certificate on a particular day that the valuation is enough to meet future liabilities is far from the same as saying that that will always be the case. One cannot certify that a scheme will always have enough money to meet the liabilities. One can only say at a point in time that it is one's best guess that there is enough money. That is not sufficient protection for scheme members.

I am simply not convinced that the new clause will protect the best interests of scheme members. When there is surplus, the requirement first to provide for indexation has been explicitly abolished, so I do not think that the interests of members will be served. This is a substantive issue and I am worried. I hope that the Minister can reassure us that scheme members' interests really will be served by the change.

Mr. Miller: Thank you for calling me, Madam Deputy Speaker. You missed an interesting exchange with my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase), who quoted Woody Guthrie. I thought that he was about to burst into song, but he made pertinent points about the circumstances in which surpluses arise. You will be aware that, in a previous life, I used to negotiate with large companies about the distribution of their surpluses for the benefit of fund members.

I wish to make two points. First, I welcome the fact that the proposal will be subject to consultation. During the consultation, a couple of important points need to be examined. The courts in this country have long accepted that, when there is a massive surplus, employers are entitled to seek the recovery of some of that on the grounds that they took risks in bad times and are therefore entitled to some of the money back in good times.

If that principle remains—we should examine that point with care—a separate set of circumstances applies when a takeover takes place. The courts frequently fail pension funds if, in a takeover, an incoming employer takes none of the risks but seeks to take a significant part of the gains. Many of the trade unions that now form Amicus used that argument against Lord Weinstock when GEC took over Plessey, and it became an important piece of case law. However, now that the Minister is developing the regulations, he has the opportunity to protect the members of funds that may be in surplus by preventing an incoming employer from distributing those funds. I firmly believe that those funds should be distributed only in the interests of existing fund members.

Secondly, prior to the granting of certificate and any attempt to recover surpluses, it is incumbent on good employers to seek to maximise the benefits of the scheme up to the Inland Revenue maximums. I hope that both those points are taken on board in the consultation and the development of the regulations.

Paul Holmes (Chesterfield) (LD): I wish to pick up a point made in an intervention by my hon. Friend the Member for Northavon (Mr. Webb), which was later elaborated by the hon. Members for Wolverhampton, North-East (Mr. Purchase) and for Ellesmere Port and Neston (Mr. Miller). When I return to my constituency on Friday I will talk to people previously employed by two or three firms in Chesterfield who have lost their pensions, and I hope that the Minister can help me to answer questions about the removal of excess money in a pension scheme, which they have been asking for the past three years.

Chesterfield Cylinders was one of the six firms that were part of United Engineering Forgings, which lost much of its pension fund in 2001—an issue that I have raised both in letters to the Minister and in the Chamber. In the intervening period, members of the pension fund have raised something that I have been unable to explain fully, although the contribution of the hon. Member for Ellesmere Port and Neston will help me to do so in future.

In the past, employers took pension holidays, as legislation required them to do, because the pension fund was doing extremely well and had "excessive surpluses". In the bad times, however, they were not required to make up all the difference. From next year, with the establishment of the pension protection fund and so on, some of those problems will not arise, but I still struggle with the concept, discussed by other hon. Members, of having an excessive amount of money in a

[Paul Holmes]

pension fund. If it is doing well, perhaps because the stock market is strong, why is it not worth keeping that surplus as a hedge against future years when the stock market does less well? In Committee we discussed the American protection fund, which did extremely well for 30 years. Pension funds overall did very well, and there was no significant challenge to the protection fund. Recently, however, it has experienced a few bad years. Why cannot excesses in pension funds from earlier years, when the stock market and companies did extremely well, be banked and hedged against future bad years?

The members of the work force at Chesterfield Cylinders or, more recently, at Coalite near Chesterfield, cannot understand why, given that their employers took pension holidays in the past, they have been told that there is no money to meet their deferred wages or investment in their future pension. They have lost out, but only a few years ago the surplus money was there.

Mr. Bill Tynan (Hamilton, South) (Lab): I, too, welcome the abolition of the 105 per cent. rule, which is detrimental to many companies and schemes. I speak from personal experience, as Hoover in Cambuslang, which also had factories in Merthyr and Perivale, was the subject of a takeover. It was bought by Chicago Pacific because it had a surplus of more than £270 million in its pension scheme. There is a danger that the new clause would allow other employers a similar opportunity. If we took a snapshot of the stock market at any time we might find that there was a surplus in funds, but that surplus might not exist six months or a year later.

3.15 pm

I accept the point about index linking and percentages before 1997, but I do not accept that surpluses in pension schemes are a problem. I only wish that there had been such surpluses in the past few years, as we would not need the pension protection fund that we are establishing. Workers always believed that trustees were appointed to look after the best interests of scheme members and that the scheme was separate from their employer's finances so it would always be protected. However, over the past few years that has proved not to be the case. While I welcome the consultation and the abolition of the 105 per cent. rule, I would prefer us to see a healthy surplus in a pension scheme than find ourselves in the position of having to fund a scheme such as the PPF, even though that is a welcome innovation. I would prefer schemes to be properly funded, and the best way to encourage good occupational pension schemes is to ensure that the legislation is correct. We have an opportunity in the Bill to look carefully at what we are doing, so that, hopefully, we can encourage employers and employees to make a contribution to saving for the future.

Malcolm Wicks: Members have made a useful scrutiny of the proposals, enlivened by a question about the use of English and reference to the great Woody Guthrie, an inspiration to many of us, including Mr. Dylan, the great US poet. We will take a number of issues on board in the consultation, including matters raised in the final few speeches on the new clause. My hon. Friend the Member for Ellesmere Port and Neston (Mr. Miller) made an important point on which we shall reflect when developing our consultation plans.

John Robertson: Does my hon. Friend not accept that the Government do not have to take on board points made in the consultation? Something more than consultation is needed.

Malcolm Wicks: Indeed. I hope to cover that later.

My hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) and I are glad to focus on the weighty matter of pensions, given the sad circumstances in which the team that we both passionately support finds itself. We have no reason to prevent employers from seeking a refund from a scheme that is genuinely overfunded, and we believe that the full buy-out standard provides a safeguard against the inappropriate reduction of scheme funds.

Mr. Webb: Will the Minister give way?

Malcolm Wicks: I am happy to do so in a moment, but first I should like to make progress on an issue raised by several hon. Members. As I set out in my opening remarks, the tax regime does not allow schemes to hold funds 5 per cent. above their requirements, but that will soon change. It is therefore important that we look at circumstances surrounding a possible surplus. I reiterate that this is not about exercising a light touch and allowing trustees to give money back to employers in various circumstances. The requirements for a full buy-out are extremely tough indeed. As I have said, new clause 30 provides for the making of regulations, which will ensure that payments to an employer may not be made from a defined benefit scheme unless it is funded to a level sufficient to purchase annuities and deferred annuities securing the rights of all members and beneficiaries—the "full buy-out" level. That is a very tough level. The full buy-out standard provides a significantly higher margin of error for stock market fluctuations, for example, than other possible methods of valuation do. I went on to make the point that that would have to be certified by the scheme actuary before anything of the kind was possible.

Mr. Webb: On the meaning of "full buy-out", can the Minister confirm that full buy-out does not include pre-1997 indexation?

Malcolm Wicks: No, it does not require that. Notwithstanding the situation where a surplus may go back to the employer, going into pre-1997 indexation may store up serious trouble for the future. It might seem a useful thing to do, but in terms of the costs over the longer term, there may be serious financial implications, probably way above the amount that may be returned to the employer.

One of the things that has not come out in the debate is that we are not talking about a situation or an era in which the employer's contribution or the employer's need to make occupational pension provision is compulsory. We are not in that position. All of us are concerned about companies that have made judgments

in recent times to end or down-rate their occupational pension provision. We should be mindful that there is always the danger that some employers will start to walk away if we put more and more obligations on them.

I reiterate what I said earlier: the crucial point—it is almost a simplistic point to make about pension schemes—is that a scheme should be adequate to provide pensions now and in the future. That is its purpose. It is not the purpose of a pension scheme to become a reserve that is well above what might be required. In the Bill we are putting new obligations on pension schemes, not least the obligations relating to the regulator and the pension protection fund. We are telling schemes that they must contribute to a new pension protection fund. Some call that a burden. I call it a proper obligation in the 21st century, but we must be sensible. If a very significant surplus is built up, way above what is necessary for the pension requirement, in the tough circumstances specified it might be reasonable for that to be returned to the employer. I cannot see the difficulty about that.

Mr. Purchase: My hon. Friend used the words "now and in the future". Does he agree that the future has never been accurately defined? The whole of financial history shows that it is almost impossible to predict the future over any great length of time. Does my hon. Friend accept that the new clause, which he presents to us as a way of offering greater protection to employees, still provides the opportunity for money to be taken out of the fund, whereas if it were left in, it would provide greater certainty against an uncertain future?

Malcolm Wicks: I understand where my hon. Friend is coming from and I take his warning that none of us can predict the future in that sense, but surely the sensible approach and the obligation is to ensure that pension schemes have sufficient money for the purpose. We are saying—this is quite a high requirement—that there should be sufficient money for full buy-out, should that prove necessary. For us to say that it is an obligation on schemes, and therefore on employers, to have funds way above that level would put an onus on employers that may put some off from continuing their final salary pension schemes. That is a real danger.

We do not want to so over-egg the pension pudding that it could lead to the demise of decent occupational pension schemes. That is our concern. I say that at a time when many Opposition Members accuse us of putting new burdens on employers. We are happy to defend that. The hon. Member for Tatton (Mr. Osborne) is nodding because the Opposition declined to give the Bill a Second Reading. They declined to allow us to introduce a Bill providing for the pension protection fund. That is where they are coming from.

My hon. Friend the Member for Wolverhampton, North-East is coming from a more respectable position. I am arguing that we need to get the balance right between the costs on schemes and therefore on employers, and proper protection for future pensioners.

Mr. Tynan *rose—*

Mr. Webb *rose—*

Malcolm Wicks: I shall give way first to my hon. Friend the Member for Hamilton, South (Mr. Tynan) and then to my honourable opponent, the hon. Member for Northavon (Mr. Webb).

Mr. Tynan: I thank my hon. Friend for giving way. Does he accept that previously, when pension schemes had a surplus, there was considerable regulation on those schemes and on the employer to prevent surpluses being taken out, which would endanger the scheme? It was only because of the level of the stock market at that time that a surplus accrued to schemes. Once the surplus had been taken from the scheme and the stock market fell, there was no surplus and the scheme was in real difficulty. We could be in the same position in the future. In the circumstances, I caution my hon. Friend to look seriously—I understand that it is consultation—at what is being proposed. I still believe that a viable pension scheme could become unviable a year down the line, if the surplus had been taken from the scheme.

Malcolm Wicks: That is a perfectly reasonable argument, but I hope my hon. Friend will take on board what I am saying. We are not proposing that in a light touch way, willy-nilly, surpluses can be given back to employers. We are stipulating a tough requirement and that the actuary must be satisfied. If he is not satisfied, the regulator can move in. Full buy-out is a very high requirement.

Some decent employers are perfectly properly putting significant amounts of shareholders' money into pension schemes to improve their finances. I do not think it is so unreasonable—I am repeating myself—that if they are in surplus, subject to the safeguards that I presented, that should be allowed.

We have had a useful debate and perhaps we should shortly wind it up. There was an interesting exchange about language and the phrase "trustees are be satisfied". We thought for a moment that the hon. Member for Northavon used to be the professor of English literature at Bath university. Someone, but I had better not say who it was in case he is accused of regionalism, thought that that was how people spoke in the hon. Gentleman's constituency. I was outraged by the very suggestion. The phrase is not an example of English usage in that part of the country, but rather more mundanely, an error. I wonder, Madam Deputy Speaker, whether it may be treated as an evident printing error, rather than something that requires amendment. I hope that might be possible.

Madam Deputy Speaker (Sylvia Heal): I should say that the Chair is prepared to treat the superfluous word "be" in section 37(3)(d) of the inserted text as an obvious printing error, which will be corrected.

Malcolm Wicks: I am very grateful. That will save all of us time.

I ask the House to support the new clause. I was touched by the reminder of Woody Guthrie. As I recall, he was responsible for that great patriotic song—patriotic in the proper sense—"This Land is Your Land". The purpose of the Bill is to ensure that pensions belong to people—"this pension is our pension". It is very much what we are about. On that lyrical note, I hope that the House are be satisfied with the amendments.

Question put, That the clause be read a Second time:—

The House divided: Ayes 317, Noes 48.

Division No. 180] **[3:29 pm**

AYES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blackman, Liz
Boateng, rh Paul
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, rh Jean
Cousins, Jim
Cox, Tom *(Tooting)*
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(Selly Oak)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, rh Michael
Merron, Gillian
Milburn, rh Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moonie, Dr. Lewis
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*

Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wyatt, Derek

Tellers for the Ayes:
Derek Twigg and
Charlotte Atkins

NOES

Allan, Richard
Baker, Norman
Barrett, John
Beith, rh A. J.
Breed, Colin
Brooke, Mrs Annette L.
Burstow, Paul
Cable, Dr. Vincent
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Chidgey, David
Davey, Edward *(Kingston)*
Doughty, Sue
Ewing, Annabelle
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Green, Matthew *(Ludlow)*
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hermon, Lady
Holmes, Paul
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Lamb, Norman
Laws, David *(Yeovil)*
Llwyd, Elfyn
Marsden, Paul *(Shrewsbury & Atcham)*
Moore, Michael
Öpik, Lembit
Price, Adam *(E Carmarthen & Dinefwr)*
Pugh, Dr. John
Rendel, David
Robertson, Angus *(Moray)*
Russell, Bob *(Colchester)*
Sanders, Adrian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Taylor, Matthew *(Truro)*
Thomas, Simon *(Ceredigion)*
Tonge, Dr. Jenny
Trimble, rh David
Tyler, Paul *(N Cornwall)*
Webb, Steve *(Northavon)*
Willis, Phil
Wishart, Pete
Younger-Ross, Richard

Tellers for the Noes:
Mr. Andrew Stunell and
Mr. Alan Reid

Question accordingly agreed to.

Clause read a Second time, and added to the Bill.

New Clause 31

PAYMENTS OF SURPLUS TO EMPLOYER: TRANSITIONAL POWER TO AMEND SCHEME

'(1) This section applies to a scheme which immediately before the commencement of section (Payment of surplus to employer) was one to which section 37 of the Pensions Act 1995 applied (see subsection (1) of that section, as it then had effect).

(2) No payment to the employer may be made out of funds held for the purposes of the scheme except by virtue of a resolution of the trustees under this section.

This applies even if the payment is one proposed to be made in fulfilment of an agreement or arrangement entered into before the commencement of this section.

(3) Where the scheme was so expressed as (apart from section 37, as it then applied) to confer power to make payments to the employer out of funds held for the purposes of the scheme otherwise than in pursuance of proposals approved under paragraph 6(1) of Schedule 22 to the Income and Corporation Tax Act 1988, the trustees may resolve that the power—

(a) shall become exercisable according to its terms, or

(b) shall become so exercisable, but only in such circumstances and subject to such conditions as may be specified in the resolution.

(4) Where the scheme was so expressed as to confer power to make payments to the employer out of funds held for the purposes of the scheme only in pursuance of proposals approved under paragraph 6(1) of Schedule 22 to the Income and Corporation Tax Act 1988, the trustees may resolve that the power shall instead be exercisable in such circumstances and subject to such conditions as may be specified in the resolution.

(5) In either case the trustees must be satisfied that it is in the interests of the members of the scheme that the power is exercised in the manner proposed.

(6) The power conferred by subsection (3) or (4)—

(a) may not be exercised unless notice of the proposal to exercise it has been given, in accordance with prescribed requirements, to the employer and to the members of the scheme,

(b) may only be exercised once, and

(c) ceases to be exercisable five years after the commencement of this section.

(7) The exercise of any power to make payments to the employer by virtue of a resolution under this section is subject to section 37 of the Pensions Act 1995 as substituted by section (Payment of surplus to employer).'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 18

POWER TO MAKE REGULATIONS GOVERNING INVESTMENT BY TRUSTEES OF OCCUPATIONAL PENSION SCHEMES

'(1) Section 36 of the Pensions Act 1995 (c.26) (choosing investments) is amended as follows.

(2) For subsection (1) substitute—

"(1) The trustees of a trust scheme must exercise their powers of investment in accordance with regulations and in accordance with subsections (3) and (4), and any fund manager to whom any discretion has been delegated under section 34 must exercise the discretion in accordance with regulations.

(1A) Regulations under subsection (1) may, in particular—

(a) specify criteria to be applied in choosing investments, and

(b) require diversification of investments."

(3) Omit subsection (2).

(4) In subsection (3) for "the matters mentioned in subsection (2) and" substitute "the requirements of regulations under subsection (1), so far as relating to the suitability of investments, and to".

(5) For subsection (8) substitute—

"(8) If the trustees of a trust scheme—

(a) fail to comply with regulations under subsection (1), or

(b) do not obtain and consider advice in accordance with this section,

section 10 applies to any trustee who has failed to take all reasonable steps to secure compliance."

(6) After subsection (8) insert—

"(9) Regulations may exclude the application of any of the preceding provisions of this section to any scheme which is of a prescribed description.".'.—*[Mr. Pond.]*

Brought up, and read the First time.

3.45 pm

Mr. Pond: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 19—*Borrowing by trustees of occupational pension schemes.*

Government amendments Nos. 166, 167 and 173.

Mr. Pond: New clauses 18 and 19 insert new powers into the Pensions Act 1995 to fulfil our obligations to implement the provisions of the EU occupational pensions directive on pension scheme investments and borrowing. Most of the pensions directive either already exists in UK law or is being incorporated through our own domestic agenda for pensions reform. However, to make transparent our compliance with the directive in respect of how schemes may invest, we intend to make regulations making explicit, in line with article 18 of the directive, the requirement that trustees invest in accordance with the "prudent person approach". On this side of the House, we know all about prudence.

New clause 18 amends section 36 of the Pensions Act 1995 to allow regulations to require trustees or fund managers to consider the additional requirements when making investment decisions. In broad terms, the requirements will include the need for investments not to affect adversely the overall quality of the investment portfolio, for them to be made predominately on regulated markets and for any investment in derivatives to be part of a strategy of risk reduction or efficient portfolio management.

In addition, new clause 19 allows for the making of regulations providing that schemes may borrow money only on a temporary basis for liquidity purposes and prohibiting them from guaranteeing loans. The provisions are not a Trojan horse designed to impose major restrictions on trustees' ability to manage their scheme's investments. Our policy intention is to disturb as little as possible the ways in which schemes may currently invest. By placing the detailed requirements in secondary, rather than primary, legislation, we will be able to consult extensively on the best way of incorporating the directive's requirements without placing undue restrictions on pension schemes and to ensure that the provisions in pensions law are consistent and coherent with the analogous rules for other financial service products. We shall therefore consult further on the details and we plan, as is customary, to consult on the draft regulations.

Amendments Nos. 166, 167 and 173 are consequential amendments to the Pensions Act 1995 required by the insertion of the new powers. Amendment No. 167 is a further consequential amendment that removes the reference to section 3 of the Pensions Act from section 36 of that Act.

Mr. George Osborne: Again, significant changes are being brought in at short notice with little consultation. The new clause introduces rules that affect the way in which pension schemes can invest and borrow. Investment is one of the most important activities that pension schemes undertake. Laughably, the Government say in their explanatory notes that they will consult on this measure extensively, "as is customary". We are getting used to the customary consultation of the Government. This is no way to make good law.

The Government think that they need to take on these regulatory powers to ensure compliance with the EU directive. The Minister for Pensions did not answer my points about the directive in the previous debate because he was so busy dealing with interventions from his colleagues, but we will discuss the directive further in the next group of new clauses.

The purpose of new clause 18 is to write into UK law the "prudent person principle", as the Under-Secretary puts it. He talks about prudence. When the tectonic plates start shifting, it is incredible how junior Ministers get their ducks in a row and start to sniff the wind—*[Interruption]*—to mix my metaphors, as the hon. Member for Northavon (Mr. Webb) correctly points out.

Is the new clause strictly necessary? The Government need to justify it more than they have done. The English common law—as well as the Scottish common law—already imposes a duty on trustees to act with prudence when making investments. The Government thought that that, in effect, required trustees to act within the terms of the directive, so the Government were satisfied with the status quo. However, they have decided that to ensure compliance with the terms of directive and make that transparent, they will incorporate explicitly the requirements of the directive into domestic legislation.

In other words, the Government think that the status quo is adequate but want to make absolutely, doubly sure, so they will regulate, legislate and gold-plate some more. They will write into UK law some specific considerations—not that we have seen the regulations, which would be far too much to ask. They have indicated that the regulations will ensure that

"assets are invested in a manner to ensure the security, quality, liquidity and profitability of the portfolio as a whole."

There will also be a requirement that assets be invested predominantly in regulated markets and the explanatory notes contain a list of others.

There will be a significant set of rules for pension schemes that will prescribe in legislation—in a way that is not prescribed at present—exactly how schemes invest. We have not seen the regulations; as I say, the Government think that they may not be necessary because the common law principle probably covers the matter. Despite that, they are introducing these new regulations to ensure compliance with an EU directive with which the Government think we comply anyway. It seems to be a waste of our legislative time.

Mr. Webb: There is a distinction between the way in which UK law has hitherto dealt with these matters and the way in which the EU directive requirement will require us to deal with them in the future. The UK law adopts a principled approach, asking what a prudent person would have done, whereas the EU directive is specific and prescriptive and has a list of things that one can and cannot do. I should have thought that the way in which UK law does these things was better because of the general principle underlying the legislation.

Critically, one does not need to be able to guess in advance what the future shape of financial markets and instruments might be. To give an example, we have not

seen the regulations, but the explanatory notes give us a hint as to what they might be. The notes contain a reference to "investments in derivatives." Given that derivatives are themselves a relatively modern invention—I use the term loosely—in the future, there will be new financial instruments. Under UK law, we would not have to worry about that because of the prudent person principle. We do not have to pass a new regulation every time there is a new financial instrument to say whether people may or may not invest in that instrument within the scope of a pension fund. However, if we are governed by the EU directive, the Government think that, to be on the safe side, we had better produce regulations that list explicitly what the directive says that we may or may not do.

Presumably—I hope that the Minister can confirm this—the next time the financial whizz kids invent a new financial product, we will need a new regulation and the Government will have to decide for each new financial instrument whether it is the sort of thing that pension funds may invest in. Governments, by their very nature, are not up to speed on the latest financial instruments, so there would then be a lag and any pension fund could say in its defence that it was clear that it was allowed to invest in the new financial instrument because there had not been a regulation on it, and it was not therefore listed as something that pensions could not invest in. There would no longer be general principle at work, but a list of prescribed things that a fund could or could not do.

That seems an inferior way of regulating pensions and I wonder whether the Minister, on the ground that no one is listening, could offer his personal observations on whether the traditional UK law approach—the general principle of prudence—is better than the EU-driven approach in which everything has to be spelled out and specified, with regulations constantly updated to keep pace with change. Does he share my view that the good old UK way was better?

Mr. Tynan: I want to share with the House one of my experiences as a trustee of the pension fund of the Amalgamated Engineering and Electrical Union workers' scheme. I understand that the reason for the new clause is to give more protection to ensure that investments are sound and that a scheme is viable in the long term. When I was a trustee of that scheme, we had a rule—which seemed strange to me, coming from a trade union background—that said that 80 per cent. of the investments had to be in gilts and that 20 per cent. could be in equities. I know that that does not come under the new clause, but it would be interesting to hear the Minister's view on whether we should limit risk by saying that investments in pension schemes should be based partly on gilts, not just on equities, so that there is a mixture to give some protection. That would create an interesting scenario in terms of how fund managers would invest in pension schemes to protect the rights of the workers and employees for whom the scheme was there.

Mr. Pond: I shall deal first with the comments of the hon. Member for Tatton (Mr. Osborne), who suggested that the new clause arrived late in the day. He will understand that we are seeking through it to try to ensure that we are fully compliant with the European directive and, given that the definitive text of the directive was not available to us until last September and that we as a Government are committed to the process of consultation, we inevitably needed time to bring the proposals forward.

The hon. Gentleman is right in one of his contentions: to a large extent, the provision makes little difference to how we operate the regulation of pensions in the UK or the investment decisions that are a matter for trustees within certain bounds, because much of what is in the directive already reflects common practice in the UK. However, we want to ensure that trustees act in a way that is appropriately described as "prudent", although most trustees operate very prudently as matters stand.

That point was also made by the hon. Member for Northavon (Mr. Webb), who suggested that the approach is not sufficiently flexible and that there is a real distinction between the UK approach and that in the directive. If he looks carefully at the directive, he will see that there is much less of a distinction than he perhaps implied. We are seeking to set the boundaries within which trustees may make their decisions, but considerable flexibility is built in. There is very little imposition on pension schemes precisely because the measures in the directive reflect current UK practice. The issue is one of transparency, and the question also arises of whether common law itself is adequate to demonstrate compliance with the directive, rather than changing the way in which we do things. We are advised that, on that basis, we need to introduce these provisions.

4 pm

My hon. Friend the Member for Hamilton, South (Mr. Tynan) asked how risk-averse I thought fund managers and trustees should be and talked about the balance between gilts and equities or, indeed, derivatives. I have no view on this matter, because the decision is one for fund managers and trustees. They must judge what is in the best interests of scheme members to ensure that returns are maximised, but they must do so in a manner that is "prudent". That is why that phrase is so important.

The hon. Member for Tatton complained that my hon. Friend the Minister for Pensions did not respond to his point about surpluses during the debate on the previous new clause. I cannot believe that that is so, and just in case he did not hear the response, I repeat that we are compliant on surpluses. The directive does not require schemes to be funded daily to full buy-out levels. Our surplus requirements come into play only when scheme funding is significantly higher, so there is no compliance issue.

I hope that Members understand that we are introducing these provisions largely through regulation to ensure a proper consultation process, so that there is no disruption to the operation of the scheme, and to provide the flexibility that the hon. Member for Northavon rightly craves.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 19

BORROWING BY TRUSTEES OF OCCUPATIONAL PENSION SCHEMES

'After section 36 of the Pensions Act 1995 (c. 26) insert—

"36A Restriction on borrowing by trustees

Regulations may prohibit the trustees of a trust scheme, or the fund manager to whom any discretion has been delegated under section 34, from borrowing money or acting as a guarantor, except in prescribed cases.".'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 5

OCCUPATIONAL PENSION SCHEME RECEIVING CONTRIBUTIONS FROM EUROPEAN EMPLOYER

'(1) The trustees or managers of an occupational pension scheme must not accept any contribution to the scheme from a European employer unless all the following conditions are met.

(2) Condition A is that the trustees or managers of the scheme are authorised by the Regulator under section (General authorisation to accept contributions from European employers).

(3) Condition B is that the trustees or managers of the scheme are approved by the Regulator under section (Approval in relation to particular European employer) in relation to the European employer.

(4) Condition C is that either—

(a) the period of 2 months beginning with the date on which the Regulator notified the trustees or managers of the scheme under section (Approval in relation to particular European employer)(2)(a)(ii) has expired, or

(b) before the end of that period, the trustees or managers have in accordance with section (Notification of legal requirements of host member State outside United Kingdom) been provided by the Regulator with information as to the social and labour law of the host member State.

(5) If the trustees or managers of a scheme fail to comply with subsection (1), section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.

(6) In this Part—
"European employer" means any employer who—

(a) in the case of a body corporate, is incorporated in a member State other than the United Kingdom, and

(b) in any other case, is resident in such a member State;
"host member State", in relation to a European employer, means a member State determined in accordance with regulations.'.—*[Mr. Pond.]*

Brought up, and read the First time.

Mr. Pond: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 6—*General authorisation to accept contributions from European employers.*

Government new clause 7—*Approval in relation to particular European employer.*

Government new clause 8—*Notification of legal requirements of host member State outside United Kingdom.*

Government new clause 9—*Duty of trustees or managers to act consistently with law of host member State.*

Government new clause 10—*Functions of Regulator in relation to institutions administered in other member States.*

Government new clause 11—*Interpretation of Part.*

Government amendments Nos. 59 to 61.

Mr. Pond: We are already well into our European journey, and we shall be talking further about the European directive. As the House is aware, we have an obligation to implement the provisions of directive 2003/41/EC, which is known as the occupational pensions directive. As has been said, many of the directive's requirements already exist in UK law or are being incorporated through our own domestic agenda for pension reform. However, new clause 5 is the first of seven new clauses that implement an area of the occupational pensions directive not previously covered to date: cross-border activity, which has already been discussed to some extent this afternoon.

Cross-border activity occurs where an occupational pension scheme administered in one EU member state—described as the home member state—accepts contributions from employers located in another member state, which is described as the host member state. The directive's cross-border provisions are important because they represent a first step towards a single market for occupational retirement provision. New clause 5 sets out the conditions that a scheme must meet before it can start to operate on a cross-border basis. To summarise, a scheme must be authorised to operate on a cross-border basis by the pensions regulator, and it must have exchanged specific information with the regulator, in the form of a notice of intention to operate on a cross-border basis with a specified European employer from a host member state.

The scheme must then have secured the regulator's approval to its accepting contributions from that employer on a cross-border basis.

New clause 6 concerns the first general stage of authorisation that an occupational pension scheme will need to obtain from the pensions regulator before it can begin operating on a cross-border basis. To obtain that authorisation, a scheme will need to demonstrate compliance with all the provisions of the directive.

New clause 7 deals with the additional approval required under the directive by a UK pension scheme provider that wants to operate cross border, once it has chosen a specified member state employer for its proposed cross-border activities. That will involve the regulator assessing the scheme's proposed operations for its compatibility with the legal requirements of the member state in which it proposes to do business.

The regulator will already have liaised with its European counterparts through the formal European regulator network to determine the broad legal requirements of each member state's pensions legislation—known in the directive as "social and labour law". A cross-border pension scheme will need to submit a notice of intention to the regulator and

subsequently receive approval in respect of each new sponsoring member state employer with which it wishes to do cross-border business.

New clause 8 places a duty on the pensions regulator to pass on to the prospective UK cross-border pension scheme the details of the social and labour laws of the host member state in which it intends to operate.

New clause 9 places an important duty on cross-border scheme trustees or managers to operate in a manner that complies with the relevant social and labour law of the member state from which employer contributions are being paid. Failure to comply with another member state's social and labour law will, under the terms of section 10 of the Pensions Act 1995, be a sanctionable offence. The pensions regulator will also have the power to revoke authorisation to operate cross border.

I should explain that although the pensions regulator will have the power to take action in such cases, it is not a function of the UK regulator actually to police the social and labour laws of another host member state. That is the responsibility of the regulatory authority of that host member state. Where such a breach is detected, article 20(9) of the directive allows the regulatory body concerned to notify the UK regulator of any irregularity, and it will then be for the UK regulator to act in co-ordination with the host member state regulator to put a stop to that breach of law.

New clause 10 places duties on the UK pensions regulator when acting in a host member state capacity. It applies where the cross-border pension scheme is based in another member state and it is accepting contributions from a UK employer. There are three basic obligations placed on the regulator in those circumstances. The first obligation arises when it receives a notice of intention from the regulatory authority of another member state that a scheme in that member state intends to accept contributions from a UK employer. In such a case, the regulator is required to forward to that regulatory authority details of any relevant UK law that the cross-border pension scheme will need to comply with in its UK operations—over and above the scheme's domestic pension laws.

Secondly, the regulator is required to notify the pension scheme's domestic regulatory authority of any significant changes in relevant UK pensions law. Thirdly, the regulator is to be responsible for monitoring the cross-border scheme's compliance with relevant UK law. Where an irregularity is detected, the regulator is to notify the scheme's domestic regulatory authority, so that action can be taken to rectify the situation. In addition, where the cross-border scheme is breaching the relevant UK social and labour law, subsections (5) to (7) permit the regulator to take action in respect of a UK employer sponsoring a cross-border scheme in another member state.

New clause 11 simply defines a number of terms used in this part of the Bill.

Consequential amendments Nos. 59 to 61 concern the role of the pensions regulator in supervising cross-border pension schemes. The pensions regulator, acting as the UK's "competent authority", will have a vital role to play in supervising such schemes. The amendments will enhance the functions of the regulator to take account of certain cross-border provisions of the directive. Put briefly, they collectively empower the regulator to carry out the two-stage authorisation and approval set out in new clauses 6 and 7 for UK pension schemes wishing to operate cross border. They also add, as a function of the regulator, the power to revoke either the general authorisation for cross-border activity or the specific approval for cross-border activity with a specified European employer.

The amendments also make it a function of the regulator to issue notices directing UK employers that they must take steps specified in the notice in order to remedy a situation where a non-UK EU member state pension scheme, sponsored by the UK employer in question, has breached UK pensions law. They also make it a function of the regulator to issue notices directing UK employers to cease to make contributions to such schemes where there is, or has been, a breach of relevant UK pensions law. The amendments also ensure that the regulator's standard procedures apply to those decisions, and that they may be delegated to the regulator's determinations panel.

The House will note that we are taking regulation-making powers in a number of areas to do with cross-border activity. I make no apology for that. If a single, cross-border market is to develop, implementing this directive will very much be a co-operative process. However, member states are currently proceeding with implementation at different rates. In view of that, we wish to take advantage of the greater flexibility offered by secondary legislation, which will enable us to react appropriately to developments in other member states, if and when required.

Mr. George Osborne: The Minister has made quite a defence of secondary legislation, both in his most recent contribution and in the wind-up to the previous debate. He said that it provides the Government with more flexibility, and allows them to consult more widely than would be the case if a provision were introduced by means of primary legislation brought before Parliament. Unfortunately, that says a lot about the Government's attitude to the Bill. The Minister for Pensions said that it was a work in progress, and we are seeing that unfold before our eyes.

It is fair to say that we have talked, in connection with recent new clauses, about the potential costs and red tape associated with the EU directive. I accused the Minister of gold-plating in the previous debate, but it is right for us to acknowledge that significant benefits could accrue to the UK financial services industry if we get this matter right. The UK industry is the most developed and sophisticated in Europe, and one would hope that it would be best placed to take advantage of a genuine cross-border market in financial services.

The document produced by the European Federation for Retirement Provision has, of course, been my bedtime reading for some time. *[Interruption.]* I am glad that that news has woken up the House of Commons. The federation is chaired by the familiar figure of Alan Pickering, who has estimated that the directive, if it works and achieves what he hopes it will achieve, could benefit European pensions by an extra €10 billion. That would be a boon to pension scheme members and to the UK financial services industry, but we must get the details right.

[Mr. George Osborne]

I make no apology for repeating my complaint that it is extraordinary that we have had to wait until now to see the detail of how the Government will implement the directive. The Minister gave the excuse a few minutes ago that the text was produced only in September, but that is eight months ago. The Government have had a long time to consult on it.

Mr. Pond: We have been consulting on it.

Mr. Osborne: The Minister says that the Government have been consulting on the directive, but they have not undertaken active consultation with the industry on the specific detail of legislation. Industry representatives have told me over the past few days that they have not had time to study the new clauses, so it is not true that there has been active consultation.

Indeed, the directive was adopted by the Council of Ministers more than a year ago. I shall not begin a lengthy debate about how the Council of Ministers could agree something three or four months before being given the final text. I have some limited experience of working with bodies such as the Council of Ministers, and such behaviour is unfortunately somewhat familiar. Nevertheless, the Government have had many months to consult on the final text—or the negotiating position that was agreed at the Council of Ministers.

4 15 pm

As far as I can understand this group of new clauses, they place certain obligations on the regulator—we are talking mainly about the UK regulator, although of course similar obligations are placed on the regulators of other member states—to keep schemes informed as to the social and labour laws of host member states. Will the regulator be able to rely on the Governments of other member states to keep us informed of changes to their social and labour laws? Obviously, with so many members of the EU now, those laws will be changing all the time in many different countries. Is it the regulator's job to keep on top of that and monitor developments, or is it the duty of member states to keep the regulator informed of changes? Who is liable for the accuracy of the information that the regulator passes on to UK schemes?

Is it the pensions regulator's job to say, "Hold on, the Hungarian Parliament has just changed its employment law"? Can he rely on the letter from the Hungarian embassy and simply pass that on to UK schemes, or will he have to check that that was exactly what was agreed? We know from experience in this place that we pass laws assuming that they will be interpreted in a certain way. They then get to the courts and are interpreted in another way. So whose job is it to keep on top of developments as they unfold in member states? Is it an ongoing requirement to keep schemes informed of the changes as they happen, or is it just a requirement when they are set up? Will the regulator be expected to produce a bulletin saying, "Look at the new law in Slovakia. Look at what has happened in Cyprus. Look at the Finnish Parliament's decision on this social law"? The point that I am making is that it will be a huge amount of work. Is the regulator up to it and who will be responsible for the accuracy of the information?

The directive refers to social and labour laws, but what about tax laws? If, for example, a large American company has its European headquarters in Frankfurt and opens a cross-border scheme based in Britain for all its European employees, do our tax laws apply or do they apply only to individuals working in the United Kingdom? I am talking about the new lifetime allowances, annual allowances and so on. Does UK tax law apply to an employee working in the UK for a Greek company that has a cross-border scheme based in Luxembourg? How will it work in practice? These are complicated issues. The directive refers only to social and labour laws, but what about tax laws? As we have discovered this afternoon, much of the pensions legislation here is being driven by changes to the laws governing the taxation of pensions.

I began by saying that the directive offers great potential to the financial services industry in this country, but it is important that we can implement it without being overly bureaucratic and without asking too much of the regulator.

Mr. Pond: I thank the hon. Member for Tatton (Mr. Osborne) for his acknowledgement of the importance of the provisions to ensure that we build effectively a single market in occupational pensions in such a way not only that we allow the development of that aspect of the European financial services market but that citizens from different member states are given opportunities to have their pension rights protected.

The definitive text was not available to us until September last year, but I said that we had consulted on the directive, not that we had consulted on these clauses, which are based on that consultation. Of course, in bringing forward the regulations, we will consult further, so that people have an opportunity to show how the proposals will work in practice.

The hon. Gentleman asked specifically whether it would be the regulator's job to keep abreast of changes in social and labour laws in other member states. It is, of course, a requirement on the regulator in the host member state to keep us informed of what is happening in that state. The regulator will likewise have to inform those schemes operating in those states. That must be based on co-operation between regulators in the various member states, and—as the hon. Gentleman will be aware—there are proposals to establish a committee of regulators across Europe to consider just those practical issues. I am sure that hon. Members will be eager to find out how they might join that cross-European committee.

The hon. Gentleman also asked how the cross-border proposals will work with the tax simplification proposals, and I can tell him that we have debated clauses dealing with the new rules simplifying the taxation of pension schemes and we will debate further such clauses. Under those rules, a pension scheme with either a UK or an EEA-based administrator will be able to register with the Inland Revenue as long as the scheme meets UK legislative requirements. The scheme may include members who are not resident in the UK. That means that contributions paid to it will attract UK tax relief against earnings that are charged to UK tax. The Government are considering the situation and will produce proposals for those who come to the UK and

wish to claim UK tax relief on contributions to overseas pensions schemes of which they are already members. I hope that that clarifies the two specific points that the hon. Gentleman raised.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 6

GENERAL AUTHORISATION TO ACCEPT CONTRIBUTIONS FROM EUROPEAN EMPLOYERS

'(1) An application by the trustees or managers of an occupational pension scheme for authorisation under this section must be made to the Regulator in the prescribed form and in the prescribed manner.

(2) Regulations may make provision as to—

(a) the revocation by the Regulator of authorisation under this section, and

(b) the criteria to be applied by the Regulator in reaching any decision relating to the grant or revocation of authorisation.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 7

APPROVAL IN RELATION TO PARTICULAR EUROPEAN EMPLOYER

'(1) An application by the trustees or managers of an occupational pension scheme for approval under this section in relation to a European employer is made by the trustees or managers of the scheme giving the Regulator in the prescribed manner a notice ("the notice of intention") in the prescribed form which—

(a) specifies the European employer ("the specified employer"),

(b) states his intention, subject to approval under this section, to accept contributions from the specified employer,

(c) specifies the host member State, and

(d) contains other prescribed information.

(2) On receipt of the notice of intention, the Regulator must within 3 months—

(a) where the Regulator is satisfied that the persons giving the notice of intention meet prescribed conditions—

(i) notify the competent authority of the host member State of the receipt by the Regulator of the notice of intention and of the contents of the notice, and

(ii) notify the persons who gave the notice of intention that they are approved for the purposes of this section in relation to the specified employer, or

(b) in any other case, notify the persons who gave the notification that they are not so approved.

(3) If the Regulator does not act under subsection (2)(a) or (b) within the period of 3 months beginning with the day on which the notice of intention was received, the persons who gave the notice of intention are to be taken to have been approved for the purposes of this section in relation to the specified employer at the end of the period.

(4) Regulations may make provision as to—

(a) the revocation by the Regulator of approval under this section, and

(b) the criteria to be applied by the Regulator in reaching any decision relating to the revocation of approval.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 8

NOTIFICATION OF LEGAL REQUIREMENTS OF HOST MEMBER STATE OUTSIDE UNITED KINGDOM

'Where—

(a) the Regulator has notified the competent authority of the host member State under subsection (2)(a)(i) of section (Approval in relation to particular European employer), and

(b) in pursuance of Article 20(5) of the Directive, the Regulator receives information from the competent authority as to requirements of the social and labour law of the host member State,

the Regulator must as soon as reasonably practicable forward that information to the person who gave the notice of intention under section (Approval in relation to particular European employer).'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 9

DUTY OF TRUSTEES OR MANAGERS TO ACT CONSISTENTLY WITH LAW OF HOST MEMBER STATE

'(1) Where the trustees or managers of an occupational pension scheme receive contributions to the scheme from a European employer, the trustees or managers must ensure that the scheme, so far as it relates to members who are or have been employed by the employer, is operated in a way which is consistent with the requirements of the social and labour law of the host member State.

(2) Regulations may modify any provision of pensions legislation in its application to members of an occupational pension scheme in respect of which the employer is a European employer.

(3) If the trustees or managers of a scheme fail to comply with subsection (1), section 10 of the Pensions Act 1995 (c. 26) (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure compliance.

(4) In this section "pensions legislation" means—

(a) the Pension Schemes Act 1993 (c. 48),

(b) Part 1 of the Pensions Act 1995 (c. 26), other than sections 62 to 66A of that Act (equal treatment),

(c) Part 1 or section 33 of the Welfare Reform and Pensions Act 1999 (c. 30), or

(d) this Act.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 10

FUNCTIONS OF REGULATOR IN RELATION TO INSTITUTIONS ADMINISTERED IN OTHER MEMBER STATES

'(1) Where a UK employer makes (or proposes to make) contributions to a European pensions institution, any function which Article 20 of the Directive requires or authorises to be exercised by the competent authorities of the host member State is exercisable by the Regulator.

(2) If the Regulator receives a notification in pursuance of Article 20(4) of the Directive from the competent authority in another member State, the Regulator must within 2 months inform that authority of any relevant legal requirements

(3) Where there is a significant change in any relevant legal requirements, the Regulator must as soon as reasonably practicable inform any competent authority in relation to which it has provided information under subsection (2) of that change.

(4) Where a UK employer makes contributions to a European pensions institution, the Regulator must—

(a) monitor the compliance of that institution with the relevant legal requirements, and

(b) if the Regulator becomes aware of any contravention by the institution of any relevant legal requirements, inform the competent authority of that member State of the failure.

(5) If the Regulator is satisfied that a European pensions institution which receives contributions from a UK employer is contravening any relevant legal requirements, the Regulator may issue a notice to the UK employer directing him—

(a) to take or refrain from taking such steps as are specified in the notice in order to remedy the failure by the institution, or to cease to make further contributions to the institution.

(6) Regulations may make further provision about the effect of a notice under subsection (5)(b), including provision conferring functions on the Regulator.

(7) Section 10 of the Pensions Act 1995 (civil penalties) applies to any UK employer who, without reasonable excuse, fails to comply with a notice under subsection (5).

(8) In this section—

"European pensions institution" means an institution for occupational retirement provision, as defined by Article 6(a) of the Directive, that has its main administration in a member State other than the United Kingdom;

"relevant legal requirements" means such requirements of the law relating to occupational pensions, as it applies in any part of the United Kingdom, as may be prescribed;

"UK employer" means an employer who—

(a) in the case of a body corporate, is incorporated under the law of the United Kingdom or any part of the United Kingdom, or

(b) in any other case, is resident in the United Kingdom.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 11

INTERPRETATION OF PART

'In this Part—

"competent authority", in relation to a member State other than the United Kingdom, means a national authority designated in accordance with the law of that State to carry out the duties provided for in the Directive;

"the Directive" means Directive 2003/41/EC of the European Parliament and of the Council on the activities and supervision of institutions for occupational retirement provision;

"European employer" has the meaning given by section (Occupational pension scheme receiving contributions from European employer)(6);

"host member State", in relation to a European employer, has the meaning given by section (Occupational pension scheme receiving contributions from European employer)(6);

"social and labour law", in relation to a member State other than the United Kingdom, means the social and labour law (within the meaning of Article 20 of the Directive) of that State relevant to occupational pensions.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 12

RESTORATION ORDERS WHERE TRANSACTIONS AT AN UNDERVALUE

'(1) This section applies in relation to an occupational pension scheme other than—

(a) a money purchase scheme, or

(b) a prescribed scheme or a scheme of a prescribed description.

(2) The Regulator may make a restoration order in respect of a transaction involving assets of the scheme if—

(a) a relevant event has occurred in relation to the employer in relation to the scheme, and

(b) the transaction is a transaction at an undervalue entered into with a person at a time which—

(i) is on or after 11th June 2003, but

(ii) is not more than two years before the occurrence of the relevant event in relation to the employer.

(3) A restoration order in respect of a transaction involving assets of a scheme is such an order as the Regulator thinks fit for restoring the position to what it would have been if the transaction had not been entered into.

(4) For the purposes of this section a relevant event occurs in relation to the employer in relation to a scheme if and when on or after the appointed day—

(a) an insolvency event occurs in relation to the employer, or

(b) the trustees or managers of the scheme make an application under subsection (1) of section 116 or receive a notice from the Board of the Pension Protection Fund under subsection (5)(a) of that section (applications and notifications prior to the Board assuming responsibility for a scheme).

(5) For the purposes of subsection (4)—

(a) the "appointed day" means the day appointed under section 113(2) (no pension protection under Chapter 3 of Part 2 if the scheme begins winding up before the day appointed by the Secretary of State),

(b) section 110 (meaning of "insolvency event") applies for the purposes of determining if and when an insolvency event has occurred in relation to the employer, and

(c) the reference to an insolvency event in relation to the employer does not include an insolvency event which occurred in relation to him before he became the employer in relation to the scheme.

(6) For the purposes of this section and section [Restoration orders: supplementary], a transaction involving assets of a scheme is a transaction at an undervalue entered into with a person ("P") if the trustees or managers of the scheme or appropriate persons in relation to the scheme—

(a) make a gift to P or otherwise enter into a transaction with P on terms that provide for no consideration to be provided towards the scheme, or

(b) enter into a transaction with P for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by or on behalf of the trustees or managers of the scheme.

(7) In subsection (6) "appropriate persons" in relation to a scheme means a person who, or several persons each of whom is a person who, at the time at which the transaction in question is entered into, is—

(a) a person of a prescribed description, and

(b) entitled to exercise powers in relation to the scheme.

(8) For the purposes of this section and section [Restoration orders: supplementary]—

"assets" includes future assets,

"transaction" includes a gift, agreement or arrangement and references to entering into a transaction are to be construed accordingly.

(9) The provisions of this section apply without prejudice to the availability of any other remedy, even in relation to a transaction where the trustees or managers of the scheme or appropriate persons in question had no power to enter into the transaction.'.—*[Malcolm Wicks.]*

Brought up, and read the First time.

Malcolm Wicks: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 13—*Restoration orders: supplementary.*

Government new clause 14—*Content and effect of a restoration order.*

Government new clause 15—*Contribution notice where failure to comply with restoration order.*

Government new clause 16—*Content and effect of a section [Contribution notice where failure to comply with restoration order] contribution notice.*

Government new clause 17—*Debt due from the employer in the case of multi-employer schemes.*

Government amendments Nos. 74, 75, 77, 88, 100, 107 to 110, 112 to 118, 127, 128, 133 and 136 to 142.

Malcolm Wicks: These new clauses represent a further tranche of provision designed to mitigate the risks of moral hazard for the pension protection fund. They add to and complement the new powers introduced in Committee that aim to safeguard the integrity and sustainability of the PPF and avoid placing an unfair burden on responsible levy payers.

As I said in Committee, there are a number of forms of moral hazard that we must address. The admissible rules and "recent discretionary increases" provisions in schedule 7 of the Bill are designed to protect the PPF against actions taken by schemes in order to increase the benefits that could be payable by the new fund. New clauses 20 to 22, which we will debate later today, also bolster that aspect of protection.

Clauses 35 to 46, which we introduced in Committee, are designed to protect the PPF and scheme members from another type of moral hazard: the risk posed by unscrupulous employers who might seek to use company structures and business transactions as a cover for side-stepping their pension obligations. Many of the amendments in this large group follow on from those new clauses and make consequential amendments to other aspects of the Bill to ensure consistency.

The purpose of new clauses 12 to 16 is to protect the PPF against actions that reduce the assets in a scheme that could potentially be taken into the PPF. The clauses allow the regulator to issue a restoration order directing that the position of the scheme be restored where the scheme has entered into a "transaction at an undervalue" within a two-year period leading up to an insolvency event—as set out in clause 110—or application or notification under clause 115. The clauses provide for enforcement of the restoration order, if necessary, via a contribution notice.

A transaction at an undervalue is exactly what it says—a transaction involving scheme assets that results in the scheme receiving no consideration, or consideration that is less than the market value, in return. That could include, for example, trustees being persuaded to purchase a property on the basis of planning permission for a development that does not actually exist, or a director of a company persuading trustees to offer him a transfer on a very generous basis to prevent his benefits being reduced by the compensation cap should the scheme enter the PPF.

There is currently provision in insolvency legislation retrospectively to undo "transactions at an undervalue" involving company assets, which occur in the run-up to insolvency. New clauses 12 to 16 introduce similar provision in respect of transactions involving scheme assets, in order both to protect scheme members from having the assets of their scheme unfairly depleted and to guard against the possibility of the PPF having to assume responsibility for such schemes where it otherwise would not have done so.

In common with the anti-avoidance provisions introduced in Committee, the new clauses will be operated and enforced by the regulator in the context of meeting its objectives to reduce calls on the PPF and protect the benefits of scheme members. The pensions regulator will have the intelligence and expertise as a result of day-to-day monitoring work on pension schemes to deal proactively with the risks of moral hazard. The powers in new clauses 12 to 16 are reserved to the determinations panel and exercised by standard procedure; they are also subject to the powers to vary and revoke contained in clause 90.

In line with clauses 35 to 38, which give the regulator power to issue contribution notices where there is evidence of avoidance of employer debt, the power to issue restoration orders where there is a scheme transaction at an undervalue will apply to actions taken after 11 June 2003, when the proposal to introduce the PPF was announced. It will ensure that where a transaction at an undervalue has taken place since that date, the scheme's position can be restored and members' pensions protected. As my right hon. Friend the Secretary of State clearly warned:

"We will have to introduce protection against engineering designed to circumvent the intent of our proposals."—[*Official Report*, 11 June 2003; Vol. 406, c. 696.]

New clause 17 enables us to take forward the proposal to reform the position in relation to the application of debt on withdrawal from associated multi-employer schemes that I announced in Committee. The provision complements the new powers in clauses 39 to 46, which allow the regulator to issue financial support directions where an "insufficiently resourced" or service company is the sole sponsoring employer of a pension scheme.

The current legislation on withdrawal from multi-employer schemes provides for circumstances where, provided there are other companies left in such a scheme, a company can withdraw from the scheme and cease to be a sponsoring employer so that it will not be liable for any shortfall if the scheme winds up in the future. Currently, employers can do that relatively cheaply, as the withdrawal debt is based on the minimum funding requirement—the MFR.

New clause 17 introduces a new provision that enables section 75 of the Pensions Act 1995 to be modified to provide flexibility in calculating the section

[Malcolm Wicks]

75 debt when a participating employer withdraws from a multi-employer scheme with associated employers. The detail of that provision will be set out in regulations; that mirrors the approach taken in legislation governing multi-employer schemes where provision is made in secondary legislation to reflect the diverse and complex nature of such schemes.

The regulation-making powers in new clause 17, which will not be retrospective, will provide that a full buy-out debt should be triggered unless an appropriate support arrangement is put in place and approved by the pensions regulator, in which case the debt will be recalculated and a scheme-specific debt will be payable.

4.30 pm

The financial support arrangements will be similar to those outlined in clauses 39 to 46. For example, joint and several liability for pension liabilities could be applied across the whole company group, so that the debt on the employer in the event that the scheme should wind up in the future could be claimed against any member of the group. Alternatively, the ultimate parent company in the group, whether or not participating in the scheme, could agree to meet the withdrawing employer's pension liabilities if the scheme were to wind up in the future.

In addition, there will also be the option to transfer pension liabilities to an appropriate new scheme when the employer withdraws. That would also reduce—in some cases, to zero—the debt payable, as any member's liabilities actually transferred out of the scheme will be included in the calculation of the debt.

Regulations under the new clause will provide that any person identified in the withdrawal arrangements must consent to them and that any breakdown in the withdrawal arrangements may lead to a contribution notice being issued to those identified in the arrangements.

In tandem with clauses 39 to 46, new clause 17 is designed to avoid situations where, whether by chance or design, withdrawal from multi-employer arrangements leaves pension liabilities in a company that is substantially weaker than the rest or other parts of the group. Such a situation increases the risk that the scheme will be abandoned without being able to recover the full scheme costs from the employer, leaving the PPF to pick up the bill and the risk that certain members will have their benefits cut, even if other parts of the group could meet the cost.

Finally, this group contains a number of technical amendments, consequential on clauses added in Committee. Those amendments will ensure consistency between the new moral hazard provisions and the rest of the Bill. For example, amendments Nos. 112 to 118 will ensure that amounts recovered in respect of debts due under any of the moral hazard powers can be subsumed into the pension protection fund once the PPF board has assumed responsibility for a scheme. Amendments Nos. 136 to 142 will add those new powers in relation to moral hazard that are reserved to the determinations panel under schedule 2, which lists the reserved regulatory functions.

Hon. Members will appreciate how important it is that the regulator has the right tools to enable him properly to protect the PPF from abuse, and I urge hon. Members to accept these new clauses and amendments.

Mr. David Willetts (Havant) (Con): I assure the Minister that, yes, we do understand the need to protect the PPF from exploitation and abuse. Indeed, I checked the original statement on the creation of the fund, made back in June 2003, and we specifically raised that issue with the Secretary of State for Work and Pensions. We understand the overall purpose of the provisions, but this is an example of the dangers of legislating in haste and repenting at leisure, because there is growing concern in the business community about the effects of some of those provisions.

I hope that the Minister is at least willing to undertake to consider the provisions further in the light of some of the representations that he has received and which we have received as well. Perhaps I can briefly give some examples of those concerns.

The PPF and the regulator will have draconian powers. In practice, a new contingent risk will be placed on companies, company directors and shareholders. Those in the business community are concerned that that will put at risk capital, shareholders' capital and dividends in a way that they had not expected. Does the Minister accept that he should consider not just the protection of the PPF, but the proposals' effect on the ability of British business to raise capital and reward capital, given the new risk to directors and the providers of capital?

That raises a specific point that has been made to us and, I am sure, to the Minister. Will the regulator solely take account of the PPF and the need to protect its finances or will he also be able to take account of the financial position of the employer and the parent company? Is that a relevant consideration for the regulator in exercising the powers set out in the new clauses? For example, what would the position be if the exercise of the power in the new clauses were to tip a company over into bankruptcy? Is that a relevant consideration for the regulator or is it beyond the focus that the new clauses give to him? It would be helpful if the Minister could comment on that.

The Minister referred particularly to new clause 17, so may I press him on that? Like the Minister and Members on both sides, we have been approached by the Association of Consulting Actuaries, which is unhappy about the provisions for multi-employer schemes. We rather like multi-employer schemes and, given the Minister's affinity for the co-operative movement and continental industry-wide schemes, I presume that he likes them too. However, the provisions are quite tough for such schemes and the ACA has suggested that

"the proposal that any employer within a group of associated employers be compelled to make up . . . some or all of a scheme shortfall should be restricted to the scheme shortfall over PPF level benefits, and not the full scheme shortfall."

It will be interesting to hear him comment on that, because the ACA's proposal would limit the burden that is imposed by these provisions.

I also want to ask the Minister about retrospectivity. Does he believe that these provisions, which go back to 11 June 2003, are retrospective and fully covered by the

statement that was made then? That is what he appeared to maintain earlier. Again, lawyers are concerned that these provisions would be difficult to defend and would be open to challenge under human rights law on the grounds that they are retrospective and constitute an unjustified risk to people's ability to enjoy their property. We would also appreciate the Minister's comments on the human rights aspects of the provisions.

Mr. Webb: As ever, it is a pleasure to welcome the hon. Member for Havant (Mr. Willetts), with his insightful contributions, back to our proceedings.

I always get the sense of playing catch-up when the Government try to close a loophole that they fear they have just created. They have created the PPF and, quite properly, they do not want it to be abused because of the knock-on effect that that would have on the levy on employers. Having created this thing, they have sat down to think how people might abuse it. They therefore introduce provisions to second-guess the way in which the fund might be abused and to close each possible loophole in turn.

I think that I am right in saying that these new clauses are the third set relating to moral hazard. We had ones quite late in Committee to do with not putting a pension fund in the hands of an employer who had virtually no assets, because he would almost inevitably make a call upon the PPF. However, I have a slightly nagging fear. Although the Government might have correctly guessed the most obvious ways of dealing with the matter, ingenious employers, accountants and—dare I say it?—even actuaries might think of new ways of circumventing the Government's intentions. We now have an open book with a pen in the Minister's hand so that, every time the Department thinks of another clever wheeze, it can write half a dozen new clauses to stop it. However, what will happen when the ink is dry, the Bill has become an Act and a clever financial wizard comes up with another moral hazard to put an unfair burden on the PPF?

In Committee, we asked the Minister whether there should not be a stronger anti-moral hazard provision in the Bill. The Government who, with the best advice in the world, are unlikely to foresee the next clever wheeze to create a burden on the PPF, are unlikely to have enough parliamentary time to introduce primary legislation to deal with such a wheeze, which could leave the fund open to abuse. When I made that point to the Minister he offered a human rights defence and said that we could not have a general anti-avoidance rule because it might be draconian and contravene human rights legislation. Has he had a chance to reflect on that argument, and is that still the Government's position? Each group of new clauses appears to be satisfactory—no one wants assets to be sold at an implausibly low value, thereby weakening the pension scheme or the position of the employer and leading to an unnecessary claim on the PPF—but they deal only with individual examples. The Minister said that in each group of new clauses the Government have given themselves broad powers, which is mildly reassuring, but it is not reassuring enough. Is the piecemeal approach of anticipating the nasty schemes that nasty people might devise and trying explicitly to prevent them necessarily the right way to deal with such issues?

Kevin Brennan (Cardiff, West) (Lab): Does the hon. Gentleman agree that if we were talking about housing benefit instead of pension protection we would call such activity fraud, not moral hazard? People claiming housing benefit would be deemed to be doing things to take advantage of the system and would be banned from making a claim. Just because it is big business, that does not mean that we should not face up to the problem and say that anything that is done simply to take advantage of the scheme or to rip it off should be banned.

Mr. Webb: Indeed, that is the general thrust of my argument which, however, was not expressed quite as forcefully as the hon. Gentleman's contention—I was tiptoeing around the issue. There are general presumptions about the nature of housing benefit fraud. Lying on the form is obviously fraud, but artificially depressing one's earnings to get more housing benefit is less clear-cut. However, there should be a presumption that artificial activities, the principal or sole aim of which is to make an unnecessary claim on the PPF, should be prohibited in general, rather than being prohibited individually, as there will always be others that we have not thought of. I should be grateful for further reassurance from the Minister on that point.

The hon. Member for Havant made a fair point about retrospection. The Minister read out a general hint from the Secretary of State on 11 June 2003 about the undesirability of certain actions. I doubt, however, whether that would stand up in court. We might want an employer to be caught by an anti-avoidance law, but none the less he might argue that in the past 12 months his firm undertook some asset transactions and that the Secretary of State's remarks on 11 June could not be interpreted as making that an unlawful avoidance of a restoration notice.

I am also worried about the two-year limit. First, does there need to be a date at all? If an employer at any point artificially depresses the value of a fund, should we not take action? Why do we want the two-year cut-off? If it can be demonstrated that the action taken was entirely artificial, why does it matter whether it took place two years and a day earlier or one year, 364 days earlier? The fund was artificially depressed and its position was weakened. Even if a claim is made on the pension protection fund just over two years later, the PPF has still suffered. It may be argued that once two years have elapsed it is hard to prove that something was done in response to something else, but the two-year limit is entirely arbitrary. Can the Minister therefore explain why it was selected?

4.45 pm

We do not want any action to be taken that leads to an artificial claim on the PPF, so why two years? Is there some other part of pensions legislation that uses two years, or is there just a broad-brush assumption that once two years have gone by, one can no longer prove the case? Surely these matters should be judged on the merits of each individual case, which would imply that the fixed two-year rule is removed and replaced by a

[Mr. Webb]

general provision that if anything that was done artificially reduced the value of the fund, leading to a claim on the PPF, and if it can be demonstrated that that is why it was done, the regulator is allowed to make some sort of restoration order.

I appreciate that that falls foul of the point made by the hon. Member for Havant about the open-ended nature of the liability on the directors and so forth, but clearly if something had occurred more than two years previously, it would be difficult to prove. If it could be proven that the effect on the fund was completely artificial, the people responsible should not be allowed to get away with it.

As ever, the spirit of the new clause is right. We want to close the loopholes, but I am not convinced that the piecemeal approach to closing loopholes is the way that we should be going.

Mr. Michael Fallon (Sevenoaks) (Con): I shall speak on Government amendments Nos. 74 and 75 as they apply to clause 35. Amendment No. 74 qualifies the retrospective date of 11 June to a certain extent, but does not deal with some of the wider concerns about clause 35, which I think the Minister will concede was added at a very late stage in the proceedings on the Bill. In my view, the clause needs substantial redrafting. As my hon. Friend the Member for Havant (Mr. Willetts) said, it goes far too wide in its scope and may well end up discouraging investment in precisely those companies where investment is needed, not least to address any weaknesses in the pension fund.

First, I fully understand the concerns that led to the clause. I say that to the Minister straight away. I do not doubt the abuses that occurred, and I do not doubt that he is right to try and tackle the issue of moral hazard. It is one thing to impose further duties on directors—I declare an interest as a company director, recorded in the register, of course—as directors accept their responsibilities for the company of which they are directors. However, the clause goes very much further than directors and could catch not just shareholders and investors, as my hon. Friend the Member for Havant said, but any person associated with them—in the words of subsection (3)(b),

"a person connected with, or an associate of, the employer".

I should like the Minister to explain what that means. Does it mean a friend of the employer? Does it mean a fellow member of a racing syndicate or a fellow owner in a holiday complex? Does it mean just a very good friend of the employer? The way the clause is drawn, it goes far too wide. It could mean that a contribution notice is addressed to almost anybody, and the regulator will therefore not only be able to go on a fishing expedition among the directors or former directors of a company, or among the shareholders and business investors or business angels behind the company, but after any friend of the employer. That goes too far.

Secondly, the test of reasonableness that is laid down in the clause is ultimately self-serving. It seems to be reasonable so long as the regulator thinks it is reasonable. There appears to be no appeal provision. The Minister may correct me if I am wrong, but in the batch of new clauses that he has produced today or those that he produced at the very end of the Committee proceedings, I can see no appeal provision. In other words, the action of the regulator does not even have to be reasonable. It has to be reasonable only in the regulator's opinion. Again, that goes too far.

Finally, the regulator will be free to go after that person's assets—as I said, not simply a director, a shareholder or an investor, but an associate of the employer. The regulator will be able to go after his house, his shares and his assets. There is no limit to the sort of liability of a person who happened to be associated with the employer.

Kevin Brennan: First, what would such people have to fear from, as the hon. Gentleman describes it, a fishing expedition? Secondly, the pensions regulator would, of course, be subject to judicial review if he acted unreasonably.

Mr. Fallon: I accept the second point, but it would be hard for the Minister to rely on the provision being subject to judicial review in the courts. What is reasonable should be set out in statute and not simply left to the regulator's opinion. The hon. Member for Cardiff, West (Kevin Brennan) says that even a friend of an employer should be pursued to the ends of the earth, but I do not agree. A connection should be proved, preferably involving the directors of the company, but certainly involving somebody who has been legally associated with that company and its affairs.

The provision is also too wide because it covers not only actions, but failures to act. It is difficult to be sure that one has failed to do something, and it is certainly difficult to be sure that one has failed to do something in a period that has already passed. If someone wants to correct an error with a pension fund, it is now too late to do so because the provision is, of course, retrospective to June 2003, which will cause a few problems.

If shareholders, investors, directors or friends of directors are personally liable and may have their assets seized to make good a pensions deficit in a subsidiary of a company that happened to belong to a friend of theirs, they are surely less likely to invest in or be involved with such companies. That might well discourage overseas investment, which the Minister may want. Those involved in running companies where a difficulty has occurred with the pension fund face a dilemma: if the liabilities mount up and they declare the company insolvent, they become personally liable up to the extent of their assets—houses and wealth—for any apparent deficiency, and the only way in which they can avoid that and protect their personal assets is to trade fraudulently.

I do not doubt the Minister's intention, and he is right to tackle moral hazard, but he must bear in mind that hard cases sometimes make bad law. The provision is too widely drawn, and, to his credit, he admitted that in Committee. He said:

"We have deliberately framed the powers broadly."—[*Official Report, Standing Committee B*, 27 April 2004; c. 776.]

If he will not reflect on how the powers are framed, I hope that the other place will have more time than us to ensure that the provision is more equitable for those involved in business and that it is fit for the worthwhile purpose for which he designed it.

Mr. Frank Field: I support the Government, who must draw a certain satisfaction from the fact that

although detailed criticisms are being made, no one is speaking against the provision's drift, which is that we should protect the fund.

I share the anger felt by my hon. Friend the Member for Cardiff, West (Kevin Brennan) on behalf of constituents who believe that their pension savings were stolen by the actions of their employers, which should be judged in the courts. It is proper for the Government to try to close as many loopholes as possible and, presumably, to make amendments in the other place, but I have a couple of warnings. Although my hon. Friend the Member for Cardiff, West and I represent constituents who have lost all or part of their pension savings, the Government's responsibility in framing the measures is greater than simply bringing our constituents retrospective justice.

As I see it, the Government's proposals face two danger zones. Those relate not so much to what has happened in the past—because under new clause 34 a group of people who have been badly treated will get some redress—as to what some employers may try to do between now and the fund coming into operation, and what might happen in the very early stages of its life. I assume that the Government's great concern is not that if we go on fishing expeditions we might be able to land a few people in court, but that there may be one or more major closures between now and the early stages of the fund that swamp the finances of that organisation.

I am sure that my hon. Friend the Minister, who has been listening carefully to the debate, takes considerable pleasure in the support that has come from Members on both sides of the House in agreeing that we must close as many loopholes as possible. However, I hope that in devising ways of doing so he will not be blind to the danger zone that we have now entered, whereby unscrupulous employers may try to offload some very significant liabilities on to the fund. If they were successful in doing so, its life might be crippled and limited. Although these debates are important, we should focus our vision on the period from now until the vesting of the fund, and then to the early stages of its life.

Malcolm Wicks: This has been a useful discussion. I heed the warning from my right hon. Friend the Member for Birkenhead (Mr. Field). We need to be smart and astute about how those with poor intentions may read these debates about our intentions, because we must be ahead of the game. That is partly why we have opted for fairly broad powers, despite gentle criticism that they might be too broad, as well as some criticism that they may be insufficient to keep up with events. I do not think that I should apologise for that.

After I spoke, the debate was led by the hon. Member for Havant (Mr. Willetts), who previously spoke memorably of the need to protect against companies that

"slied their pension responsibilities to a different legal entity, like a snake shedding its skin, and emerge as a company without pensions."—[*Official Report*, 11 June 2003; Vol. 406, c. 685.]

Indeed, my right hon. Friend the Secretary of State gave a similar warning. The debate therefore centres on whether we have got this broadly right or wrong.

In response to the hon. Member for Havant, the regulator will have the power to issue a contribution notice to a person, but only in certain circumstances: if that person was a party to an act or a failure to act, the main purpose of which was to avoid any section 75 debt or to reduce such a debt or prevent its becoming due; the person was the employer in relation to the pension scheme, or connected or associated with the employer at the time of the act or failure to act; and the regulator thinks it reasonable to impose liability on that person. We are then mindful of several other criteria. When deciding whether it is reasonable to impose liability on any person, the regulator will have to consider a range of factors such as the degree of involvement of that person in the act or failure to act, and the financial circumstances of that person—for example, if the person is a company, whether the sum required would make it insolvent.

Those are important issues, although I am bound to say that the best way of not getting involved in this no doubt nasty business with the regulator is to be an honest and proper person. Those who behave honestly will have nothing to fear. The existing body, which will become the regulator, the Occupational Pensions Regulatory Authority—OPRA—is aware of possible cases where, in spite of the Secretary of State's warning, it appears that some employers may have already taken action to dump liabilities on the pension protection fund.

5 pm

The new clauses are designed to guard against such manipulation and will apply to actions that are taken after 11 June 2003, when the proposal to introduce the PPF was announced. The Government believe that that limited retrospection is proportionate as a matter of law. If some people are wringing their hands because of the retrospection, I am glad about it. They have every reason to wring their hands and we have every reason to ensure that they do not overcome Parliament's will, hence the limited retrospection.

The hon. Member for Havant asked reasonable questions about multi-employer schemes. The current position, which allows companies to leave a scheme and its pension liabilities behind, is unfair because it leaves the other employers to pick up the bill. Those employers may not be able to afford that, leaving members and the PPF to pick it up in future. The new clauses provide for flexible arrangements to allow companies to pay a lower debt, including, for example, the company that transfers its liabilities to a new scheme.

I want to clarify one of the remarks in my opening speech. I left out a vital negative.

Mr. Willetts: No one noticed.

Malcolm Wicks: I was disappointed that no one noticed; indeed, I was disappointed that I did not notice. I should have said that new clause 17, which amends section 75 of the Pensions Act 1995, provides for any members' liabilities that are transferred out of the scheme not to be included in the calculation of that debt.

The hon. Member for Northavon (Mr. Webb) asked about new wheezes. I suppose that it is a reasonable description in this period of hayfever. We are advised that a general, continuing moral hazard power is inconsistent with human rights. That remains the case. Some of us in some political parties must have regard to

[Malcolm Wicks]

human rights and we believe that the new clauses are sufficiently broad to cover all circumstances. However, I take seriously the hon. Gentleman's anxieties, which my right hon. Friend the Member for Birkenhead echoed. We need to be careful and ahead of the game.

Mr. Frank Field: Did my hon. Friend notice that the plea for general powers came from the Liberal Democrat Benches? He said that they might go against the European convention on human rights, yet the Liberal Democrats are the strongest defenders of the European conventions.

Malcolm Wicks: Life is full of joyful irony and I am pleased on this occasion to be regarded as something of an old-fashioned Liberal.

We were asked why a time of two years had been set. There will never be a clear scientific answer to that sort of question about where to draw the line. The power is primarily intended to protect the PPF and scheme members from transactions that occur when the scheme is or may be in jeopardy. Establishing a broad and flexible power creates a balance between certainty and protection. It should allow the regulator to achieve protection, but limits the time scale when the power can be exercised. A scheme's funding position is most likely to be in jeopardy in the period before an insolvency. The insolvency may be the trigger for the involvement of the new PPF. Outside that period, the regulator may use the power in clause 17, which has more limited scope.

Let me deal with the points of the hon. Member for Sevenoaks (Mr. Fallon)—now sadly only one oak, due to natural calamity. I believe that others have been planted. I hope that that is the case, otherwise we shall table a new clause to that effect. He expressed a proper concern about whom we mean by connected or associated persons. As an old-fashioned Liberal, I believe that we should not be draconian about that. I am advised that section 435 of the Insolvency Act 1986 defines the relevant test. It provides that the regulator may require a contribution to be paid only when it is reasonable to do so. Subsection (5) deals with factors to assist in determining who may reasonably be required to pay. Let me try to reassure the hon. Gentleman that this is not an unreasonable catch-all. We only want to go after the people whom we are required to go after. Perhaps I can spell that out to the hon. Gentleman in a letter, to give him reassurance in response to his perfectly reasonable questions. Indeed, I think he raised some other points to that effect.

Within the new regulator, we shall have the admittedly slightly quaintly named determinations panel, which will be at arm's length from the main regulator's powers, and which will provide a check and a balance. As my hon. Friend the Member for Cardiff, West (Kevin Brennan) said earlier, if people are not satisfied with a decision, they may seek permission to appeal to the Court of Appeal on a point of law. I hope that I have covered most of the points that have been raised and I urge the House to accept the new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 13

RESTORATION ORDERS: SUPPLEMENTARY

'(1) This section applies in relation to a restoration order under section [Restoration orders where transactions at an undervalue] in respect of a transaction involving assets of a scheme ("the transaction").

(2) The restoration order may in particular—

(a) require any assets of the scheme (whether money or other property) which were transferred as part of the transaction to be transferred back—

(i) to the trustees or managers of the scheme, or

(ii) where the Board of the Pension Protection Fund has assumed responsibility for the scheme, to the Board;

(b) require any property to be transferred to the trustees or managers of the scheme or, where the Board has assumed responsibility for the scheme, to the Board if it represents in any person's hands—

(i) any of the assets of the scheme which were transferred as part of the transaction, or

(ii) property derived from any such assets so transferred,

(c) require such property as the Regulator may specify in the order, in respect of any consideration for the transaction received by the trustees or managers of the scheme, to be transferred—

(i) by the trustees or managers of the scheme, or

(ii) where the Board has assumed responsibility for the scheme, by the Board,

to such persons as the Regulator may specify in the order;

(d) require any person to pay, in respect of benefits received by him as a result of the transaction, such sums (not exceeding the value of the benefit received by him) as the Regulator may specify in the order—

(i) to the trustees or managers of the scheme, or

(ii) where the Board has assumed responsibility for the scheme, to the Board.

(3) A restoration order is of no effect to the extent that it prejudices any interest in property which was acquired in good faith and for value or any interest deriving from such an interest.

(4) Nothing in subsection (3) prevents a restoration order requiring a person to pay a sum of money if the person received a benefit as a result of the transaction otherwise than in good faith and for value.

(5) Where a person has acquired an interest in property from a person or has received a benefit as a result of the transaction and—

(a) he is one of the trustees or managers or appropriate persons who entered into the transaction as mentioned in subsection (6) of section [Restoration orders where transactions at an undervalue], or

(b) at the time of the acquisition or receipt—

(i) he has notice of the fact that the transaction was a transaction at an undervalue,

(ii) he is a trustee or manager, or the employer, in relation to the scheme, or

(iii) he is connected with, or an associate of, any of the persons mentioned in paragraph (a) or (b)(ii),

then, unless the contrary is shown, it is to be presumed for the purposes of subsections (3) and (4) that the interest was acquired or the benefit was received otherwise than in good faith.

(6) For the purposes of this section—

(a) section 249 of the Insolvency Act 1986 (c. 45) (connected persons) applies as it applies for the purposes of any provision of the first Group of Parts of that Act,

(b) section 435 of that Act (associated persons) applies as it applies for the purposes of that Act, and

(c) section 74 of the Bankruptcy (Scotland) Act 1985 (c. 66) (associated persons) applies as it applies for the purposes of that Act.

(7) For the purposes of this section "property" includes—

(a) money, goods, things in action, land and every description of property wherever situated, and

(b) obligations and every description of interest, whether present or future or vested or contingent, arising out of, or incidental to, property.

(8) References in this section to where the Board has assumed responsibility for a scheme are to where the Board has assumed responsibility for the scheme under Chapter 3 of Part 2 (pension protection).'.—*[Mr. Heppell.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 14

CONTENT AND EFFECT OF A RESTORATION ORDER

'(1) This section applies where a restoration order is made under section [Restoration orders where transactions at an undervalue] in respect of a transaction involving assets of a scheme.

(2) Where the restoration order imposes an obligation on a person to do something, the order must specify the period within which the obligation must be complied with.

(3) Where the restoration order imposes an obligation on a person ("A") to transfer or pay a sum of money to a person specified in the order ("B"), the sum is to be treated as a debt due from A to B.

(4) Where the trustees or managers of the scheme are the persons to whom the debt is due, the Regulator may on their behalf, exercise such powers as the trustees or managers have to recover the debt.

(5) But during any assessment period (within the meaning of section 119) in relation to the scheme, the rights and powers of the trustees or managers of the scheme in relation to any debt due to them by virtue of a restoration order are exercisable by the Board of the Pension Protection Fund to the exclusion of the trustees or managers and the Regulator.

(6) Where, by virtue of subsection (5), any amount is transferred or paid to the Board in respect of a debt due by virtue of a restoration order, the Board must pay the amount to the trustees or managers of the scheme.'.—*[Mr. Heppell.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 15

CONTRIBUTION NOTICE WHERE FAILURE TO COMPLY WITH RESTORATION ORDER

'(1) This section applies where—

(a) a restoration order is made under section [Restoration orders where transactions at an undervalue] in respect of a transaction involving assets of a scheme ("the transaction"), and

(b) a person fails to comply with an obligation imposed on him by the order which is not an obligation to transfer or pay a sum of money.

(2) The Regulator may issue a notice to the person stating that the person is under a liability to pay the sum specified in the notice (a "contribution notice")—

(a) to the trustees or managers of the scheme, or

(b) where the Board of the Pension Protection Fund has assumed responsibility for the scheme under Chapter 3 of Part 2 (pension protection), to the Board.

(3) The sum specified by the Regulator in a contribution notice may be either the whole or a specified part of the shortfall sum in relation to the scheme.

(4) The shortfall sum in relation to the scheme is the amount which the Regulator estimates to be the amount of the decrease in the value of the assets of the scheme as a result of the transaction having been entered into.'.—*[Mr. Heppell.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 16

CONTENT AND EFFECT OF A SECTION [CONTRIBUTION NOTICE WHERE FAILURE TO COMPLY WITH RESTORATION ORDER] CONTRIBUTION NOTICE

'(1) This section applies where a contribution notice is issued to a person under section [Contribution notices where failure to comply with restoration order].

(2) The contribution notice must—

(a) contain a statement of the matters which it is asserted constitute the failure to comply with the restoration order under section [Restoration orders where transactions at an undervalue] in respect of which the notice is issued, and

(b) specify the sum which the person is stated to be under a liability to pay.

(3) Where the contribution notice states that the person is under a liability to pay the sum specified in the notice to the trustees or managers of the scheme, the sum is to be treated as a debt due from the person to the trustees or managers of the scheme.

(4) In such a case, the Regulator may, on behalf of the trustees or managers of the scheme, exercise such powers as the trustees or managers have to recover the debt.

(5) But during any assessment period (within the meaning of section 119) in relation to the scheme, the rights and powers of the trustees or managers of the scheme in relation to any debt due to them by virtue of a contribution notice, are exercisable by the Board of the Pension Protection Fund to the exclusion of the trustees or managers and the Regulator.

(6) Where, by virtue of subsection (5), any amount is paid to the Board in respect of a debt due by virtue of a contribution notice, the Board must pay the amount to the trustees or managers of the scheme.

(7) Where the contribution notice states that the person is under a liability to pay the sum specified in the notice to the Board, the sum is to be treated as a debt due from the person to the Board.'.—*[Mr. Heppell.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 17

DEBT DUE FROM THE EMPLOYER IN THE CASE OF MULTI-EMPLOYER SCHEMES

'After section 75 of the Pensions Act 1995 (c. 26) (deficiencies in the assets) insert—

"75A Deficiencies in the assets: multi-employer schemes

(1) Regulations may modify section 75 (deficiencies in the assets) as it applies in relation to multi-employer schemes.

(2) The regulations may in particular provide for the circumstances in which a debt is to be treated as due under section 75 from an employer in relation to a multi-employer scheme (a "multi-employer debt").

(3) Those circumstances may include circumstances other than those in which the scheme is being wound up or a relevant event occurs (within the meaning of section 75).

[Malcolm Wicks]

(4) For the purposes of regulations under this section, regulations under section 75(5) may prescribe alternative manners for determining, calculating and verifying—

(a) the liabilities and assets of the scheme to be taken into account, and

(b) their amount or value.

(5) The regulations under this section may in particular—

(a) provide for the application of each of the prescribed alternative manners under section 75(5) to depend upon whether prescribed requirements are met;

(b) provide that, where in a particular case a prescribed alternative manner under section 75(5) is applied, the Authority may in prescribed circumstances issue a direction—

(i) that any resulting multi-employer debt is to be unenforceable for such a period as the Authority may specify, and

(ii) that the amount of the debt is to be re-calculated applying a different prescribed manner under section 75(5) if prescribed requirements are met within that period.

(6) The prescribed requirements mentioned in subsection (5) may include a requirement that a prescribed arrangement, the details of which are approved in a notice issued by the Authority, is in place.

(7) The regulations may provide that the Authority may not approve the details of such an arrangement unless prescribed conditions are met.

(8) Those prescribed conditions may include a requirement that—

(a) the arrangement identifies one or more persons to whom the Authority may issue a contribution notice under the regulations, and

(b) the Authority are satisfied of prescribed matters in respect of each of those persons.

(9) For the purposes of subsection (8) a "contribution notice" is a notice stating that the person to whom it is issued is under a liability to pay the sum specified in the notice to—

(a) the trustees of the multi-employer scheme in question, or

(b) where the Board of the Pension Protection Fund has assumed responsibility for the scheme under Chapter 3 of Part 2 of the Pensions Act 2004 (pension protection), to the Board.

(10) The regulations may provide for the Authority to have power to issue a contribution notice to a person identified in an arrangement as mentioned in subsection (8) if—

(a) the arrangement ceases to be in place or the Authority consider that the arrangement is no longer appropriate, and

(b) the Authority are of the opinion that it is reasonable to impose liability on the person to pay the sum specified in the notice.

(11) Where a contribution notice is issued to a person under the regulations as mentioned in subsection (8), the sum specified in the notice is to be treated as a debt due from that person to the person to whom it is to be paid as specified in the notice.

(12) Where the regulations provide for the issuing of a contribution notice by the Authority as mentioned in subsection (8)—

(a) the regulations must—

(i) provide for how the sum specified by the Authority in a contribution notice is to be determined,

(ii) provide for the circumstances (if any) in which a person to whom a contribution notice is issued is jointly and severally liable for the debt,

(iii) provide for the matters which the notice must contain, and

(iv) provide for who may exercise the powers to recover the debt due by virtue of the contribution notice, and

(b) the regulations may apply with or without modifications some or all of the provisions of sections 42 to 46 of the Pensions Act 2004 (contribution notices where non-compliance with financial support direction) in relation to contribution notices issued under the regulations.

(13) In this section "multi-employer scheme" means a trust scheme which applies to earners in employments under different employers.

(14) This section is without prejudice to the powers conferred by—

section 75(5) (power to prescribe the manner of determining, calculating and verifying assets and liabilities etc),

section 75(10) (power to modify section 75 as it applies in prescribed circumstances),

section 118(1)(a) (power to modify any provisions of this Part in their application to multi-employer trust schemes), and

section 125(3) (power to extend for the purposes of this Part the meaning of "employer" to include former employers).".'.— *[Mr. Heppell.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 2

MEMBERSHIP OF THE REGULATOR

Mr. George Osborne: I beg to move amendment No. 1, in page 1, line 11, leave out from 'the' to end of line 12 and insert

'Chairman and approved by the Secretary of State.'.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following:

Amendment No. 2, in page 2, line 12, at end insert—

'(7) At least one of the non-executive members of the Regulator shall be a representative of an occupational pension scheme subject to the pension protection levies under this Act.'.

Amendment No. 5, in clause 5, page 3, line 10, at end insert—

'(e) to promote occupational pension provision by minimising regulatory burdens applying to well run schemes and their sponsoring employers.'.

Amendment No. 6, in clause 5, page 3, line 10, at end insert—

'(f) in conjunction with the Pension Protection Fund Board to take all reasonable steps to maintain the cost of the levy on occupational pension schemes to the minimum compatible with the Regulator's other duties under this Act.'.

Government amendments Nos. 62 to 73.

Amendment No. 8, in clause 50, page 35, line 20, at end insert

'save that the register will be open to members of the public during normal working hours, but with the home addresses of individual scheme trustees deleted.'.

Amendment No. 9, in clause 57, page 39, line 40, at end insert

'but only to the extent that the collection of such information appears to the Regulator proportionate to the benefits to be obtained from collecting that information.'.

Government amendments Nos. 78 and 79.

Amendment No. 10, in clause 62, page 44, line 9, at end insert—

'(8) Where such an inspection is carried out under this Act, and no further action is taken by the Regulator following such inspection, the owners or occupiers of the relevant premises are entitled to claim from the Regulator the reasonable costs of such inspection.'.

Government amendments Nos. 80 to 82.

Amendment No. 11, in clause 63, page 45, line 9, at end insert—

'(7) Where such an inspection is carried out under this Act, and no further action is taken by the Regulator following such inspection, the owners or occupiers of the relevant premises are entitled to claim from the Regulator the reasonable costs of such inspection.'.

Government amendments Nos. 83 to 86.

Amendment No. 12, in clause 79, page 55, line 21, at end insert—

'(3A) Any code of practice issued by the Regulator must include an analysis of the costs and benefits of the code'.

Government amendment No. 87.

Amendment No. 13, in clause 80, page 56, line 3, at end insert

'which includes a draft analysis of the costs and benefits of the code'.

Government amendments Nos. 89 to 96.

Amendment No. 3, in schedule 1, page 204, line 2, leave out

'with the approval of the Secretary of State'.

Government amendments Nos. 134 and 135.

Mr. Osborne: Now that my shadow Secretary of State has done his star turn, it is back to the understudy.

Malcolm Wicks: A rising star.

Mr. Osborne: That is the kiss of death, as the Pensions Minister knows. I shall make sure that it does not appear on the record.

The amendments are designed to increase the independence of the new pensions regulator, and to reduce the regulatory impact on pension schemes and those employers who still provide them. Central to the background to this legislation and to our discussions in Committee has been the collapse in confidence in savings and pensions, in regard not only to the halving of the savings ratio but to the closure of final salary schemes. Indeed, in the last week or two, some further developments have taken place to set the amendments in context.

The chairman of Aviva—the owner of Norwich Union and the biggest life assurer in the country—warned in the *Financial Times* on Monday:

"We will have a generation of elderly people coming soon who will have a hard time to live above the poverty line. No one should be proud or pleased with that scenario."

Indeed, Aviva says that it is seeing faster rates of savings growth in many continental European markets than in the UK, because of people's reluctance to save. A report from JP Morgan Fleming last week found that the number of defined benefit schemes that had closed or been restricted to new staff had doubled in two years, and that 61 per cent. of the top 350 pension funds had closed or restricted availability to defined benefit schemes. Indeed, they are shifting to defined contribution schemes.

The reason that I have made those points is that a central criticism of the Bill is that it will increase the burden on occupational schemes. It will do so partly for good, honourable reasons such as the creation of the PPF and the levy that that will impose, but that will nevertheless create an impact in regard to some of the measures in the Bill. It is therefore incumbent on us to reduce the burden on schemes as far as possible in other areas of the Bill, so that employers are still encouraged to create final salary schemes for their employees. At the moment it is not the industry's view that the burden will be reduced. The Association of Consulting Actuaries produced a report for this debate and surveyed employers. It found that a majority of firms felt that the measures would decrease occupational pension scheme coverage. Fewer than one in 10 felt that the measures would improve coverage. Close to nine out of 10 firms said that the Bill's measures would either add to costs or make no difference. That is against the background of the Government's claim that there would be savings of £130 million from the Bill. Clearly the industry does not accept that.

Amendments Nos. 5 and 6 are an attempt to recognise a danger that most of the industry believes to be real and present. The amendments would give the pensions regulator additional and specific statutory objectives, alongside the four set out in clause 5. The objectives in the Bill deal with matters such as protecting the benefits of members and reducing the risk that they might have to fall back on the PPF. Those are good objectives and it is good that the Government have taken up the recommendation of the National Audit Office and put statutory objectives in the Bill.

We propose to add a couple of objectives, one of which—on the regulator—would be to promote occupational pension provision by minimising regulatory burdens applying to well-run schemes and their sponsoring employers. It is a broad remit for the regulator; to look not just at itself, but at the world of occupational pension provision, how to encourage it and how to stop the Government—perhaps unwittingly, perhaps not—discouraging it.

In Committee in March, the Minister said that the proposals were worthy aims but were unnecessary because the new regulator would adopt a risk-based approach. Perhaps that is what he will say today. We think that that is a little complacent and we do not see why the regulator should not have a statutory obligation to promote occupational pension provision and to minimise the regulatory burdens on well-run schemes.

Amendment No. 6 makes it an objective for the regulator, in conjunction with the PPF, to take all reasonable steps to maintain the costs of the levy on occupational pension schemes to the minimum compatible with the regulator's other duties under the Bill. We hope that the regulator will do that anyway, but we think that it would be useful to have that written into the Bill. In Committee, the Minister said that there were measures in the Bill to check the costs of the levy but, again, we felt that to be too complacent. We want to keep the regulator from running away from itself and creating a mini-empire.

[Mr. Osborne]

In the regulatory impact assessment, the Government came up with the extraordinary figure that the Bill would lead to savings of £130 million, a figure with which almost the entire industry disagrees. Given that overwhelming view, the purpose of the amendments is to give the regulator the job of monitoring costs and to see whether the Government or the industry is right. We think that it would be sensible and useful to include that in the Bill.

5.15 pm

Our other amendments are designed to ensure that the regulator's powers are kept to the minimum required for it to do the job that we all want to see it do. As currently drafted, the Bill gives the regulator extensive powers to seize documents, enter premises and interview people. I have vague recollections of an afternoon in Committee when we went through some of those powers and I made the point that Parliament should always be cautious about expanding the state's power to enter premises, interview people and seize documents. Our amendments would introduce some checks on that power.

Amendment No. 9 would deal with the broad power given to the regulator in clause 57 to

"collect any information which appears to it to be relevant to the exercise of the functions"

of the PPF. We would qualify that by saying that that should happen

"only to the extent that the collection of such information appears to the Regulator proportionate to the benefits to be obtained from collecting that information."

That judgment would be made only by the regulator, not by anyone else. It is difficult to see how the Minister could disagree with that sensible provision, although no doubt we will shortly hear how and why.

Under amendments Nos. 10 and 11, when the regulator carried out an inspection and no further action was taken, owners and occupiers would be entitled to claim reasonable costs from the regulator. An inspection might be very expensive and disruptive to business, and it is fair that there should be some redress and some check on the regulator's zealotry. Amendments Nos. 12 and 13 merely require that where the regulator produces a code of practice—a new power that it is being given—that

"must include an analysis of the costs and benefits of the code".

Again, that would force the regulator to consider the consequences of its actions in the real world.

Other amendments would ensure that the regulator was genuinely independent and open, and gained the confidence of the public and of pension schemes. Through amendment No. 1 we are saying that as the chairman of the regulator is already appointed by the Secretary of State, it is surely permissible to allow the chairman to appoint the board of the regulator, rather than all members being appointed by the Secretary of State. The chairman should be able to choose his or her own board, although the amendment includes the perfectly reasonable proviso that the Secretary of State should approve those appointments. We must get the balance right and let the regulator have some freedom over how it wants to set up and run its operations.

Amendment No. 3 would give the regulator the power to employ staff on his or her own terms, by amending schedule 1. Amendment No. 2 would require at least one non-executive member of the regulator to be a representative of an occupational pension scheme. We think that too often, Governments—this is true of Conservative as well as Labour Governments—operate in a vacuum, particularly when they have been in power for a while and are out of touch with what is going on in the real world. This proposal would force the regulator to include someone with real first-hand experience of the impact of the regulator's action on occupational schemes.

In amendment No. 8, in a spirit of openness, we propose that the register of occupational pension schemes compiled by the regulator should be open to public scrutiny. It should not give the home addresses of the trustees, but should be an open public register, rather like the open public register of companies at Companies House. That would help with pension tracing, but as I said, it would also be useful in terms of freedom of information. The Minister said in Committee that this was a perfectly reasonable amendment. Although he was concerned about human rights, the right to privacy and so on—he sounded a bit like Donald Rumsfeld when he fell back on the human rights defence—he undertook to reflect on the strong points that I had made. That is presumably why Mr. Speaker, in his wisdom, allowed me to re-table the amendment. It will be interesting to hear what the Minister has to say.

Malcolm Wicks: A rather whimsical reference was made to the absurd notion that the Bill as a whole is a work in progress, but my speech on this group of amendments—there are many of them, including Government amendments—is indeed a work in progress. It began as an extraordinarily long speech, but in view of the time and of the other debates that Members want to have, I am in something of a quandary as to how much detail to provide. I hope that the hon. Member for Tatton (Mr. Osborne) in particular will bear with me if I confine myself to some key points, given that we have to get through a certain amount of business by 7 o'clock. I thank him for his reasonableness.

Amendment No. 1 seeks to move primary responsibility for appointing members of the regulator from the Secretary of State to the chairman of the regulator; moreover, it would not allow members to be staff of the regulator as well. This raises some difficult accountability issues. In order to strike the right membership balance, it is important that the Secretary of State should have this role, but he must consult the chairman of the regulator in selecting its members. We rehearsed these arguments in Committee, and I hope that the hon. Member for Tatton accepts that that remains our position.

Amendment No. 2 provides that the regulator must have a member who is a

"representative of an occupational pension scheme subject to the pension protection levies".

That would impose an undesirable limitation on the flexibility provided in the Bill—a limitation designed to ensure that, instead of moving towards a more

representative membership, appointments to the regulator are based purely on the skills and knowledge required, and on the relative merits of each candidate.

The new regulator will have a number of statutory objectives, which are contained in clause 5. Amendments Nos. 5 and 6 seek to add to those objectives. We have nothing against the idea of those extra objectives, but in developing the new regulator's objectives we have been mindful of the criteria set out by the Better Regulation Task Force, which suggest that regulators should be proportionate, targeted, accountable, consistent and transparent in their approach. Providing further objectives does not add very much to what we are about. The Bill gives the regulator the flexibility required to operate a risk-focused approach to regulation; that will itself minimise the regulatory burden on the well-run schemes to which the Opposition amendments refer. I therefore consider amendment No. 5 unnecessary, and I ask the hon. Member for Tatton to withdraw it.

Amendment No. 6 would oblige the regulator to work with the board of the pension protection fund to minimise the levy payable by occupational pension schemes. We want to minimise the levy, which has to be appropriate and in large part risk-based, so we are very mindful of the issues that have been raised.

Amendment No. 9 seeks to ensure that the information collected under the clause is proportionate to the benefits obtained from it. The clause already provides that information so collected must appear to the regulator to be relevant to the exercise of the functions of the PPF board, so I do not believe that the amendment is necessary.

As to the open access to information by members of the public, I should like to write to the hon. Member for Tatton. I said in Committee that it seemed a reasonable question, but on further exploration, we believe that opening up to the wider public could also open up certain risks that we are worried about—perhaps certain unscrupulous people looking at the health or ill health of certain schemes. We have concerns about that, but given the time restrictions, I would prefer to write to the hon. Gentleman. I hope that he will consider withdrawing the amendment, and I support the Government amendments.

Mr. Webb: I had not planned to intervene in this short debate and I would not have done so were it not for the fact that there are 32 Government amendments in the group. As far as I am aware—I was listening carefully—the Minister has not explained any of them.

David Cairns (Greenock and Inverclyde) (Lab): They are technical.

Mr. Webb: It may be, as the Parliamentary Private Secretary suggests, that they are all technical, but who knows? Clearly, the briefing material on other Government new clauses has also referred to technical amendments, but I presume that they were mainly grouped with those Government new clauses. I feel that asking the House to nod through 32 Government amendments is too much. I would be happy to give way if the Minister wanted to reassure me that, whether consequential or inconsequential, they are all completely technical amendments. It is wholly unsatisfactory to have 32 Government new clauses nodded through without the slightest explanation for the benefit of the House. I am still hoping that the Minister will put me right. *[Interruption.]* I can say no more. It is deeply regrettable that we have reached this position and I want to put that on the record.

Mr. Osborne: I agree entirely with what the hon. Gentleman has just said. I was expecting the Minister, after dealing with my amendments, to turn to his own, but he obviously has nothing to say on the matter. Since he has not explained what they are for, we cannot really vote for or against them.

I have listened to what the Minister had to say about my amendments and we had similar debates in Committee. As I explained, it was our intention primarily to reduce the regulatory burden on pension schemes, and we believe that the Bill will add to, rather than diminish, that burden. We felt that it would be useful as a statutory objective to have a requirement to reduce the regulatory burdens on the industry or keep them to a minimum. However, we have been round the course before. I look forward to receiving the Donald Rumsfeld-like letter about the human rights of scheme members and I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4

REGULATOR'S FUNCTIONS

Mr. Harry Barnes (North-East Derbyshire) (Lab): I beg to move amendment No. 181, in page 2, line 25, leave out from 'Act' to 'and' in line 26.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following:

Amendment No. 182, in clause 9, page 4, line 36, leave out

'or in any corresponding provision in force in Northern Ireland'.

Amendment No. 183, in clause 48, page 33, line 41, leave out sub-paragraph (iii).

Amendment No. 184, in clause 48, page 34, line 12, leave out from '(c. 49)' to end of line 17.

Amendment No. 185, in clause 67, page 47, line 13, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 186, in clause 67, page 47, line 43, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 187, in clause 91, page 64, line 38, leave out

'or any provisions in force in Northern Ireland corresponding to this Act'.

Government amendments Nos. 97, 98, 119 and 121.

Amendment No. 189, in clause 177, page 119, line 35, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 190, in clause 177, page 120, line 6, leave out

[Mr. Deputy Speaker]

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 191, in clause 267, page 193, line 42, leave out paragraph (e).

Amendment No. 192, in clause 280, page 200, line 10, leave out lines 10 to 40.

Amendment No. 193, in clause 280, page 200, line 8, after 'England', insert 'Northern Ireland'.

Amendment No. 194, in clause 281, page 200, line 41, leave out Clause 281.

Amendment No. 195, in schedule 1, page 206, line 12, leave out

'and any corresponding provisions in force in Northern Ireland'.

Amendment No. 196, in schedule 1, page 206, line 32, leave out from 'function' to 'or' in line 34.

Amendment No. 197, in schedule 1, page 207, line 13, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 198, in schedule 1, page 207, line 16, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 199, in schedule 1, page 211, line 35, leave out from 'Act' to end of line 36.

Amendment No. 200, in schedule 1, page 211, line 44, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 201, in schedule 1, page 212, line 2, leave out

'or any corresponding provision in force in Northern Ireland'.

Amendment No. 202, in schedule 4, page 220, line 12, leave out

'or any provisions in force in Northern Ireland corresponding to this Act'.

Amendment No. 203, in schedule 5, page 230, line 14, leave out

'or any provisions in force in Northern Ireland corresponding to this Act'.

New clause 32—*Application to Northern Ireland*—

'(1) This Act extends to Northern Ireland.

(2) The Secretary of State may by order make such modifications to this Act or other legislation as are necessary in the application of this Act to Northern Ireland.'.

Government amendment No. 165.

Mr. Barnes: The key amendment is No. 193, which would make the whole Bill apply to Northern Ireland. At the moment, only parts of the Bill apply there. To ensure that the whole Bill applies to Northern Ireland, it must be amended so that all the partial references are deleted. Amendment No. 193 would then come fully into play.

5.30 pm

Consequential amendments in another place would be required if my amendments were accepted. Provisions applicable to Northern Ireland need to be added to the Bill to take account of the region's distinctive legislative position, but that should present no great difficulty, as the Bill promises that a statutory instrument will be put before the House for that purpose.

It would be distinctly advantageous if that instrument could be introduced now and adjusted to the primary legislation. One result would be that Northern Ireland matters could be debated as they arose in connection with the rest of the Bill. Moreover, amendments appropriate to the circumstances in Northern Ireland could be proposed.

Using the Order-in-Council procedure could mean that we end up in a Committee for one and a half hours or three hours, dealing with everything in one go on a take-it-or-leave-it basis. We would then have to take it on trust, to some extent, that the secondary legislation fitted in with the Bill and applied to the circumstances in Northern Ireland.

The Northern Ireland section of the Irish Confederation of Trade Unions has a distinct interest in this Bill and wants certain matters to be pursued. Other groups of amendments contain proposals to do with information and advice for annuity purchasers, TUPE, consultation by employers and stakeholder pensions. Those are exactly the sort of matters that attract the interest of Northern Ireland trade unions, as I am sure is the case with the trade unions on the mainland that have made representations on them.

The Northern Ireland interest in the Bill was evident in the Adjournment debate at the end of the Northern Ireland Grand Committee of 29 April. It was introduced by the hon. Member for Belfast, North (Mr. Dodds), who referred to a number of firms in the region. He mentioned Irish Fertiliser Industries in his constituency, TK-ECC in the constituency of the hon. Member for Strangford (Mrs. Robinson), and Fii Shoes in the constituency of the right hon. Member for Upper Bann (Mr. Trimble). The debate also covered cross-border provisions in respect of company pension schemes, as IFI was formed in 1987 as a joint venture between ICI and the Irish state.

I wanted these amendments to be considered in the Standing Committee that dealt with this Bill and my hon. Friend the Member for Cardiff, West (Kevin Brennan) was kind enough to move them. The Minister argued that, because social security and pensions are transferred matters under the Northern Ireland Act 1998, Northern Ireland has its own social security and pensions law. He said that such matters are normally dealt with by means of an Order in Council. I do not think that it is or ever has been inevitable that all matters to do with Northern Ireland must be dealt with by means of the Order-in-Council procedure.

When the Disability Discrimination Bill was in front of the House, I was promoting a version of the Civil Rights (Disabled Persons) Bill for which I had sponsors from four political parties in Northern Ireland. On announcement of the Second Reading of the Government's Bill, the then Minister said that Northern Ireland would be included, and it was. All the technical problems that usually meant that we had to shunt legislation off somewhere were miraculously dealt with on that occasion.

It is therefore important that we have this measure applied to Northern Ireland properly and fully. The Government should get round to applying all legislation

of this type to Northern Ireland. The argument that something might happen in the meantime and we might get the Executive and the Assembly up and running so the legislation might need to be shunted off to them is inappropriate: Either the measure will be dealt with before we reach that stage and the law will apply to Northern Ireland or, if something miraculous happens, we can change the measure and transfer to the Assembly the bits that are relevant.

Mr. David Trimble (Upper Bann) (UUP): I rise primarily to speak to new clause 32 and amendment No. 194 in my name and that of my hon. Friends, but I also support the amendments tabled by the hon. Member for North-East Derbyshire (Mr. Barnes). If the Minister is minded to accept his amendments, I shall be happy to concur.

The issue of pensions and company pension schemes applies to Northern Ireland just as much as to the rest of the United Kingdom. There is no significant difference and nor should there be. It would be foolish if there were significant differences in commercial law in the United Kingdom. I am glad to see the Minister nodding his head. That deals with the point to which the hon. Member for North-East Derbyshire referred and the point that was made in Committee. There is no good reason and no intention for the law to be different. It would be a bad thing if it were different.

The Minister should not use the excuse that because these matters are notionally devolved to a Northern Ireland Assembly that does not exist, the legislation should not extend to Northern Ireland. It is not a good argument. It would be much better if the Government looked at why these issues are devolved when there is no good reason for their devolution and it carries with it a serious risk. The risk is that the Bill makes provision for a subsequent Order in Council. There is no guarantee that that Order in Council will appear when it should, whereas if new clause 32 or the amendment tabled by the hon. Member for North-East Derbyshire were accepted, the legislation would extend to Northern Ireland at the same time as it comes into operation for the rest of the United Kingdom.

In the past, Orders in Council have limped along a significant time after the legislation here. It is simply not right that the people of Northern Ireland should be deprived of the protection available to their counterparts on this side of the Irish sea. The problem should not arise. There is a serious danger that the Order in Council will not arrive in time due to the length and complexity of the legislation and the fact that the small team of legislative draftsmen in Belfast will have to make last-minute adjustments as further new clauses and amendments are introduced.

If the Minister does not accept the new clause or amendments, I want a clear assurance that steps will be taken by him and the Northern Ireland Office to ensure that the Order in Council is brought into effect at exactly the same time as the Bill and that no gaps will occur in the coverage of the legislation or the ambit of new clause 34, which we will discuss tomorrow, when we can take up the issues that the hon. Member for North-East Derbyshire mentioned with regard to companies that have failed in Northern Ireland leaving workers who believed that they had a pension entitlement with little or no pension. That is an issue that we can come back to tomorrow. The issue today is to ensure that the protections that are being introduced for the benefit of people in England, Scotland and Wales apply in Northern Ireland at the same time, and that is the point on which I hope the Minister will reply. Can he give us an assurance that the provisions will apply at the same time and, if he cannot, can we extend the legislation?

Mr. Nigel Dodds (Belfast, North) (DUP): I support the amendment tabled by the hon. Member for North-East Derbyshire (Mr. Barnes) and concur with much of what the right hon. Member for Upper Bann (Mr. Trimble) said. It is imperative that the people of Northern Ireland, especially those affected by the Bill—including the matters that will be discussed tomorrow—should have the protection it affords at the same time as the rest of the country. I shall not rehearse all the arguments that have already been made, but we have seen examples where legislation was passed for other parts of the UK, to be followed by Orders in Council in Northern Ireland where a significant time lag has occurred. For example, there is widespread support in Northern Ireland for the introduction of the legislation on antisocial behaviour orders, but some six years after their introduction in the rest of the country, the process is only just reaching a conclusion for us.

It is imperative that the Bill should apply to Northern Ireland from the start, and provision to achieve that should appear on the face of the Bill. I cannot see any real argument against that. As the hon. Member for North-East Derbyshire said, the matter of workers left with pension shortfalls was considered in the Northern Ireland Grand Committee in some detail, and the provisions applying in such cases should also apply to Northern Ireland from the outset.

Mr. Pond: I share the Front Bench at the moment with my right hon. Friend the Minister for Work, who used to be a Minister in the Northern Ireland Office, and I know that she will have listened as carefully as I have to the arguments that have been made. I shall not spell out again the constitutional arrangements because I know that the right hon. and hon. Members who have spoken do not accept that because social security and pensions are transferred matters under the Northern Ireland Act 1998, that is an automatic reason to reject the amendments. Although the right hon. Member for Upper Bann (Mr. Trimble) asked me to consider whether that is appropriate, under the current arrangements the House has no authority—

Mr. Trimble: If the Minister was going to say that the House has no authority to enact legislation, I can tell him that he is wrong. There is no exclusive jurisdiction in the Northern Ireland Assembly, which does not even exist at the moment.

Mr. Pond: I accept that point and, given the suspension of the Assembly, such matters have to be dealt with by Order in Council—*[Interruption.]* If I may develop the arguments, I hope that the right hon. Gentleman's patience will be rewarded, although perhaps not to the extent that he would like.

Northern Ireland issues are dealt with in different ways in various parts of the Bill and there are good reasons for that. Clause 281 sets out the detail of how the

[Mr. Pond]

Order in Council will be introduced and, of course, in the event of a return to devolved government, provisions for Northern Ireland would be a matter for the Assembly.

5.45 pm

In line with established practice in the pensions field, some of the provisions of the Bill extend directly to Northern Ireland, including, for example, those relating to the establishment of the pensions regulator, which is to operate throughout the United Kingdom. The same is true of the pension protection fund. It is also currently true of both the Occupational Pensions Regulatory Authority—OPRA—and the Pensions Compensation Board. Those bodies were established on a UK-wide basis, but their functions are bestowed by Westminster for Great Britain and separately by Northern Ireland legislation.

My right hon. Friend the Minister of State, Northern Ireland Office has written to Northern Ireland Members and peers and to the Speaker of the Assembly to advise that the provisions of the Bill that do not extend will be replicated in the Order in Council. That means that when Northern Ireland Members and peers consider the Bill they will do so in the knowledge that corresponding provision is to be made for Northern Ireland by Order in Council.

I accept the arguments that Members have made and their concern that there may be some delay. I shall come to those points in a moment.

With respect to the amendments before us, Government amendments Nos. 97, 98, 119 and 121 are further technical drafting amendments to ensure that the PPF and the fraud compensation fund can operate as two UK-wide funds, rather than having separate funds for Northern Ireland and Great Britain. To do otherwise would result in the board having to manage four separate funds and produce separate accounts and reports, which is neither sensible nor cost-effective. The amendments will ensure that administrative costs are kept to a minimum, thus securing value for money for the levy payer and also ensuring that protection is extended to all citizens of the United Kingdom.

Government amendment No. 165 is linked to a new clause about the pensions ombudsman and the deputy pensions ombudsman, which we debated in Committee on 22 April. It ensures that the reimbursement of expenses incurred by the deputy pensions ombudsman is dealt with in the same way as those incurred by the pensions ombudsman and ensures consistency between the provisions of UK and Northern Ireland legislation.

With respect to the other amendments tabled by hon. Members on both sides of the House, I hope that Members will accept the constitutional situation. I realise that the right hon. Member for Upper Bann does not accept it, but I can assure him that our intention is to ensure that the provisions in the Bill apply to people in Northern Ireland in the same way as they apply throughout the rest of the UK. We want to ensure that that protection is made available to people in Northern Ireland, just as it is throughout the rest of the UK.

Mr. Trimble: At the same time?

Mr. Pond: The right hon. Gentleman asks from a sedentary position for my reassurance that the intention is that the provision should happen at the same time. I can tell him that my hon. Friends in the Northern Ireland Office have confirmed that all the Bill's provisions will be enacted in parallel and to the same time scale in Northern Ireland. I think that that is the reassurance for which he and other Members are rightly asking. On the basis of the discussions with my hon. Friends in the NIO, I think that I can give that reassurance, so I hope that hon. Members will feel able to withdraw their amendments.

Mr. Barnes: I am on a hiding to nothing—not just because of what the Whips might do, but because of what might happen in a Division. Furthermore, we have only just over an hour to deal with some important amendments on TUPE, consultation by employers and stakeholder pensions. For those reasons, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 11

FUNCTIONS EXCERCISABLE BY THE NON-EXECUTIVE COMMITTEE

Amendment made: No. 62, in page 6, line 38, at end insert—

'( ) Regulations may amend subsection (6) by—

(a) adding any provision of this or any other enactment to the list in that subsection, or

(b) omitting or altering the description of any provision mentioned in that list.'.—*[Mr. Heppell.]*

Clause 14

IMPROVEMENT NOTICES

Amendments made: No. 63, in page 8, line 10, after 'take' insert 'or refrain from taking'.

No. 64, in page 8, line 10, after 'notice' insert 'in order'.

No. 65, in page 8, line 30, leave out from 'notice,' to end of line 31 and insert

'of how he has complied, or is complying, with the notice.'.—*[Mr. Heppell.]*

Clause 15

THIRD PARTY NOTICES

Amendments made: No. 66, in page 9, line 17, after 'take' insert 'or refrain from taking'.

No. 67, in page 9, line 17, after 'notice' insert 'in order'.

No. 68, in page 9, line 35, leave out from 'notice,' to end of line 36 and insert

'of how he has complied, or is complying, with the notice.'.—*[Mr. Heppell.]*

Clause 20

FREEZING ORDERS

Amendments made: No. 69, in page 13, line 9, leave out sub-paragraph (ii) and insert—

'(ii) no other steps or no specified other steps are to be taken to discharge any liability of the scheme to or in respect of a member of the scheme in respect of pensions or other benefits;'.

No. 70, in page 13, line 18, at end insert—

'(h) a direction that—

(i) no refunds of, or no specified refunds of, or in respect of, contributions paid by or in respect of a member under the scheme are to be made from the scheme, or

(ii) refunds or specified refunds of, or in respect of, contributions paid by or in respect of a member under the scheme may only be made from the scheme if they are determined in a specified manner and satisfy such other conditions as may be specified.'.

No. 71, in page 13, line 29, at end insert—

'(6A) A direction under subsection (4)(f) may, in particular, provide that transfers or specified transfers of, or transfer payments or specified transfer payments in respect of, any member's rights under the scheme may not be made from the scheme unless the amounts paid out from the scheme in respect of the transfers or transfer payments are determined in a specified manner and the transfer or transfer payments satisfy such other conditions as may be specified.

(6B) For the purposes of subsections (4)(f) and (6A), the references to transfer payments in respect of a member's rights under the scheme include cash transfer sums within the meaning of Chapter 5 of Part 4 of the Pension Schemes Act 1993 (c. 48) (early leavers: cash transfer sums and contribution refunds).'.—*[Mr. Heppell.]*

Clause 21

CONSEQUENCES OF FREEZING ORDER

Amendment made: No. 72, in page 14, line 43, leave out subsection (7) and insert—

'(7) Regulations may modify any provisions of—

(a) Chapter 4 of Part 4 of the Pension Schemes Act 1993 (c. 48) (protection for early leavers: transfer values), or

(b) Chapter 5 of that Part (protection for early leavers: cash transfer sums and contribution refunds),

in their application to an occupational pension scheme in relation to which a freezing order is made containing a direction under section 20(4)(f) or (h) (no transfers of, or transfer payments in respect of, member's rights or refunds of contributions etc from the scheme).'.—*[Mr. Heppell.]*

Clause 32

APPOINTMENTS BY REGULATOR

Amendment made: No. 73, in page 20, line 8, leave out 'Regulator' and insert 'Authority'.—*[Mr. Heppell.]*

Clause 35

CONTRIBUTION NOTICES WHERE AVOIDANCE OF EMPLOYER DEBT

Amendments made: No. 74, in page 23, line 43, leave out from second 'occurred' to end of line 44 and insert'—

(i) on or after 11th June 2003, and

(ii) before any assumption of responsibility for the scheme by the Board under Chapter 3 of Part 2.'.

No. 75, in page 24, line 8, leave out

'issuing of the contribution notice'

and insert

'determination by the Regulator to exercise the power to issue the contribution notice in question'.—*[Mr. Heppell.]*

Clause 48

REGISTER OF OCCUPATIONAL AND PERSONAL PENSION SCHEMES

Amendment made: No. 76, in page 34, line 10, leave out paragraph (a).—*[Mr. Heppell.]*

Clause 58

DUTY TO NOTIFY THE REGULATOR OF CERTAIN EVENTS

Amendment made: No. 77, in page 40, line 30, leave out from first 'section' to end of line 31 and insert—

"eligible scheme" has the same meaning as in Part 2 (see section 113), and

"event" includes a failure to act.'.—*[Mr. Heppell.]*

Clause 62

INSPECTION OF PREMISES

Amendments made: No. 78, in page 43, line 5, at end insert—

'section 227 (no indemnification for fines or civil penalties);'.

No. 79, in page 43, line 5, at end insert—

'sections 230 and 232 (consultation by employers);'.

No. 213, in page 43, line 5, at end insert—

'section (UK-based occupational pension scheme to be trust with effective rules);'.

No. 214, in page 43, line 5, at end insert—

'section (Non-EC occupational pension scheme to be trust with UK-resident trustee);'.

No. 215, in page 43, line 5, at end insert—

'section (Activities of occupational pension schemes);'.—*[Mr. Heppell.]*

Clause 63

INSPECTION OF PREMISES IN RESPECT OF EMPLOYERS' OBLIGATIONS

Amendments made: No. 80, in page 44, line 28, at end insert

'any of the following provisions'.

No. 81, in page 44, line 28, at end insert—

'( ) regulations made by virtue of sections 231 and 232 (consultation by employers),'.

No. 82, in page 44, line 31, leave out 'provision' and insert 'provisions'.—*[Mr. Heppell.]*

Clause 66

PENALTIES RELATING TO SECTIONS 61 TO 64

Amendment made: No. 83, in page 47, line 1, leave out from 'required' to 'is' and insert

'to produce under section 61 or 64'.—*[Mr. Heppell.]*

Clause 78

PUBLISHING REPORTS ETC

Amendment made: No. 84, in page 54, line 22 , leave out 'shall be absolutely privileged' and insert

'is privileged unless the publication is shown to be made with malice'.—*[Mr. Heppell.]*

Clause 79

CODES OF PRACTICE

Amendments made: No. 85, in page 55, line 1, leave out paragraph (e).

No. 86, in page 55, line 11, at end insert—

'( ) the discharge of the duties imposed by sections 67 to 67I of that Act (the subsisting rights provisions);'.

No. 87, in page 55, line 22, leave out subsection (4).—*[Mr. Heppell.]*

Clause 82

THE REGULATOR'S PROCEDURE IN RELATION TO ITS REGULATORY FUNCTIONS

Amendments made: No. 88, in page 57, line 15, at end insert—

'( ) the power to issue a notice under section 41(1) approving the details of arrangements,'.

No. 59, in page 57, line 17, at end insert—

'( ) the power to grant or revoke authorisation under section (General authorisation to accept contributions from European employers);

( ) the power to grant or revoke approval under section (Approval in relation to particular European employer;

( ) the power to issue a notice under section (Functions of Regulator in relation to institutions administered in other member States)(5);'.

No. 89, in page 57, line 23, at end insert—

'( ) the power to make an order under section 23 of that Act appointing an independent trustee,'.—*[Mr. Heppell.]*

Clause 84

APPLICATION OF STANDARD AND SPECIAL PROCEDURE

Amendments made: No. 90, in page 58, line 18, leave out from first 'of' to end of line 20 and insert—

'(i) any of the provisions listed in section 11(6), or

(ii) any prescribed provision of this or any other enactment,

for the Regulator to exercise a regulatory function.'.

No. 91, in page 58, line 27, leave out 'reserved'.—*[Mr. Heppell.]*

Clause 85

STANDARD PROCEDURE

Amendments made: No. 60, in page 59, line 25, at end insert—

'( ) the power to grant or revoke authorisation under section (General authorisation to accept contributions from European employers);

( ) the power to grant or revoke approval under section (Approval in relation to particular European employer;

( ) the power to issue a notice under section (Functions of Regulator in relation to institutions administered in other member States)(5);'.

No. 92, in page 59, line 41, at end insert—

'( ) the power to make an order under section 23 of that Act appointing an independent trustee;'.

No. 93, in page 60, line 7, leave out from 'section' to first 'the' in line 8 and insert

'90(1)(b) to vary or revoke in relation to'.—*[Mr. Heppell.]*

Clause 86

STANDARD PROCEDURE: APPLICABLE CASES

Amendments made: No. 94, in page 61, line 44, at end insert—

'( ) the power to make an order under section 23 of that Act appointing an independent trustee;'.

No. 95, in page 61, line 50, at end insert—

'( ) the power to make an order under section 67G(2) of that Act by virtue of which any modification of, or grant of rights under, an occupational pension scheme is void to any extent;

( ) the power to make an order under section 67H(2) of that Act prohibiting, or specifying steps to be taken in relation to, the exercise of a power to modify an occupational pension scheme;'.

No. 96, in page 62, line 1, leave out from 'section' to first 'the' in line 2 and insert

'90(1)(b) to vary or revoke in relation to'.—*[Mr. Heppell.]*

Clause 205

ACTUARIAL VALUATIONS AND REPORTS

Mr. George Osborne: I beg to move amendment No. 205, in page 137, line 28, after 'on', insert 'material'.

This is a relatively small amendment—in fact, it would insert one word—but it relates to an important part of the Bill. Part 3 will get rid of the minimum funding requirement and replace it with a statutory funding objective. We had a debate earlier about the funding of pensions and so on. The key requirements in part 3 are that schemes must produce a statement of funding principles and that trustees must provide an actuarial valuation of the scheme assets and the technical provisions—to use a phrase from the EU pensions directive. Trustees must provide an actuarial valuation only every three years if they provide an actuarial report in the intervening years. Indeed, such reports, as defined in the Bill, would cover developments affecting the scheme's technical provisions since the last actuarial valuation was prepared.

Amendment No. 205 would merely insert the word "material". In other words, there would be a requirement to report on material developments that affect the scheme's technical provisions. My hon. Friends and I propose that change because we want to reduce any unnecessary bureaucracy and the burdens on schemes. There is a requirement to produce an annual report as well as the three-yearly valuation only because that is a requirement of the European directive.

I understand that the Government were originally perfectly content just to require a three-yearly valuation, rather than also requiring an annual report. If they are dissatisfied with that, I understand their requirement to

implement the European directive, but we should do so with as light a touch as possible and keep the requirement as least onerous as possible—to use a clumsy phrase. That is why we wish to insert the word "material". Actuarial reports would then not need to go into every dot and comma of the changes during the previous year. Of course, the reports would also therefore be cheaper to produce.

The regulatory impact assessment suggests that the annual administrative cost of maintaining scheme-specific funding—compiling annual reports and three-yearly valuations—will outweigh the cost of producing MFR valuations by £16.75 million: a considerable sum. The Government assume that that sum will be more than offset by the savings that come from schemes switching 5 per cent. of their investments from gilts to equities and that that will yield an additional rate of return of 2 per cent., or about £100 million extra for schemes. That is very dodgy accounting. What we know for certain is that a significant extra regulatory burden will be imposed on schemes as a result of that arrangement, and the industry is concerned about that as well.

I wish to mention in passing that the industry has a broader concern that when the Bill becomes law, in effect, the PPF's risk-adjusted premiums will become the de facto benchmark for schemes, replacing the MFR and outweighing the scheme-specific funding in the minds of trustees and others, but that is for another debate.

Mr. Pond: I wonder whether we are witnessing a small element of parliamentary or legislative history: hon. Members will have noticed the coincidence that we are debating amendment No. 205 to clause 205. That must be worth mentioning.

I do not think that the hon. Gentleman and I will detain the House long, as we agree in principle on the issue, but I will ask him in a few moments to withdraw the amendment—that comes as no surprise to him—because it is not necessary and would not necessarily secure the objectives that we both want to achieve.

Clause 205 requires the trustees or managers of a scheme to obtain regular valuations from the scheme actuary that compare the scheme's assets with its technical provisions. I should explain that the term "technical provisions" is used in the European pensions directive. It broadly means the amount of assets a scheme needs to hold now, on the basis of the actuarial methods and assumptions used, in order to pay its accrued pensions commitments as they fall due in the future.

Valuations are necessary to check the funding position of a scheme and to provide a basis for determining an appropriate level of contributions for the future. However, they are time consuming and expensive. The clause seeks to strike a balance between ensuring sufficiently frequent funding checks and adjustments, and minimising unnecessary administrative costs. The hon. Gentleman and I take the same position on that.

Full actuarial valuations will be required either annually, or every three years when the trustees obtain interim actuarial reports for the intervening years. The provision in clause 205 for interim reports on developments affecting the scheme's technical provisions since the last full valuation reflects a requirement of the European pensions directive. Amendment No. 205 would mean that the actuary would be required to report only on "material" developments since the last valuation—"material" being the single word that the hon. Gentleman's amendment would insert. We are with him in principle, but think that the amendment is unnecessary. Clause 205 sets out the broad framework for obtaining actuarial valuations and reports, but using the power set out in subsection (6), we intend to specify in regulations the detail of what they must contain.

We intend to consult interested parties as we develop those detailed requirements. That will allow us to work closely with the pensions industry and other interested parties to ensure that we get the details right and that the regulations are workable and effective. It will also enable us to ensure that we implement the requirements of the directive in a proportionate way that does not impose undue burdens on business.

For those reasons, and with the proviso that we shall consult on the way in which we meet the objectives that we and the hon. Gentleman share, I ask him to withdraw the amendment.

Mr. Osborne: I thought that the Minister imbued the moment with more historical significance than it probably merited. The fact that it is amendment No. 205 to clause 205 is not really up there alongside the arrest of five Members by Charles I, Cromwell trying to remove the Mace or Churchill's rousing speeches. However, I suppose it is a small piece of parliamentary history.

As often happened in Committee, the Minister says that he agrees with me in principle, but he is not prepared to support me in practice. Sadly, I have become all too familiar with that, but I held out hope because he said the same about the proposed measure that he is to introduce as new clause 23. There is always the possibility that my amendment will resurface.

It is good to have on the record assurances from the Minister that the Government will attempt to keep the burden on schemes as light as possible while compliant with EU law. On the basis of those assurances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 219

Information and advice to employees

Vera Baird (Redcar) (Lab): I beg to move amendment No. 46, in page 144, line 40, after 'employers', insert 'and annuity providers'.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following amendments:

No. 47, in page 144, line 41, after 'employees' insert 'and annuity purchasers'.

No. 44, in page 145, line 12 , at end insert—

'(f) make provision about the information and advice given to employees and their spouses.'.

No. 48, in page 145, line 12 , at end insert—

[Mr. Deputy Speaker]

'(f) provide that they apply to annuity providers of a prescribed description and annuity purchasers of a prescribed description.

(g) make provision as to the action to be taken by annuity providers to ensure that annuity purchasers and their spouses have signed to confirm that they have received and understood information relating to the annuity purchase.'.

No. 45, in page 145, line 19, at end insert—

'(d) the person who would be affected directly or indirectly by the provision of the information.'.

No. 49, in page 145, line 23, at end insert—

'(7) In this section "annuity provider" means any company selling annuities whether or not resident or incorporated in any part of the United Kingdom.'.

Vera Baird: The amendments seek out a positive approach from the Government to a difficult problem.

Clause 219 is concerned with the supply of clear, good-quality information so that people are fully informed when they make decisions about their retirement income. The amendments are consistent with that aim and would mean that the employers and companies selling annuities would have to ensure that those buying the annuities and their spouses had signed to indicate that they had received and understood information relating to the purchase.

The amendments drive at the difference between a single life annuity and its impact and a joint life annuity. I am well aware that everyone in the Chamber knows the difference, but I should explain that a single life annuity is paid to the individual taking it out. When that person dies, the annuity income dies too. There is no benefit to the surviving spouse. The joint life annuity, on the other hand, continues to pay as long as one member of the pensioner couple is alive. For that reason, income from joint life annuities is considerably less than single life annuities. The purpose of the amendments is to ensure that on purchase of an annuity by a married person they and their spouse are fully aware of the consequences of their decision to purchase a single rather than a joint life annuity. They are also designed to ensure that on the death of their spouse nobody faces an unexpectedly huge drop in pensioner income.

6 pm

According to the Association of British Insurers, only 19 per cent. of married people have joint annuities, although it is unclear on what information their decision was based. The amendments require that when a married person purchases a single life annuity their spouse signs a form saying that they have read and understood a leaflet explaining the options. The spouse should also give their consent for their partner to purchase a single life annuity and understand the implications of that decision for their pension income should their partner die before them. If the annuity purchaser decides to buy a single life annuity and not a joint life annuity, the written consent of their spouse to buy such an annuity should be required. If they cannot obtain that consent, the default position should be that they buy a joint annuity.

I emphasise that the amendments are not meant to compel all married people to purchase a joint life liability—the decision would still be theirs. The rationale for people having a right to their spouse's savings when they do not have rights to their earnings is based on the fact that it is women who are primarily disadvantaged by the present position. Women's historical and current difficulties in building up a decent pension mean that they are disproportionately reliant on their husband's pension income. If their husband dies before them, they are reliant on any survivor benefit in their husband's pension, so it is critical that they should be aware of what is happening.

Survivor benefits are particularly important because women have less pensioner income in their own right—on average, it is 57 per cent. of men's pensioner income, and the gap has widened since the 1980s. Less than 12 per cent. of women get a full basic state pension in their own right. Men have high membership rates of pension schemes, and they purchase the majority of annuities. In addition, women are likely to outlive their husbands. Almost half the women over the age of 65 are widows, and a 65-year-old woman can expect to live three years longer than a 65-year-old man. The issue is therefore a pressing one.

I accept that for some couples a single life annuity will be the best option—for example, when both spouses have access to sufficient pension income in their own right or when the survivor is on a low income and receipt of survivor benefits will reduce the amount of means-tested benefits that they receive. That decision, however, ought to be taken jointly, so that at the outset both spouses are aware of the consequences.

As a footnote, I should add that annuities provide non-married or single-sex couples with a good opportunity to make provision for survivor benefits. One of the obvious benefits of a joint life annuity is that an individual can decide to provide survivor benefits for their dependant regardless of the relationship. Occupational schemes often exclude non-married or same-sex partners. Without legal recognition of those partnerships, as is currently the case, it would be inappropriate to enforce a signed waiver of rights, but it would be prudent none the less to ensure that the annuity buyer understands the implications of their decision.

This is an extremely important issue, and there is a good deal of consensus on it among the Fawcett Society, Age Concern and other pressure groups that have sought repeatedly to draw the problem to the Government's attention. I have no intention of pressing the amendments to a vote, but I hope for a positive response from my hon. Friend the Minister.

Mr. Webb: I should put on record, for the benefit of the whole House, the Committee's appreciation of the hon. and learned Lady's contribution in Committee, where she secured that a report be made next year on women's pensions issues. This group of amendments represents one of those issues, although obviously it relates to men as well. As she said, this set of amendments refers particularly to women, because if a person buying an annuity—typically, a man—fails to provide for his surviving spouse, it is women, typically, who lose out. In a number of forums—in the House, Westminster Hall and elsewhere—the hon. and learned

Lady has stood up for women pensioners in particular and she deserves a great deal of praise for that. [HON. MEMBERS: "Hear, hear."]

I support some of the amendments in the group. Amendment No. 44, which would allow regulations to be made to make provision about information and advice to employees and their spouses, seems entirely appropriate. We need more information and advice. However, I have always felt uncomfortable about the written permission referred to in amendment No. 48. I am trying to work out what it is that makes me feel uncomfortable.

Although the process that the hon. and learned Lady describes is technically gender-neutral, let us take the most common case, in which a man gets to the point where he has to buy or wants to buy an annuity. If the amendment were agreed to, he would be prohibited from buying a single life annuity without the written consent of his wife. That just does not feel right. That is not a very good argument, but it does not feel right that an individual who has saved for their own pension should be prohibited from buying with that pension the particular investment vehicle that they think is right. My worry is the power of veto. I do not have a problem with the amendments that provide for both partners to be given information. One would hope that in a normal relationship they will talk to each other, weigh things up and make a decision. The power of veto would presumably apply where relationships are not working quite as well as that.

Whether the answer is to give one partner a legal block on the other partner's ability to buy a single life annuity worries me. Let me give an example. Suppose—this may be a less typical case—that the man who wants to buy an annuity has a pension pot. That is his entire pension provision for old age, whereas his wife has a fantastic occupational pension—say, she had been a Member of Parliament or something like that. Even though all the annuity will come out of his savings and it is all he has to depend on, he still needs her written permission not to make provision for her. The hon. and learned Lady might well say, "Yes, but being a reasonable woman, she will give it", and she may do so.

Often in legislation we have the concept of what may reasonably be done. If everyone were behaving reasonably, we would not need the provision at all, because they would all talk to each other, they would have been sent the leaflets and they would make a joint decision. We need the power of veto presumably for couples whose relationship is not terribly good. Is it right in all cases to prohibit one partner who may need the money from buying the annuity that serves his—in this case, his—purposes best? Although his wife may subsequently get her very good pension, if the relationship is not terribly good, she may not share it. Obviously, the converse of all those things is true if one transposes the gender, but we are dealing with a typical case.

I think that the hon. and learned Lady would accept that there is a raft of issues to do with women's pensions that need addressing, of which this is one. There is a raft of issues even on the subject of survivors' benefits, of which this is a subset. It would be unfair to criticise the proposals as piecemeal, because we all do things piecemeal—that is all we can do when faced with legislation. We try to make the world a slightly better place where we can.

That is meant not as a criticism, but as an observation that we need a strategy for widows and other survivors that encompasses not only annuities and, hence, money purchase pensions, but occupational pensions, where in many cases there are no survivors' rights, as well as public sector pensions. Until the happy day comes when men and women have accrued enough pension in their own right and we can do away with the concept of survivors' benefits, which must be the goal of pensions policy, we must tackle this huge generational transition. I fully accept the need for a provision such as amendment No. 44, which lays down requirements on information and ensures that both partners know what is going on, but the power of veto seems one step too far.

Vera Baird: Divorce law establishes that pensions are joint assets on divorce and therefore during marriage. Pensions are analogous with other joint assets such as houses, which cannot be mortgaged without the consent of both parties. Why does the same argument not follow for pensions?

Mr. Webb: The point is fair, but one of my worries is that the position is not necessarily reciprocal, because amendment No. 44 relates only to a specific category of pension provision. In my example, the man has a defined contribution pension that must be converted into an annuity, but if the woman has a final salary pension with no survivor's rights, asymmetry would be created.

The hon. and learned Lady argues that the pot of money to buy an annuity is the couple's joint property, but on that basis their joint property should also include the woman's occupational pension. The woman would have the power of veto over the man's pension, and asymmetry would occur because the provision does not include her occupational pension; it is not holistic—the example holds for both men and women if we were to reverse the genders.

The idea is right, but the power of veto is not what we want to introduce when dealing with pensions. We want to make substantial general provision for survivors, who are predominantly women. The hon. and learned Lady was right to table amendment No. 44, and I support some other amendments in the group. I hope that the Minister reassures us that the Government have a broad strategy on survivors' benefits, and if he can do so, the hon. and learned Lady will have done us all a great service.

Mr. Pond: My hon. and learned Friend the Member for Redcar (Vera Baird) asked for a positive response, which I can certainly give her. I add to the tribute paid to her by the hon. Member for Northavon (Mr. Webb) for her vociferous arguments on the issue.

Clause 219 aims to ensure that where employers contribute little or nothing towards their employees' pensions and where levels of scheme membership are low, employees get access to the information and advice that they need to help them make an informed choice about savings for retirement. As part of that requirement, employees will receive information or advice about annuities, where it is appropriate.

[Mr. Pond]

The amendments promoted by my hon. and learned Friend the Member for Redcar work with the grain of both our agenda of informed choice and our determination to ensure justice for women in pensions matters. The amendments would considerably extend the requirements in clause 219, and would, via the Secretary of State's power to make regulations, require employers and providers of annuities to give employees, purchasers of annuities and their spouses access to information and advice about retirement planning and, in particular, annuities.

That fits with the informed choice agenda, but I ask my hon. and learned Friend to consider the practical difficulties, which we must examine in deciding whether we can take the amendment forward. The Government believe that employers have a responsibility to help their employees provide for their retirement, but to extend that responsibility to cover the spouses of employees presents considerable practical difficulties. For example, arranging presentations or one-to-one advice sessions in the workplace for employees' spouses would not be an easy task. Such a requirement would lead to additional complexity and costs that many employers, especially the smallest employers, would find difficult to bear.

In addition, providing information and advice to spouses about annuities and other pensions matters might well raise data protection issues, as well as conflict of interest issues, for providers and employers. We recognise that consumers who are considering retirement and who must purchase an annuity face an important and complex decision. That is why the Financial Services Authority has already introduced changes designed to help people choose the annuity that is best for them.

FSA rules now require providers of personal pensions to give annuity purchasers information about open market options. For example, many issue the FSA leaflet, "Your pension—it's time to choose", which explains in simple language what an annuity is, as well as the options that are available to people and how they can shop around to get a better deal. In January this year, the FSA published further guidance in its "Guide to annuities and income withdrawal", and since the spring of 2003 it has included annuities in its comparative tables to make it easier for purchasers to shop around for the best value annuity available.

6.15 pm

Additionally, new rules introduced in this year's Finance Bill will mean that occupational money purchase schemes are required to offer members the opportunity to choose between a scheme pension and a lifetime annuity. If they choose the annuity, members will again be informed about their open market options.

The issue of annuities has been the subject of considerable consultation over the past few years, and the outcome of that consultation has fed into our pensions simplification work. In answer to the hon. Member for Northavon, we are seeking to put in place provisions that will ensure that surviving spouses have support. We are strongly committed to the concept of informed choice, and we are trying to move forward on that. We are also committed to the concept that pension provision should close the inequality that has traditionally existed between men and women. I understand that that is why the Fawcett Society, the Equal Opportunities Commission and Age Concern have supported such proposals, which, although we find them attractive in principle, involve issues of practicality that we need to resolve.

I can assure my hon. and learned Friend that we will keep the need for further annuity-specific information and advice under review and that we will continue to assess how we can move forward on this agenda. I hope that given that reassurance she will feel able to withdraw her amendment.

Vera Baird: I thank my hon. Friend for that response, which could not be called anything other than positive. Mindful of the care that the Government are taking to ensure informed choice, and cheered by their determination to use pension provision to close the inequality between men and women—a large commitment, but I was pleased to hear it—I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

New Clause 33

ANNUAL MEETING

'(1) In the case of every occupational pension scheme within the terms of this Act, the trustees of the scheme shall be required to hold a meeting each year which shall be open to all members of such scheme, whether active or deferred.

(2) Regulations may make provision as to the matters to be included in the agenda for such a meeting.'.—*[Mr. George Osborne.]*

Brought up, and read the First time.

Mr. George Osborne: I beg to move, That the clause be read a Second time.

To echo the hon. Member for Northavon (Mr. Webb), I too congratulate the hon. and learned Member for Redcar (Vera Baird), who has pressed this issue hard in Committee and in Westminster Hall debates. In Committee, she was very effective in wringing a concession from the Government on the publication of a report, not least because she managed to persuade some of her fellow Back-Bench Committee members to support her, although I am not sure that they would have had sufficient numbers to win a vote.

New clause 33 is short and straightforward and would help to enhance the transparency and accountability of pension schemes and give their members a chance to find out about any problems before it was too late. It would require an annual meeting to be held at which trustees could answer questions put to them by members. One of the frustrations that Members of Parliament come across on behalf of our constituents is that people are often not kept informed about decisions that can have a profound impact on their pension and retirement. They often find it difficult to get any information out of the scheme when things are going wrong—their telephone calls are unanswered and their letters are not replied to.

The new clause would require trustees of occupational pension schemes to hold an annual meeting that is open to all active or deferred members,

although they could include pensioner members if they so wished. That would create a forum that could prove pretty lively if things were going wrong, as sometimes happens in the annual general meetings of big companies when, for example, the remuneration of the chief executive has been placed under scrutiny.

If it is believed that the trustees of a scheme are paying their professional advisers or professional trustees too much, making poor investment decisions, taking risks with the funding and so on, there would at least be an annual occasion when members could turn up and put the trustees on the spot—after all, they are supposed to act on their behalf. We believe that that would help to enhance the transparency and accountability of schemes.

Mr. Pond: New clause 33 would not only require trustees automatically to hold an open meeting with members every year but it contains a power under which matters to be discussed at the meeting could be prescribed by the Government in regulations. Curiously, the new clause refers to

"all members . . . whether active or deferred".

What happened to pensioner members? I shall leave that question to the hon. Member for Tatton (Mr. Osborne).

Let me say straight away that good communication between schemes and members is vital. None of us would argue otherwise. However, it is overkill for the Government not only to demand that schemes have an annual open meeting, regardless of their size or maturity or the geographical location of the members, but to write the agenda for them. Can the hon. Member tell the House what such a Government-sponsored meeting would discuss and in what order?

Members of occupational schemes are free to communicate with and question scheme trustees, managers and administrators and can communicate with the regulator and the pensions ombudsman if they have a complaint. The communication of information is already required under extensive statutory powers, and notification requirements on the trustees and managers already exist.

The Government believe that those requirements are sufficient and balanced. Moreover, the trustees have an overarching duty to look after the best interests of the members, including pensioners. Obligatory meetings between trustees and members would not necessarily be practicable or produce improved communication. Some members would be unable to attend, in which case the information would still need to be communicated. A meeting might not necessarily be the best way of communicating the information that the statute required to be supplied, while some information is personal to the individual or sensitive. A meeting could not be used for members to witness trustee deliberations on, for example, an ill-health early retirement case.

When trustees' decisions are applicable to the membership generally, such as the annual funding statement or the statement of investment principles, they are required to be sent to all members or at least made available to any member who asks to see them.

We have nothing against schemes choosing to hold annual meetings, but whether they should be held and what should be discussed is a matter of choice and judgment for the relevant trustees, not the Government. That is not to say that we cannot give them some encouragement. As hon. Members know, the new pensions regulator will focus more on promoting good practice and raising standards and he will have a range of tools available, including the power to issue codes of practice.

I am sure that the hon. Gentleman agrees that there are many better ways to promote what is obviously good practice than introducing such a blunt mandatory legislative requirement to hold annual meetings. I hope that, on that basis, he will feel able to withdraw the amendment.

Mr. Osborne: The Under-Secretary warmed to my proposal as his response progressed. He started by being dismissive and ended by saying that it could be included in a code of practice. There is a big difference between being sent a letter and having an opportunity to attend a meeting and put questions to trustees on the basis of received information.

Companies have annual general meetings and most pass quickly, without controversy, but when a business such as Marks and Spencer is in trouble, everyone turns up and the meeting provides a focus that enables people to question the directors. We envisaged a similar procedure, whereby most pension scheme meetings would be over quickly and would not cause a great deal of fuss or be difficult to organise. Indeed, we would not expect all members to turn up. However, when problems exist and some of the matters that the Bill tackles—such as freezing orders or schemes being put into the PPF—arise, the trustees should be required to explain themselves in public to scheme members. We think that that would be a good thing, but this is not quite the kind of issue to press to a vote. We also hope that the regulator will bear in mind these discussions when drawing up the codes of practice, and perhaps include similar provisions in them.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 35

AUDITORS' RIGHTS TO INFORMATION

'After section 41 of the Pensions Act 1995 insert—

"41A Rights to information

(1) An auditor of an occupational or personal pension scheme—

(a) has a right of access at all times to the pension scheme's books, accounts and vouchers (in whatever form they are held), and

(b) may require any of the persons mentioned in subsection (2) to provide him with such information or explanations as he thinks necessary for the performance of his duties as auditor.

(2) Those persons are—

(a) any trustee or manager of the pension scheme;

(b) any person who is otherwise involved in the administration of such a scheme;

(c) any person holding or accountable for any of the pension scheme's books, accounts or vouchers;

(d) the employer in relation to an occupational pension scheme;

[Mr. Osborne]

(e) any officer, employee or auditor of the employer in relation to an occupational pension scheme or any person holding or accountable for any books, accounts or vouchers of the employer;

(f) any professional adviser in relation to an occupational pension scheme;

(g) any person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme;

(h) any member of the pension scheme;

(i) any person who fell within any of paragraphs (a) to (h) at a time to which the information or explanations required by the auditor relates or relate.

41B Offences relating to the provision of information to auditors

(1) If a person knowingly or recklessly makes to an auditor of an occupational or personal pension scheme a statement (oral or written) that—

(a) conveys or purports to convey any information or explanations which the auditor requires or is entitled to require, under section 41A(1)(b), and

(b) is misleading, false or deceptive in a material particular,

the person is guilty of an offence and liable to imprisonment or a fine, or both.

(2) A person who fails to comply with a requirement under section 41A(1)(b) without delay is guilty of an offence and is liable to a fine.

(3) However, it is a defence for a person charged with an offence under subsection (2) to prove that it was not reasonably practicable for him to provide the required information or explanations.

(4) If a person within section 41(A)(2) is a company and fails to comply with section 41A, the company and every officer of it who is in default is guilty of an offence and liable to a fine.

(5) Nothing in this section affects any right of an auditor to apply for an injunction to enforce any of his rights under section 41A;".'.—*[Mr. Webb.]*

Brought up, and read the First time.

Madam Deputy Speaker: With this it will be convenient to discuss new clause 36—*Internal controls*—

'Regulations may provide that trustees of an occupational pension scheme must secure that the scheme has appropriate and sufficient systems of internal control.'.

Mr. Webb: I beg to move, That the clause be read a Second time.

I thought that perhaps, after five and a half hours, I ought to move something. I hope that the House will accept that new clauses 35 and 36 reflect my expert parliamentary drafting, although the Institute of Chartered Accountants in England and Wales might also have had a hand in it, somewhere along the line. I was delighted to see that Members on the Conservative Front Bench had added their names to the new clauses.

Mr. George Osborne: The reason that we added our names is that we got the same letter as the hon. Gentleman.

Mr. Webb: I was wondering whether the Conservatives had put their names to the new clauses knowing that they had already been tabled, or whether they got a bit of a shock when they realised that they had put their names to Liberal Democrat proposals. We will draw a veil over that, however.

The Institute of Chartered Accountants has asked us to raise a couple of important issues relating to the audit of pension funds. I should like to deal first with new clause 36, which is very brief. It attempts to mirror the provisions in the European pensions directive, as the Minister will know. Article 14 of the directive, with which the House will be familiar, states:

"The competent authorities shall require every institution located in their territories to have sound administrative accounting procedures and adequate internal control mechanisms."

A number of points have been raised today to which the Government have replied that they are keen to ensure that the Bill reflects the pensions directive as closely as possible, to ensure that the United Kingdom is complying with it. What better way to do that could there be than to take the words from article 14 and incorporate them in the Bill after clause 202? It is the purpose of new clause 36 to ensure that the Bill uses the same terminology as the pensions directive. Given that the Government have said several times today that that is precisely what they want to do, I am sure that the Minister will accept our proposal.

New clause 35 has two parts. It attempts to mirror some of the rights of company auditors, and to apply them specifically to those who audit pension schemes. There are two issues involved here. First, the Companies (Audit, Investigations and Community Enterprise) Bill will introduce rights for general auditors to obtain information from companies, and from a wider group of people involved with those companies, than is now the case, and the first part of new clause 35 would make the same provision for those who audit pension schemes. Auditors would then be able to require information from trustees, managers, administrators, advisers and others.

The second part of new clause 35, by analogy, looks at the requirement on company directors to make a statement in their report that they are not aware of any relevant information that has not been disclosed to the company auditors. Criminal penalties exist for those who knowingly or recklessly mislead auditors. Why should not those provisions apply equally to those who audit pension funds? The trustees should be under an obligation to disclose any relevant information. The penalties would apply only if the trustees had recklessly and/or knowingly failed to disclose information to the trustees. The Government would not want trustees recklessly or knowingly to fail to disclose such information, so I am sure that the Minister will want to accept new clause 35 as well.

Mr. Pond: I have to tell the House that I have not added my name to the new clauses, not because I did not get the letter that the hon. Member for Tatton (Mr. Osborne) mentioned but because I have certain reservations about the proposals in new clause 35 to introduce new powers and offences in relation to the rights of auditors to obtain information. As the hon. Member for Northavon (Mr. Webb) has explained, the proposals mirror clauses in the Companies (Audit, Investigations and Community Enterprise) Bill, which has now finished its Committee stage in the other place.

The purpose of those clauses is to strengthen the rights of company auditors by entitling the auditor to require information and explanations from a wider group of people. It is perhaps understandable that that is being proposed here in relation to pension scheme accounts.

6.30 pm

This is a complex Bill, and I am told to say that my officials are talking to officials in the Department for Trade and Industry about the possible application in relation to pension accounts. I suppose I could say that my people are talking to their people. In particular, we need to think about how the measure would interrelate with the existing requirements that we place on the auditors of pensions schemes and the role of the pensions regulator.

Because of the slightly different nature of the relationships between employers, trustees and professional advisers, there is already a legal requirement on employers to disclose to trustees any information that they reasonably require to perform their duties. The trustees have in turn a statutory duty to disclose to their professional advisers, including auditors, such information as may reasonably be required for the performance of the advisers' duties. The trustees also have a duty to make available to their advisers all requisite books, accounts and records as may reasonably be required for the performance of the advisers' duties.

It might well be that the current statutory requirements on the scheme regarding disclosure of information to the auditor and to other professionals for their professional purposes are sufficient. I am not trying to pour cold water on the amendments, as we take the issues they address very seriously and are looking carefully at whether we need to change pensions law as well as company law.

With regard to new clause 36, article 14(1) of the European directive on the activities and supervision of institutions for occupational retirement provision requires us to ensure that every occupational pension scheme has sound administrative and accounting procedures and adequate internal control mechanisms. The effect of the new clause would be to provide a regulation-making power that we could use to require schemes to have appropriate and sufficient systems of internal control. I note that the power does not extend to prescribing what those controls should be or how the requirement could be enforced, and to that extent I am not sure how useful it would be.

There are a great number of procedures and controls in place as a result of current pensions legislation: chiefly the Pensions Act 1995 and the Pension Schemes Act 1993. For example, there are provisions relating to investment, scheme funding, production of audited accounts and annual reports, sending information to members, the appointment of professional advisers and record keeping. All of these are reinforced by a requirement on scheme professionals to "blow the whistle", a requirement that clause 59 of the Bill will extend to others involved in running the scheme.

Earlier today, we dealt with several Government amendments that arose wholly or partly from our work on the directive. The work is ongoing. We are still looking at how the existing raft of requirements fits into the obligations under article 14(1) and the extent to which further action may be necessary. I suggest that it would be premature to accept the need for additional regulations, particularly of the unspecific nature proposed by the hon. Gentleman. On that basis—and on the understanding that we take the matters seriously, but need to work out how they can be brought together practically and properly—I hope that he will withdraw the motion.

Mr. Webb: I am grateful for the Under-Secretary's constructive response. My only observation is that he said that the existing obligation is on trustees to make available the information for which they are asked; in other words, to be reactive. I am not sure that there are strong obligations on them to be proactive when they are not asked for information, and to say, "But you need to know this." That is the thrust of new clause 35. But as the Minister has indicated that his people are talking to their people and that he takes the issue seriously—and given the lateness of the hour—I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 220

REQUIREMENT FOR MEMBER-NOMINATED TRUSTEES

Mr. George Osborne: I beg to move amendment No. 15, in page 145, line 31, after second 'trustees', insert

'and that not less than one third of this number shall be nominated by a recognised pensioners' association and in the case of a closed fund, the majority shall be member nominated trustees'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 19, in page 145, line 31, leave out 'and' and insert—

'( ) that those arrangements are fair and open, and'.

No. 16, in page 145, line 33, leave out subsection (2) and insert—

'( ) "Member-nominated trustees" are trustees of a pension scheme who—

(a) are nominated as a result of a process in which at least all active and pensioner members of the scheme are eligible to participate, and

(b) are selected by a process including at least all active and pensioner members.'.

No. 17, in page 145, line 37, at end insert—

'(2A) A "recognised pensioners' association" shall be an organisation that represents at least 25 per cent. of pensioners from a particular occupational pension scheme and is duly constituted for the purpose of representing its members.'.

No. 21, in clause 221, page 146, line 39, leave out 'and' and insert—

'( ) that those arrangements are fair and open, and'.

No. 18, in clause 221, page 146, line 41, leave out subsection (2) and insert—

'(2) "Member-nominated directors" are directors of a pension scheme who—

(a) are nominated as a result of a process in which at least all active and pensioner members of the same scheme are eligible to participate and

[Madam Deputy Speaker]

(b) are selected by a process including at least all active and pensioner members.'.

Mr. Osborne: I am conscious of the fact that two Labour Members want to get on to TUPE and consultation by employers, so I will not detain the House for too long with these amendments—*[Interruption.]* That is provided that they do not heckle me. The amendments—*[Interruption.]* I am being heckled from all around now, and I have pages of notes here. The amendments are inspired by the Occupational Pensioners Alliance, which represents more than 1 million occupational pensioners, and concern points that were brought to our attention by Mr. Roger Turner of that alliance. They are designed to ensure that member-nominated trustees reflect the interests of pensioner members as well as active members.

The Minister scored a cheap point on my previous new clause because I had left out pensioner members from my proposal to hold an annual meeting, although I hope that the record will show that I said that they could be invited to that meeting. Perhaps, given that my new clause was defeated, I shall go back and look at that. However, I am more optimistic about these amendments.

Amendment No. 15 would require that of the one third of trustees required to be member-nominated, one third of those should be nominated by a recognised pensioner association. Amendment No. 17 seeks to define that as

"an organisation that represents at least 25 per cent. of pensioners from a particular occupational pension scheme".

That would provide a threshold so that it was clear that the pensioner association genuinely reflected the interests of a number of pensioner members, rather than being a group that had been put together to speak for only one or two members.

It is worth repeating what the Occupational Pensioners Alliance has said on that:

"We are particularly unhappy about the proposals ... on Member Trustees"

because

"the role of pensioners in the running of their schemes would be even more marginalised than it is now."

The practical upshot of the Bill will be that

"pensioners can be ignored in the nomination and election processes. There is only a duty for 'active members' to be consulted. The OPA believes strongly that representation via the Trustees is essential for good and fair scheme management and we call, in the strongest possible terms, for the Government to re-examine its position on this issue."

The amendment therefore attempts to get the Government to re-examine their position and deal with the under-representation of pensioner members.

As the legislation currently stands, a very mature scheme might have one third of its trustees—the third that were member-nominated—elected by a minority who were the active members. Or there could be a scheme whose trustees were able to choose the member-nominated trustees themselves. The inclusion of pensioner members would help to prevent that abuse, and would also, we hope, lead to a more open, transparent process.

Under amendment No. 16, member-nominated trustees would have to be nominated and selected by a process in which

"at least all active and pensioner members"

took part; at the moment, the requirement is only that active members are involved in the nomination. Amendment No. 18 would extend that to the process for member-nominated directors. Amendment No. 19, on governance, is not only about pensioner members, but is a broader point. It would require the whole process of choosing member-nominated trustees to be fair and open. It would simply insert three words into the Bill, but would give the courts some leverage when dealing with unfair and closed processes. Amendment No. 21 would extend that requirement to member-nominated directors.

Trustees are ultimately the best defence against the mismanagement of pensions, and we believe that member-nominated trustees are the best defence of the interests of members. We think that those members should include pensioner members who, in many schemes, make up a significant number of the scheme's members, and that the process of choosing the member-nominated trustees should be fair and open. It is vital that pension schemes are accountable to all their members, and that all members are treated fairly.

Malcolm Wicks: As the hon. Gentleman said, there are colleagues who are hoping to introduce their amendments in due course. If the only heckle that I ever received in my career was to be a called a gentleman, I would rest content. I expect that a certain colleague of the hon. Gentleman, if facing the National Pensioners Convention in Blackpool, would not be heckled quite so politely.

I hope that the hon. Gentleman will forgive me if, in view of the time, I do not consider all his amendments; rather, I shall cut to the quick and concentrate on where I can be helpful. Amendments Nos. 16 to 18 are not ideal. It is far from clear that establishing such a demanding minimum as the involvement of all active and pensioner members in these processes is sustainable. However, the amendments may well be a starting point in ensuring basic equality between active and pensioner members. We want to explore whether that can be done, while keeping the essence of the new legislation in its current form. Of course, we had a useful debate on this issue in Committee.

If the hon. Gentleman is prepared to withdraw the amendment, we will certainly think further about the need to involve pensioners, as well as active members, in the processes for member-nominated trustees, with a view to tabling our own amendments on this issue in another place. I hope that those helpful remarks might encourage the hon. Gentleman to withdraw the amendment.

Mr. Osborne: *[Interruption.]* Yes, as I am advised to say by the Government Whip, that is very helpful. I am glad that the Minister is prepared to consider the case

for pensioner members. *[Interruption.]* The Under-Secretary of State for Work and Pensions says that I should say "Thanks." I shall do so once I have seen the Government amendments in the other place, but I am sure that the Occupational Pensioners Alliance will be extremely grateful. I look forward to the telephone call from the Minister, and with that, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 225

REQUIREMENT FOR KNOWLEDGE AND UNDERSTANDING: CORPORATE TRUSTEES

Malcolm Wicks: I beg to move amendment No. 123, in page 150, line 14, at end insert—

'( ) In this section "company" means a company within the meaning given by section 735(1) of the Companies Act 1985 (c.6) or a company which may be wound up under Part 5 of the Insolvency Act 1986 (c.45) (unregistered companies).'.

This is a technical amendment that deals with trustees' knowledge and understanding, which is known in the Department as "familiarity with issues". The House is indeed familiar with these issues.

Amendment agreed to.

Clause 229

FORM OF PROTECTION

John Robertson: I beg to move amendment No. 53, in page 152, leave out lines 43 to 46 and insert

'is certified by the actuary to be broadly comparable to the occupational pension scheme referred to in section 228(1)(c).'.

Madam Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 54, in page 153, line 13, at end insert—

' "actuary" means the actuary appointed by the trustees of the scheme referred to in section 228(1)(c), pursuant to section 47 of the Pensions Act 1995;'.

No. 55, in page 153, line 24, at end insert

'but in the case of contributions payable by the employer shall not be less than the contributions paid by employers into the scheme referred to in section 228(1)(c) and in the case of contributions payable by members shall not be more than the contributions paid by members into the scheme referred to in section 228(1)(c).'.

John Robertson: I begin by offering some criticism of today's debate. We have spent many an hour discussing Government business, yet only 1 hour 50 minutes on amendments tabled by the Opposition and Labour Back Benchers. I know that you look after Back Benchers, Madam Deputy Speaker, and I should point out that we have not had a fair crack of the whip today.

Clause 229 implements the Government's commitment to extending the protection afforded by the Transfer of Undertakings (Protection of Employment) Regulations 1981. The original regulations were drafted in accordance with what was then understood to be the requirements of the acquired rights directive, and they excluded pensions from the requirement to carry over terms and conditions of employment.

The Government's declared objective is very much to be welcomed, but in the event the specific proposals have failed to provide adequate protection for the great majority of members of occupational pension schemes. The Government appear to have more regard for the need for business flexibility than for genuine and worthwhile protection of employees on the transfer of an undertaking.

Clause 229 specifies the pension provision that the transferee or receiving employers must make for employees in TUPE transfers where the conditions in clause 203 apply. Specifically, the employer must offer either an occupational pension scheme or a stakeholder pension scheme. Occupational pension schemes that are not on a money purchase basis—typically, final pay schemes—must satisfy either the reference scheme test for contracting-out purposes or an alternative standard to be prescribed in regulations.

In the case of the money purchase scheme, occupational scheme or stakeholder scheme, the receiving employer must make relevant contributions, which are to be defined in regulations. The explanatory notes say that that means that the regulations will specify that the receiving employer must match the employee's contributions up to a maximum of 6 per cent.

6.45 pm

Clause 229 also allows for variation by agreement between the transferee employer and the employee of a contractual term that imposes the requirements. There are many problems for defined benefit scheme members and for money purchase scheme members. I would like to provide much more detail, but I appreciate that other hon. Members want to raise other matters. TUPE is, however, very important and the amendments propose an alternative approach.

The Government's approach is fundamentally flawed, in my opinion, in trying to set a common standard that all receiving employers have to meet, while also trying to avoid placing a burden on some employers. The two standards have been set at levels that mean, inevitably, that the majority of occupational pension scheme members will lose out. What is needed, instead, is a simple requirement that the receiving employer should provide benefits that are broadly compatible with, or of broadly equal value to, the benefits provided by the original scheme. It may be argued that the like-for-like requirement is impracticable, but the public sector has successfully operated requirements of a broadly compatible sort for a number of years, and there seems no good reason why the same should not be extended to the private sector.

An important aspect of the system operated in the public sector is set out in the Cabinet Office document, "Staff Transfers in the Public Sector—Statement of Practice". For any anoraks, there is a website www.cabinet-office.gov.uk/civilservice/2000/tupe/stafftransfers.pdf and, in case anyone did not get that, it will be in *Hansard* tomorrow: buy your copy at the local Vote Office. A comparison is made of benefits and member contributions and it is made clear that that is the correct approach. In my opinion, though, it is ignored in the Bill. I ask the Minister to reflect on the

[John Robertson]

amendments and to understand that if something is good enough for the civil service, it is good enough for the private service.

Mr. Tynan: I want to be brief in order to leave the Minister plenty of time to answer on the important issue of TUPE. We moved a probing amendment in Committee, but I want to go back to 1981 when the transfer of undertakings provisions took effect. One of the major concerns then was the fact that pensions were not included. It came to fruition when we had private finance initiative projects, and the contracting-out of cleaning services, particularly for hospitals, meant that the poorest paid people had lost their pension scheme. Considerable pressure was exerted by Unison at the time to try to reach some accord on how to move forward and cure that anomaly. To the Government's credit, they recognised the need to protect the poorest paid people in the NHS. The public sector, which we are talking about now, had the poorest people. Fair enough. As my hon. Friend the Member for Glasgow, Anniesland (John Robertson) said, if something is good enough for the public sector, why should it not apply to the private sector? As I said, we recognised that the lowest paid workers were suffering the most. Under those circumstances, why should the same not apply to the private sector?

The poorest people often have major problems with their pension provision, although some problems were resolved when the TUPE regulations applicable to private sector employees were transferred to employees in the public sector in the early 1990s. I hope that my hon. Friend the Minister for Pensions will look at the question of TUPE very closely. He gave some commitments in Standing Committee, but it is important for us to get on the record the Government's position on this matter. I hope that the amendment receives a positive response.

Malcolm Wicks: Clauses 228 and 229 introduce a minimum level of pension protection where a business transfer occurs and the so-called TUPE regulations apply. This new requirement means that, for the first time, transferee employers will have to offer transferred employees a minimum standard of pension provision, where employees had access to an occupational pension scheme with employer contributions pre-transfer.

I understand the argument made by my two hon. Friends the Members for Glasgow, Anniesland (John Robertson) and for Hamilton, South (Mr. Tynan), but I hope that the considerable progress being made with the Bill will be acknowledged.

Clause 229 sets out the types of pension provision that a transferee employer will be contractually bound to make available to transferred employees when a relevant transfer takes place. These are an occupational salary-related scheme of a requisite standard, an occupational money purchase pension scheme, or a stakeholder pension scheme. Where the transferee employer opts to provide a salary-related occupational pension, it must meet either the reference scheme test or a similar alternative standard that will be prescribed in regulations. Where the new employer opts to provide a money purchase occupational pension scheme or a stakeholder pension, he will be required to match employees' contributions up to 6 per cent, although either party may contribute more at their own discretion.

Amendments Nos. 53 and 54 would require that, rather than meeting those statutory standards, the scheme offered should be broadly comparable to the previous employer's scheme. The comparability would have to be certified by the actuary of the previous scheme, regardless of whether or not that scheme was salary related. Amendment No. 55 stipulates that the contribution to be paid by the new employer should be no less than that paid by the old employer, and that contributions payable by the employee should be no more than were paid into the old scheme.

First, I should like to deal with the question of comparing different types of scheme. Extensive consultation took place on our proposals, and on earlier proposals from the Department of Trade and Industry, for pension provision following a business transfer. Those consultations helped to identify the genuine obstacles in comparing different pension schemes. There are real difficulties for actuaries in attempting comparisons of contribution levels in money purchase and salary-related occupational pension schemes.

In salary-related schemes, the level of employer contributions at any point in time will depend on a number of factors, including the funding position and the age profile of the overall membership. In short, there is no straightforward read-across from what an employer could contribute to a salary-related scheme to what an employer should contribute to a money purchase, occupational or stakeholder scheme.

Our approach—a simple, stand-alone requirement on all employers—means that there is no incentive on the transferor employer to reduce the level of pension contributions to make the business more attractive to potential purchasers.

A requirement to provide a broadly comparable scheme of the same type could prevent a transferee employer from placing transferred employees into the existing pension scheme, and oblige that employer to run two or more schemes in parallel. That is precisely the sort of extra, multiple requirement that encourages employers to pull out of pension provision altogether. We should remember that the new legislation to protect employees involved in business transfers cannot, and is not intended to, prevent the employer from making changes to the pension scheme in the future.

In Committee, my hon. Friend the Member for Cardiff, West (Mr. Brennan) asked why we do not provide full protection for the value of the pension scheme after a transfer. The reason is that we want to avoid an approach that could require transferee employers to have to set up and fund an occupational final salary scheme from scratch. That could act to prevent employers from buying businesses, or parts of businesses, where the employees had occupational pension provision.

That would not be in anyone's interest: transfers can often save businesses, where the alternative for employees is redundancy. Nor is it sensible to increase costs so much that employers are encouraged to withdraw pension provision. The approach in the clause sets a simple minimum standard and allows employers

to determine whether and how they go beyond the statutory standard, depending on their needs and priorities. For the first time, it will ensure that employees benefit from a statutory level of pension protection after transfer and stop transfers being used as an excuse to scrap pension contributions.

I appreciate the arguments that my colleagues have made. We need to keep the new arrangements under review, and I promise that the Government will do that. This is a social advance and I hope that that will be recognised. Therefore, I ask my hon. Friend to consider withdrawing his amendment.

John Robertson: I thank my hon. Friend the Minister for his answers. While he may not have convinced me completely, he has convinced me enough not to cause him any undue hassle at this time of night. However, I hope that those in the other place are taking note of what has been said here today. There is much more mileage in this argument. TUPE is far more important than the 10 or 15 minutes that we have given it in this Report stage, and I hope that those in the other place have listened to what has been said and will take on board the points that I have made. With that, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 230

CONSULTATION BY EMPLOYERS: OCCUPATIONAL PENSION SCHEMES

John Robertson: I beg to move amendment No. 51, in page 153, line 44, at end insert—

'(3A) Where an employer has failed to comply with the requirements of this section, a complaint may be presented to an employment tribunal on that ground—

(a) in the case of failure relating to representatives of a trade union, by the trade union,

(b) in any other case, by any of his employees who are affected employees.

(3B) Where the tribunal finds a complaint under subsection (3A) above well-founded it shall make a declaration to that effect and may order the employer to pay appropriate compensation to such descriptions of affected employees as may be specified in the award.

(3C) In this section—

(a) "appropriate compensation" means such sum not exceeding thirteen weeks' pay for the employee in question as the tribunal considers just and equitable having regard to the seriousness of the failure of the employer to comply with his duty.

(b) "affected employee" means an employee who is a member of the scheme or who would have been eligible to become a member if a prescribed decision within the meaning of subsection (1) had not taken effect.

(3D) Chapter 2 of Part 14 of the Employment Rights Act 1996 shall apply for calculating the amount of a week's pay for any employee for the purposes of subsection (3C) above.'.

Madam Deputy Speaker: With this it will be convenient to discuss the following amendments:

No. 52, in clause 231, page 154, line 7, at end insert

'; or

(c) proposes to reduce the contributions which the employer pays to the personal pension scheme,'.

No. 42, in clause 232, page 154, line 25, after 'ballots', insert

'where it is necessary for the purpose of selecting employee representatives'.

No. 50, in clause 232, page 154, line 44, at end insert—

'(4A) Consultation regulations shall require that—

(a) the employer consults any recognised trade unions with a view to seeking their agreement to the measures to be taken;

(b) in the course of those consultations the employer shall—

(i) consider any representations made by the recognised trade unions; and

(ii) reply to those representations and, if he rejects any of those representations, state his reasons.

(4B) For the purposes of subsection (4A) above a recognised trade union is an independent trade union recognised to any extent for the purpose of collective bargaining in relation to the employees concerned.'.

John Robertson: I will try to make this short. In fact, I will not try; given the time, it will be very short. I thank the trade union Amicus for all the help and support that is has given me and my hon. Friend the Member for Hamilton, South (Mr. Tynan) and many other Labour Members. I think that we can safely say that, by the end of this week, we will have left pensions in a much better state—some might say that the situation could not have got worse.

The purpose of amendment No. 51 is to suggest that a clear sanction should be specified and that there should be a ready route through which complaints can be brought. It is important that those who do not consult in a proper manner are brought to book and complaints taken care of properly. In Committee, I discussed for at least 10 minutes what the word "consultation" meant. We should bring people to book for not consulting properly and the amendment would take care of that.

Amendment No. 52 specifies that, where an employer reduces a contribution to a personal pension, the consultation arrangements will apply. Why the arrangements would not apply, I cannot imagine. It seems sensible to me that whoever has a pension should be told if the contributions are to be reduced. To reduce the contributions without telling someone, or at least seeking their opinion, strikes me as bizarre.

Amendment No. 50 is intended to ensure that consultations are meaningful and undertaken with a view to seeking agreement. It would oblige the employer not just to consider but to respond to representations before a decision is taken. That goes along with the previous amendment. It is important not only that people have the opportunity to make representations but that they receive an answer.

Malcolm Wicks: The key principle that we intend to enshrine in regulation is that, where trade unions are recognised by an employer, the only circumstance in which an employer will be able to consult on pension changes using another mechanism will be where employees have specifically agreed an approved alternative approach to information and consultation.

The role of trade unions is crucial. We take the issue seriously and we will consult trade unions and others in developing these ideas and drawing up regulations. It is

[Malcolm Wicks]

right that workers and their trade unions are consulted about this vital element of the industrial package. Given the spirit of my remarks, I ask my hon. Friend to withdraw his amendment—

It being 7 o'clock, MADAM DEPUTY SPEAKER, *pursuant to Order [this day], put forthwith the Questions necessary for the disposal of proceedings to be concluded at that hour.*

Amendment negatived.

Clause 233

MODIFICATION OF SUBSISTING RIGHTS

Amendment made: No. 124, in page 157, line 17, leave out 'or' and insert—

'( ) section 31(4) of the Welfare Reform and Pensions Act 1999 (pension debits: reduction of benefit), or'.—*[Mr. Pond.]*

Clause 240

DEBT DUE FROM THE EMPLOYER WHEN ASSETS INSUFFICIENT

Amendments made: No. 125, in page 169, line 9, leave out paragraph (b) and insert—

'(b) a prescribed scheme or a scheme of a prescribed description.'.—*[Mr. Pond.]*

No. 126, in page 171, line 6, after 'day' insert

', it does not occur in prescribed circumstances'.—*[Mr. Pond.]*

Bill, as amended in the Standing Committee, to be further considered tomorrow.

DELEGATED LEGISLATION

Ordered,

That the Architects (Professional Conduct Committee) Amendment Order 2004 (S.I., 2004, No. 655), dated 10th March 2004, be referred to a Standing Committee on Delegated Legislation.—*[Margaret Moran.]*

John Redman

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

7.1 pm

Dr. Vincent Cable (Twickenham): I am grateful for the opportunity to introduce this Adjournment debate, which concerns one individual and an extraordinary injustice in the benefits system. I shall briefly summarise the problem and talk the Minister through it. He knows some of the background because we have had correspondence on the matter.

The problem relates to a young man of 24 who suffers from a variety of complex invalidities. He has had to be cared for at home by his parents for most of his life, but was transferred to a residential care home at the age of 20. Up to that time, his parents had saved the state between £1 million and £2 million in care costs as a result of their sacrifice. In the process of transfer to a care home, various charges were unwittingly incurred, without the knowledge of the parents and without them benefiting in any way. Despite attempts to persuade the Department for Work and Pensions to withdraw the claim for the overpayments, the family, who are in considerable financial hardship, are left with a debt of just over £3,000. The problem illustrates some wider policy issues and legal problems connected with the overpayment of benefits, but I wish to focus primarily on that individual, his family and their problems.

I shall give the House the background to the case and describe John's difficulties. He is now 24 and he has a variety of conditions. He is autistic, he has severe learning difficulties and, in addition, he has Lennox Gestalt syndrome, which means that he has epileptic fits two to three times a day, on average. The fits sometimes occur in the middle of the night and if he were left unattended, he would die. His carers have to be constantly in attendance. In addition, he cannot swallow, so his food has to be liquidised and fed to him by spoon. He has severe toileting problems, so his carers constantly have to change him and deal with his personal hygiene. It is a 24-hour job.

For the first 18 years of John's life, he was cared for by his parents, Mr. and Mrs. Redman, who received very little help from the local council. Although this debate is primarily concerned with the role of the DWP, much fault lies with the local council. The council responded only slowly and belatedly to the family's needs.

After 18 years, the family received limited respite care of about one week a month. In 2000, when John was 20, he was admitted to a residential home, the Roy Kinnear home in my constituency. The cost, which was negotiated between the Department for Work and Pensions and the local providers—the health service and the council—was about £95,000 a year. That gives some indication of the costs to the family and the sacrifice that they made to care for John during his young adult life.

The residential home proved highly unsatisfactory. Complaints were made and are being investigated. The family had to withdraw John from the home because a critical situation arose. The liquidising machine broke down and the home's management refused to replace it, so John could not eat and was in danger. His family

withdrew him and he is now back at home. His parents are once again shouldering the full costs of his care, which, as I indicated, were estimated at about £95,000 a year.

During this long and arduous time, John's parents have not only suffered enormous physical exhaustion and emotional pressures, but have made a considerable financial sacrifice. As Mrs. Redman was unable to cope, her husband retired early so they have sacrificed much of their pension entitlement and have only small savings. That is the context in which the family now live.

I turn to the financial problem that is the source of the difficulty with the DWP. For most of his life, John was cared for at home and received help from the Department through disability living allowance. The complications arose when he went to the care home. The move was managed by the local social services department working in partnership with the local health service and negotiated with the DWP. The transaction was complex and the process was managed by the local statutory services. At no stage were John's parents told that the funding arrangements materially affected them and that they had a legal obligation to notify the DWP. They were never told about that, which is why the difficulties arose.

Apart from those difficulties, the relationships in such cases are inherently extremely complex, as the Minister knows, and would defeat even a person of considerable financial sophistication. To put the matter simply, under the arrangements in the care home, the family continued to derive some limited DLA benefits, notably the mobility component—a limited allowance of £17.50 a week. However, to complicate things, in addition to the statutory payments made to the home, the family were required to make, from the payments they received, a further limited contribution. Payments were going in and out of their bank account and it was very difficult for them to keep track.

Any discretionary income that the family received was entirely spent on John's welfare. Conditions in the home were not ideal and the family were often called in two or three times a day to help him. They frequently had to buy new clothing to replace soiled clothes. They had to give John special health supplements. Any additional benefit that the family derived was spent entirely on John.

The difficulty with the Department arose due to a complex mixture of simultaneous overpayment and underpayment of benefit. The family were underpaid residential care allowance. They had never heard of that benefit but they were entitled to it and after a year of misunderstandings found out that there had been substantial underpayment. However, the regulations governing residential care allowance meant that the family was unable to make a claim for back-payment. At the same time, because they had not notified the Department of John's situation, they had been overpaid disability living allowance, which the Department tried to claim back. So they lost one payment because they were unable to claim retrospectively, while another payment that they had received was claimed back by the Department.

The net position after a year was that the family had accumulated a liability of about £6,700, which the Department sought back from them. Fortunately, the local council accepted part liability. In other words, it had been imposing charges on the assumption that the family had been receiving residential care allowance, which they had not, and the council agree to settle that component of the bill. The family were left with a bill of £3,122, which is still at issue. I want to emphasise several key points about why it is utterly and totally unreasonable under any common-sense system that the family should be left with that bill.

The family were completely unaware of the complexities of the arrangement. They draw absolutely no benefit from it. Any income was entirely spent on John's welfare. They suffered a net loss as a result of the move to the residential home because of the underpayment of benefit to them. They were out of pocket; they were not in surplus, as a result of the benefit changes. Of course, they have now taken their son out of the residential care home. Since removing him from the home last November, they have already probably saved the state £9,000 or more—three times the amount that the Department for Work and Pensions feels that it is owed.

In my concluding remarks, I wish to consider what remedies are available. The family have been helped by the citizens advice bureau and by me, to some extent. They were advised that they could pursue the problem through one of two channels. They could make a complaint against the local council. There is still a possibility that a complaint might lead to the local government ombudsman and to some form of compensation, but the family have been advised that the chances of success are not high. The complaint against the council was essentially that it did not provide sufficiently comprehensive advice. That would not normally be regarded as maladministration. None the less, they can consider that course of action.

The family was advised from the outset that by far the most promising and appropriate channel was to pursue the overpayment issue through the Department for Work and Pensions. The matter went to a tribunal, where they lost. I was then requested to write to the Minister. It is important to summarise what the position is with regard to overpayment. I shall quote from a parliamentary answer given back in 1999, by the Minister's colleague, now the Minister for Energy, E-Commerce and Postal Services, in which he summarised succinctly the precise position:

> "In individual cases of overpayments the Secretary of State can apply his discretion in relation to the recovery of the overpayment. This discretion is exercised only where recovery would cause extreme hardship. Guidance is contained in "Government Accounting", a copy of which is held in the House of Commons Library."—[*Official Report*, 16 March 1999; Vol. 327, c. 624.]

That document defines and defends the concept of hardship thus:

> "Repayment may be waived if it would cause hardship, but hardship must not be confused with inconvenience. To be required to pay back money to which there was no entitlement does not in itself represent hardship, especially if the overpayment was discovered quickly. The test of hardship should therefore be real. To be acceptable, a plea of hardship should be supported by reasonable evidence that the recovery action proposed by the department would be detrimental to the welfare of the debtor or the debtor's family."

The citizens advice bureau and I have placed sufficient evidence with the Department and it is certainly available from the local council to demonstrate that real

[Dr. Vincent Cable]

hardship is involved in this case. The family have accepted enormous financial as well as other sacrifices. In that spirit, I wrote to one of the Minister's colleagues in January and the Minister replied very quickly. He indicated that he could not accept such a request, but he said:

"Due consideration will be given to Mr and Mrs Redman's financial circumstances before a suitable method and rate of recovery is decided."

I want to ask him whether he will reconsider the question of waiving the payment, given the circumstances, which are extraordinary. I have never previously come across a case in which a carer family have taken on such an enormous burden on behalf of society. At the minimum, we are talking about a saving of £1 million for the taxpayer, but the family are now being pursued for a very small debt to the state—large to them—when, under no circumstances, can they possibly have been said to have benefited. They are in hardship.

As a tailpiece, I want to say that since the family returned to their home with John where they are caring for him with all the difficulties surrounding that and limited respite care, they have had great difficulty in getting their disability living allowance re-established. They believe—certainly the citizens advice bureau believes this—that the Department for Work and Pensions has been deliberately dragging its feet over the benefit because of the difficulties that they were having with the overpayment. That may be unfair and completely untrue, but that was the perception. It is a product of the ill-feeling that the case has generated. I hope that it is not true.

I am concerned with the bigger issue. I recognise that the Minister has a duty with regard to public funds, but I ask him to exercise the limited discretion that he has to waive the overpayment.

7.16 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I congratulate the hon. Member for Twickenham (Dr. Cable) on securing this debate and on his diligence in pursuing this issue on behalf of his constituents. I am grateful to have the opportunity to explain the basis both of entitlement to disability living allowance for disabled people who move into care homes, and of recovery of benefit when overpayments occur. I assure him that the Department attributes the utmost importance to ensuring that people receive the amount of benefit to which they are entitled. This case provides a stark illustration of why we need to do so.

Towards the end of his remarks, the hon. Gentleman asked me to reconsider waiving recovery of the outstanding balance, and I want to make it clear at the outset that I have done so. We do not intend to make further recovery of that outstanding balance from Mrs. Redman. As he rightly points out, this is due to the exceptional circumstances of the case. I shall say something more about that in a few moments.

I further reassure the hon. Gentleman, the family and the citizens advice bureau that there has been no dragging of feet on this issue. I note that he does not put his name to that suggestion, but I would not wish the family to consider it to be the case.

It is a fundamental principle that those in receipt of benefit or their appointed representatives ensure that they continue to meet the entitlement criteria for that benefit and report any changes in their circumstances to the appropriate benefit-paying body. Any overpayment of benefit that arises owing to those criteria changing and that change not being reported in a timely way will normally be recovered. We have a duty to the taxpayer to ensure that overpaid benefit is recovered.

In pursuing such recovery, the Department seeks to do so as quickly and effectively as possible but, as the hon. Gentleman acknowledged, without causing undue hardship. When representations are made that recovery will cause hardship, regard is had to an individual's circumstances in determining the rate and method of recovery. Again, as he acknowledged, that was the tone in which I wrote to him in January on this issue.

There are certain exceptional circumstances in which recovery of an overpayment may not be pursued. That would normally be when recovery would be seriously detrimental to the health or welfare of the individual or a member of their household. Each case is looked at on its individual merits. In this case, the initial decision not to waive recovery was based on the fact that there was sufficient capital available to enable recovery without apparently causing undue hardship. On reflection, it is accepted—and I accept this—that due regard was not had to the exceptional circumstances of the case.

Those circumstances involve, in particular, the great personal sacrifice that Mr. and Mrs. Redman have made to support their son over many years; the fact that the overpayment arose in good faith; the fact that they have not personally gained financially; and the fact that they appear not to have been correctly advised by those bodies supporting them. If the correct course had been taken and the appropriate benefit claimed, the loss to public funds would have been significantly reduced. I have therefore agreed that the Department will not seek recovery of any of the remaining overpaid benefits. Mrs. Redman has made a part-repayment, in view of which I will arrange for officials to consider a compensation payment. I hope that the hon. Gentleman agrees that this is quite an exceptional case and is worthy of such an exceptional decision.

In more general terms, disability living allowance is a tax-free, non-contributory and non-means-tested benefit that is paid as a contribution towards the extra costs faced by severely disabled people as a result of their disabilities. Entitlement to the allowance is linked not to specific disabling conditions but to the level of someone's need for help with personal care or with getting around. It therefore has a care component and a mobility component. In broad terms, entitlement to the care component depends on the effect that physical and/or mental disability has on someone's need for personal care from someone else, while entitlement to the higher rate mobility component depends on whether physical disability means that they are unable, or virtually unable, to walk. Entitlement to the lower rate mobility component depends on whether a physically and/or mentally disabled person needs supervision or guidance from another person when walking outdoors on unfamiliar routes.

When someone goes into a care home, as in John's case, their needs for personal care should be met in the home. The cost of meeting those needs is included in the

cost of their place in the home. Local authorities, rather than the Department for Work and Pensions, are responsible for providing help with those costs. That makes sense, because local authority social services departments provide care home accommodation and have the necessary skills to arrange suitable placements in private care homes. When local authorities assess how much help a person needs with their care home costs, they ensure that they are left with a standard amount for their personal expenditure. To pay disability living allowance for someone's personal care needs when account has already been taken of those needs would amount to duplicate provision. Payment of the care component therefore stops after 28 days' residence in a care home.

Different considerations apply to the mobility component of disability living allowance. Care homes are not funded to provide for residents' mobility needs, so payment of that component is not affected by residence in a care home, and local authorities cannot take account of it when assessing someone's need for help with the cost of their placement. Disability living allowance has the advantage of providing flexible help for disabled people, whose needs can vary greatly and change significantly over time. There must therefore be ongoing discussion of who should be entitled to it. The rules have changed over the years to reflect the discussion, but the discussion itself will continue. That dynamic process helps to ensure that disability living allowance can continue to provide relevant help for disabled people who face costs over and above those of their normal daily living needs, for which other benefits are available. At the same time, it will always produce differences of opinion about the qualifying criteria for receipt of the benefit.

In conclusion, I offer my apologies for any distress caused to Mr. and Mrs. Redman and, indeed, John. They will accept that when an overpayment is made, even when it is the result of an honest error by the person receiving payment, we have a responsibility to recover it. In this case, however, there were exceptional circumstances, which I am pleased we can now acknowledge. I congratulate the hon. Gentleman on bringing the case to the attention of the House, and I hope that he is satisfied that we have reached a suitable conclusion for the family and especially for John.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past Seven o'clock.

House of Commons

Wednesday 19 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

OFFICE OF THE DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Regional Assemblies

1. **Mr. Richard Bacon** (South Norfolk) (Con): If he will make a statement on the estimated costs of regional assemblies. [173979]

The Minister for Local and Regional Government (Mr. Nick Raynsford): An elected regional assembly will cost around £30 million to set up, including the costs of referendums and elections, and around £25 million a year to run.

Mr. Bacon: Given that the Welsh Assembly cost £55 million—four times more than planned—and that the Scottish Parliament cost £430 million, which was 10 times more than planned, is it not likely that the proposed regional assemblies will turn out to be simply another way of squandering money that people would prefer to be spent on teachers and nurses?

Mr. Raynsford: No, it is not. The first point on which the hon. Gentleman might reflect is that our proposals for elected regional assemblies are for small, streamlined bodies, which will focus on delivering services and developing strategic approaches to policy that the Government and quangos currently discharge. That will restore democratic control to the regions and add value. Secondly, he knows that, next week, when the boundary committee presents its proposals for local government reorganisation, there will be considerable scope for reducing bureaucracy and making savings through cutting out unnecessary tiers of government.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): Does my right hon. Friend agree that the figures that he gave represent an excellent deal for democracy? He is a much more patient and tolerant soul than me, but does he not occasionally get irritated at the ridiculous scaremongering from Conservative Members, who have neither the vision nor the enterprise to recognise the important moment for regional devolution that is almost upon us?

Mr. Raynsford: My hon. Friend makes a valid point and some kind remarks. I am a tolerant soul, but I have witnessed the Conservative party opposing devolution in Scotland and subsequently changing its mind; opposing devolution in Wales and then changing its mind; and opposing devolution in London and changing its mind. I look forward to Conservative Members changing their minds and recognising that it is right to bring democracy to the English regions.

Mr. George Osborne (Tatton) (Con): The no campaign in the north-west is a cross-party campaign that includes many Labour Members of Parliament. Will the Minister allow its representatives to speak at Government-sponsored public meetings that he and the Deputy Prime Minister attend so that the public can hear both sides of the argument? Does he not want to share a platform with Labour Members of Parliament?

Mr. Raynsford: The hon. Gentleman knows that there is provision for funding the yes and no campaigns at a later stage in the process so that they can present their case to the electorate. That is right and proper. However, the Government are currently exercising their responsibility to ensure that the public are properly informed. Last night, I was speaking in north Lincolnshire at a hearing that was welcomed by people who want information and welcomed the presence of a Minister to answer questions factually and informatively. I am surprised that the hon. Gentleman objects to that.

Tony Lloyd (Manchester, Central) (Lab): Will my right hon. Friend revert to the theme of cost? Will he calculate or speculate on the money forgone by the northern regions when successive Tory Governments underfunded health, industrial investment and education there to prop up their electoral base in the south of England?

Mr. Raynsford: My hon. Friend makes an important point because our purpose in extending democracy to the regions is to allow each region to maximise its potential strengths and economic development opportunity. It is sad that, in the past 80 or so years, there has been a disparity in the economic development rates of different parts of this country, with the northern regions failing on the whole to share the high growth rates that some southern regions achieved. We are working hard, through the creation of regional development agencies, the Lyons review and other measures, to redress that balance. The Conservative party shows no concern for assisting some of the more deprived parts of our country to improve their economic performance.

Mrs. Caroline Spelman (Meriden) (Con): I refute that last claim. The Minister may recall that the 1997 Labour manifesto pledged that regional assemblies

"would require . . . confirmation by independent auditors that no additional public expenditure overall would be involved."

Does he stand by that manifesto pledge?

Mr. Raynsford: We have made it absolutely clear—*[Interruption.]* Yes, the hon. Lady should pay attention to this. We have made it absolutely clear that we will publish the full costs. Those costs will include the potential savings from local government reorganisation,

which we are not able to publish until we have the proposals from the boundary committee. The committee will present to us its estimates of the best options for wholly unitary local government in those parts of the three northern regions that currently have two tiers of local government. Until we have those estimates, we cannot produce full costings, but I assure the hon. Lady that, as and when we have them, we will produce those costings. I suspect that she will be surprised when she sees the scope that exists for making savings by cutting out unnecessary tiers of government.

Mrs. Spelman: The fact is that the vast cost of these regional assemblies will end up having to be met by council tax. The Minister has clearly not seen the latest research from Cambridge university showing that abolishing counties or district councils will add £110 to the council tax bill of every resident. Has he not heard the pain expressed up and down the country about the level to which the council tax has risen under this Labour Government?

Mr. Raynsford: I have two points to make to the hon. Lady. The first is that the Government have taken effective action against excessive council tax increases. If Conservative councils had been as successful as Labour councils in keeping their council tax levels down, there would be a lower average rate of council tax this year.

Secondly, on local government reorganisation, the hon. Lady is living in a time warp. She is recalling the figures from the period when her party was in power, and when local government reorganisation led to substantial additional costs because of the bungled way in which the Banham review approached the matter. The hon. Lady should not anticipate the conclusions of the boundary committee. Any sensible, serious analysis will depend on figures that have yet to be produced, so I would say to her and to the academics whom she is quoting that theoretical arguments are all very well, but they should wait to see the actual recommendations. We shall then be able to do proper costings, and we shall do so.

Joyce Quin (Gateshead, East and Washington, West) (Lab): Did my right hon. Friend note the very encouraging poll in Newcastle's *The Journal* at the beginning of this week, which showed that those intending to vote yes in the referendum greatly outnumbered those intending to vote no? Did he also notice, however, that the support would be even greater if the Government were to strengthen the role of the assemblies in the draft powers Bill? Will he take that message to heart?

Mr. Raynsford: My right hon. Friend has been a doughty campaigner for regional devolution for many years, and she will have been heartened, as all those who care about the issue will be, to see the evidence of growing support in all the northern regions and, obviously, in the north-east. In the course of the hearings that have been held over recent months, we have discussed the powers set out in the White Paper and any possible changes that might be made to them. We shall obviously bear my right hon. Friend's points in mind before final conclusions are reached and we publish a draft Bill, which we intend to do later this summer.

New Deal for Communities

2. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): If he will make a statement on the new deal for communities. [173980]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): The new deal for communities programme supports 39 severely deprived areas with investment of around £2 billion over 10 years. It has very high levels of community involvement, and the NDCs have reported crime falling and employment and education levels improving faster than the national average.

Mr. Williams: The Minister's assessment contradicts the evaluation of her own Department, which found that

"community partnerships are stuck in cycles of blame and remain in a continual state of crisis",

and that expenditure on administration was in excess of 10 per cent. of total expenditure. When will the Minister get a grip on the scheme and ensure that we get value for money and that the quality of life experienced by people in our most deprived communities is improved?

Yvette Cooper: The hon. Gentleman is talking complete nonsense. The evaluation published by the Department included Professor Lawless's assessment that the NDCs are making progress, and

"should be commended"

as they

"are beginning to deliver a wide range of projects to improve people's quality of life."

I am very sorry that the Liberal Democrats want to kick in the teeth the 50,000 people who are involved locally in the new deal for communities and who are making a real difference to their communities and areas.

Mr. Bill O'Brien (Normanton) (Lab): When considering the new deal for communities, will my hon. Friend take into consideration those communities that do not match the formula for urban renewal, but which could qualify for urban regeneration? There are urban areas in need of consideration for the new deal, and I would ask her to consider those areas that wish to be included in urban regeneration schemes and which would benefit from the Government's programme to help such communities. Will she consider those areas favourably?

Yvette Cooper: My hon. Friend is right that regeneration needs to extend more widely than the new deal for communities. Certainly, the neighbourhood renewal fund is supporting 88 districts across the country, which are making real progress and closing the gap on the national average in terms of employment and education. He is also right that there are other broader areas in which investment and regeneration is needed. That is why the work of the regional development agencies is so important.

Local Government Finance

3. **Hugh Bayley** (City of York) (Lab): If he will obtain data to allow a market forces factor in the local government funding formula to be examined for the City of York separately from North Yorkshire. [173981]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): The area cost adjustment is the element of the local government funding formula that takes account of higher wage and rate costs in each area. The new area cost adjustment is a huge improvement on the old system, which gave a top-up only to authorities in the south-east. The Office of the Deputy Prime Minister uses wage data from the whole North Yorkshire area to calculate the area cost adjustment for the City of York and for North Yorkshire county council. That is to ensure that the area cost adjustment is stable and reliable from year to year.

Hugh Bayley: Wages and house prices are higher in York than in North Yorkshire, which of course is an entirely separate local authority area, but York, unlike Leeds, does not receive the area cost adjustment. Will my hon. Friend consider changing the formula so that York's costs can be calculated separately from those of North Yorkshire and we can be considered for the area cost adjustment in relation to our costs, which are different from those in North Yorkshire? Does he recognise that it is important for York to get this help after this year, in which it has faced from its Liberal Democrat council one of the highest council tax rises in the country?

Phil Hope: Currently, the funding formula is set for at least the next year, but I understand my hon. Friend's concerns and we may explore the potential for calculating the area cost adjustment at a finer geographical level. I am anxious, however, to ensure that we have enough wage data to produce stable and reliable area cost factors each year. My hon. Friend is a great champion for his constituency, and he will be pleased to hear that his council in York got an increase of 6.2 per cent. in grant from the Labour Government, and an extra £10.5 million in specific grant. I therefore share his concerns that Liberal Democrats in York raised their council tax by 8.5 per cent. The fact is that Liberal Democrat councils cost more.

Miss Anne McIntosh (Vale of York) (Con): I hope that the market forces provision will recognise not only that, as the hon. Member for City of York (Hugh Bayley) said, wages are lower in North Yorkshire than in the City of York, but that residents living in villages such as Nun Monkton in North Yorkshire will be given preference over travelling showmen trying to set up winter quarters in that area?

Phil Hope: I am not absolutely certain about the connection between the area cost adjustment and the village of Nun Monkton, but central Government funding for local government means that rural areas, like urban areas, have received substantially more grant from this Government than they ever did from the Tories.

Mental Health Inquiry

4. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What proportion of respondents to the social exclusion unit's inquiry into mental health was made up of people who had experienced mental health problems. [173982]

7. **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): How many individuals with mental health problems contributed via the internet to the social exclusion unit inquiry into mental health. [173985]

The Minister for Housing and Planning (Keith Hill): Of 950 written responses to the social exclusion unit consultation, 28 per cent. were from people with experience of mental health problems. There were 33 e-mailed responses, and 11 from groups. The SEU recognises the importance of engaging directly with adults with mental health problems. That is why it arranged a series of consultation events that involved some 500 people.

Dr. Iddon: In response to that inquiry, this week, Mind published a report entitled "Not alone?", which shows that 84 per cent. of people who suffer a mental health problem feel isolated, compared with 29 per cent. of the general population. Since ready use of a telephone was cited as helpful in overcoming that isolation, does my right hon. Friend agree that local authorities should be encouraged to provide helplines, such as Bolton metropolitan borough council's careline, to help vulnerable people, and that the delivery of all public services can play a role in removing the stigma of mental health problems and the discrimination that they bring?

Keith Hill: Like my hon. Friend, I welcome the Mind report, which calls attention to a number of important issues consistent with the findings of the SEU mental health project. I congratulate my hon. Friend on introducing the careline initiative in Bolton. The forthcoming SEU report will identify actions needed to improve access to advice and support for adults with mental health problems through, for example, primary care and a lessening of the financial insecurity that can reduce use of the telephone, which is so often a lifeline and a means of escape from isolation.

Dr. Naysmith: I too congratulate the Minister and the SEU on inquiring into links between mental health problems. What the Minister said about the contribution of the internet was fascinating, and raises further interesting questions. Mind's report "Not alone?", mentioned by my hon. Friend the Member for Bolton, South-East (Dr. Iddon), found 72 per cent. of respondents to its survey believed online access was or could be beneficial; but 20 per cent. of those, who were either using or wishing to use the internet, did not have regular access to it. Have the Government any plans to enable people with mental health problems in particular to gain access to what is nowadays a basic communication tool?

Keith Hill: My hon. Friend is right. All the evidence suggests that those on the lowest incomes have least access to the internet. We realise that that is a particular difficulty for people with mental health problems, and

we think it very important for them to have direct access to those making decisions on such issues. We expect the SEU report, which is about to be published, to make a major contribution to improving that access.

Tony Baldry (Banbury) (Con): If I were writing about mental health, I would be inclined to write to the Secretary of State for Health. It is currently rather difficult to know what is happening in mainstream Whitehall Departments, what policy is being drawn up in Cabinet Office units, and what policy is being drawn up in units in the Minister's Department. Could the Minister help us by reminding us in writing what units exist in the ODPM and what policies they are working on? That is a genuinely helpful question. It is particularly important for us to know when the SEU is to deal with new policies, so that we know when to make representations on them.

Keith Hill: I agree that joined-up government, as they say, is important in all aspects of government, and especially important in this context. The SEU report will go some way towards achieving a more seamless approach to mental health problems across Government, but I undertake to write to the hon. Gentleman explaining what routes are appropriate.

Lynne Jones (Birmingham, Selly Oak) (Lab): I was pleased to learn this morning that the SEU is employing people with direct experience of being at the receiving end of mental health services. Does my right hon. Friend agree that one good way of combating the stigma and social exclusion suffered by people with mental health problems is to set a good example in terms of staff recruitment and retention? What are my right hon. Friend and the SEU doing to disseminate best practice in enlightened parts of the public service, and in private sector organisations such as BT?

Keith Hill: The purpose of the SEU report will be to improve dissemination of best practice. I am grateful to my hon. Friend for acknowledging the unit's determination to involve people with mental health problems. As she said, a member of the SEU's mental health team has experience of enduring mental health problems.

Regional Assemblies

5. **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab): What effects a directly elected assembly for the north-west will have on business. [173983]

The Deputy Prime Minister (Mr. John Prescott): Improving the economic performance of the region will be at the heart of the objectives of an elected regional assembly in the north-west. If the three northern regions improve their productivity to the current southern region average, they will be nearly £35 billion a year better off—and most of that increase will be in the north-west, which is the largest region of the three. A directly elected assembly for the north-west will put responsibilities for releasing that potential in the hands of the people of the region, not the civil servants in Whitehall.

Mrs. Ellman: Does my right hon. Friend agree that good transport links are essential for successful businesses? Although there are significant transport powers in the proposed assemblies, can he offer any strengthened powers so that good transport can be developed for successful business in the north-west and elsewhere?

The Deputy Prime Minister: My hon. Friend makes a major point on the importance of transport and economic development. Certainly the regions will play a major part in decisions on transport infrastructure, but she will also realise that in the north-west alone there are two passenger transport executives, which have a considerable influence on transport investment in the regions. The Secretary of State for Transport has already made it clear to the House that he thinks that more of those decisions should be taken in the regions. That will no doubt be reflected in the Bill that we will introduce.

Mr. Nigel Evans (Ribble Valley) (Con): We do not have any oyster bars in the north-west of England, but we have a number of other businesses. I spoke this morning to the chairman of the CBI in the north-west, Damien Waters, who is very concerned that the costs of the regional assembly will be borne by his members. They have seen what has happened in Scotland, with the fiasco of the palace that is being built costing 10 times more than was estimated, and the same has happened in Wales, with the building costing much more than was estimated in the White Paper. Why should those business people trust what this Government are saying about the costs of the new regional assemblies?

The Deputy Prime Minister: I think that the hon. Gentleman looks more like a kipper than an oyster. I note what he says about the costs of the assemblies, but does that mean that his party is now committed to abolishing the Scottish Parliament? Does it mean that it is committed to abolishing the Welsh Assembly? It promised to do that, but has now changed its mind. If the hon. Gentleman is concerned about the cost, is he also concerned that his Front-Bench team are committed to abolishing the regional development agencies that will make a real difference to economic development?

Mr. Bernard Jenkin (North Essex) (Con): No one believes the right hon. Gentleman's bluster. He is talking a load of cod. He is talking about investment in transport, but an extra layer of politicians and bureaucrats with no new money and no new powers, as Jeff Rooker has said in the House of Lords, will mean that there will not be the resources to improve transport. How does the right hon. Gentleman explain the fact that business is overwhelmingly opposed to elected regional assemblies? The Lancashire chamber of commerce has voted against them, as has the Manchester chamber of commerce. The Hull chamber of commerce, in the right hon. Gentleman's own constituency, has voted against elected regional assemblies. How does he explain that?

The Deputy Prime Minister: I have to tell the hon. Gentleman that at the hearings that we have been holding, the chambers of commerce and the CBI have

been expressing views that have changed from those that the hon. Gentleman suggests they held early on in the debate—*[Interruption.]* Well, reference has already been made to Newcastle's *The Journal*, which has said that business is quite clearly moving towards a more favourable position. At the end of the day, however, the people will make the decision—we are giving them that right. The hon. Gentleman spends so much time complaining about the hearings, but we are there explaining to people what we are intending to do. All the polls show that those hearings are having an effect in raising awareness, although we must wait to see what the vote is. The hon. Gentleman should not spend all his time asking stupid questions here on the cost of the hearings—questions with a total cost of £7,000, which is the same as the cost of one hearing with 200 people. We prefer to consult the people, and at the end of the day, they will make the decision.

Council Tax

6. **Lawrie Quinn** (Scarborough and Whitby) (Lab): What plans he has to make council tax liability more closely related to income. [173984]

The Minister for Local and Regional Government (Mr. Nick Raynsford): The balance of funding review is looking at possible reforms to council tax. We intend it to report this summer.

Lawrie Quinn: I thank my right hon. Friend for that answer. Can he confirm that the evidence given by the Chartered Institute of Public Finance and Accountancy to the balance of funding review suggests that the proposed pay-as-you-earn scheme for local income tax would be impractical and far from fair? Is it not time that the parties in this House recognised that the public know when they are being sold a pup, and is it not time that we achieved transparency and fairness in terms of local government income?

Mr. Raynsford: The balance of funding review has received very good evidence from a variety of sources, including from CIPFA, whose report has certainly poured a great deal of cold water on the Liberal Democrats' over-optimistic assumptions about a local income tax. Such assumptions were well exposed during Monday evening's debate in this House.

Mr. Edward Davey (Kingston and Surbiton) (LD): Will the Minister confirm that he failed to read out on Monday all the very positive things that CIPFA said about local income tax? Has he decided totally to reject the idea of a local income tax, even though it is used in America, Japan, Sweden, Denmark and Swinland—*[Interruption.]* Sorry, Mr. Speaker, I meant to say Switzerland. *[Interruption.]*

Mr. Speaker: Order. I can hear some hon. Members, but not the hon. Gentleman.

Mr. Davey: Sorry, Mr. Speaker, that was very Prescottian of me. Was the Minister pre-empting the conclusion of the balance of funding review and ruling out local income tax at any time, in any form?

Mr. Raynsford: Well, I say to the hon. Gentleman what I said to his colleagues on Monday evening. They invited me to read out the four recommendations that supported a local income tax, and I said to them that, in all fairness, if I did so I would have to read out the six recommendations that were against the idea. In the interest of economy and of proceeding smoothly, I thought that I would spare the hon. Gentleman and his colleagues that pain. We know that the Liberal Democrats love to live in never-never land; now we realise that they want to live in swindleland.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [173964] **Peter Bradley** (The Wrekin) (Lab): If he will list his official engagements for Wednesday 19 May.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Peter Bradley: Having read the papers all week, I am relieved to see that the Prime Minister is still here—[HON. MEMBERS: "Oh!"] We may all have been victims of another media hoax. The Government have rightly dedicated both attention and resources to the experience of young people in the home, at school and in further and higher education, but they have perhaps dedicated less attention and fewer resources to the quality of their spare time. Does the Prime Minister agree that the principal reason why young people congregate on street corners is that they have literally nowhere else to go? Will he take the opportunity provided by the forthcoming spending review to dedicate a real increase in resources to the youth service and to facilities for young people?

The Prime Minister: About £500 million is now provided every year for youth services and for community services specifically dedicated to young people. That will increase by almost £30 million in this financial year, but in addition, we are pioneering the concept of extended schools—just such a school has been announced today in my hon. Friend's constituency—in which we also provide facilities for youngsters after school hours. Such schools are used as a basis for the local community to bring together some of the youth services, so that young people are kept out of trouble and off the streets, and given something proper and sensible to do. Together with the measures that we are taking in respect of antisocial behaviour, that will make a real difference in many of our communities.

Mr. Michael Howard (Folkestone and Hythe) (Con): May I begin by thanking the Prime Minister for responding so promptly to my call last week for compensation for people who have lost their pension entitlement? May I also welcome this week's announcement that there may be variable penalty points

for speeding, as we suggested last month, just as we welcomed his change of mind—however belated—about a referendum on the EU constitution? So we seem to be working rather well together in the interests of the country: we put forward the policies, and he adopts them. Following those very happy precedents, may I ask him to respond to another of our proposals. Will he ask the Chancellor to drop the petrol tax rise due in September?

The Prime Minister: Of course we understand the concern about oil prices, but it is not due to Government action. The high price is due to a number of factors, the most important of which is extremely high demand in China and America. Other factors include low stocks in the United States, so we do not see these as the same circumstances as obtained last year.

When the right hon. and learned Gentleman says that we are following his record in all respects, I have to point out that I shall certainly not follow his record in these following respects: we shall not go back to boom-and-bust economics; we shall not go back to 3 million unemployed; we shall not go back to under-investment in the health service; and we shall certainly not reintroduce the poll tax.

Mr. Howard: I am afraid that none of that will wash. People are interested—*[Interruption.]* People are interested in what is happening now and what will happen in the future. Does the Prime Minister not appreciate the hardship that a further increase in petrol tax will cause? Last year, the Chancellor told us that he was going to defer the annual increase in petrol tax because of high and volatile oil prices. Petrol then cost 77p a litre and now costs 82p a litre. This week, oil prices reached a new high. So will the Prime Minister now have a word with his Chancellor—he does not have to go to Loch Fyne to do it—and drop the proposed increase?

The Prime Minister: Well,

"I certainly don't think that anybody ought to get in any kind of blind panic about this but nor incidentally do I think that there's anything very material that the UK Government can do and obviously one shouldn't blame the Government for oil prices rising."

[Interruption.] That is a quote from the shadow Chancellor. *[Interruption.]* I do not think that it is me who needs to have a word with my colleague; it is him who needs to have a word with his—and he need not go to Loch Fyne for that either.

Mr. Howard: Does the Prime Minister not understand the simple difference between the oil price—of course the Government cannot control that—and the tax on petrol, which the Chancellor can directly control? That is the question I put to the Prime Minister; that is the question that he has refused to answer twice. Why will he not tell the Chancellor to drop the proposed increase in the tax on petrol?

The Prime Minister: When we are talking about the tax on petrol, let me remind the right hon. and learned Gentleman of his record when he was in government. We have done a little research and found the figures. In the last seven years of the Conservative Government, the fuel duty went up by 17p a litre. It has gone up by only 10p a litre under this Government. Of course we know it is a problem, for reasons that he has accepted are beyond the Government's control, but it is important to realise that we have to run the economy in an effective way. He talks about not going back to the past, but the strong economy with record employment and record low unemployment is happening now.

Hon. Members: More.

Mr. Speaker: Order.

Richard Burden (Birmingham, Northfield) (Lab): Will my right hon. Friend join me in welcoming today the Palestinian parliamentary delegation, which is watching our proceedings, and which, as you know Mr. Speaker, is led by your counterpart in the Palestinian legislative council? He comes from Gaza, where 100 homes have been demolished in the last few days and 3,000 over three years—in contravention of the fourth Geneva convention. Will my right hon. Friend join me in condemning that destruction of homes? As a high contracting party to that convention, what will Britain do to ensure that it is enforced?

The Prime Minister: I join my hon. Friend in welcoming the delegation from the Palestinian Parliament. I assure them that the exchanges that have just taken place do not represent the total sum of what happens in parliamentary proceedings. My hon. Friend makes a very serious point. We entirely understand Israel's concerns about acts of terrorism, but what happened yesterday was unacceptable and wrong.

It is very clear now that we need to do several things. We need to press on with the proposals for disengagement from the whole of the Gaza and parts of the west bank. We then need to allow the international community to help moderate Palestinians re-establish control and authority in those areas over which they will have control and authority. Above all else, we need to begin a process that allows us to restart proper negotiations that lead to a final status settlement.

Obviously, that would happen far more easily if the terrorism stopped, and therefore we all have a responsibility to do two things. First, we must do what we can to stop the terrorism while acting in accordance with international law. Secondly, we must make sure, above all else, that we get to the point where Palestinians and Israelis can once again sit down in proper negotiation and reach a settlement. I am sure that that is what the majority of Israelis and Palestinians want.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): Can the Prime Minister confirm that the 30 June handover of power in Iraq will involve the transfer of full sovereignty, and the authority that goes with it, to the new Iraqi Government? Will that Government be able, for example, to retain control of both their oil revenues and their prisons?

The Prime Minister: The answer to that is yes. The new Iraqi Government must have full sovereignty after 30 June. That will give them the rights that all sovereign Governments have.

Mr. Kennedy: I thank the Prime Minister for that very clear reply. I am sure that the whole House will welcome it.

On the related question of the possible further deployment of British troops, if the US requests that further British troops be deployed—and that may happen outside the present British sector and involve an extension of the troops' role into Najaf—will the Prime Minister confirm that the House of Commons will be able to vote before any such deployment takes place? Will he also guarantee that any such decision and announcement will not be slipped out during a parliamentary recess?

The Prime Minister: The House will be informed, and there will be consultation in the normal way. However, I do not believe it right to set a precedent that there must be a vote before any further troop deployment is undertaken. No decision has yet been taken on whether to deploy further troops, or about where that might happen. Discussions are continuing at the moment, but the important thing is that this country continues to play its full part in trying to create a democratic and stable state in Iraq. There are obviously huge difficulties, as was made clear by the assassination of the president of the governing council earlier this week. Responsibility for that assassination is now being claimed by one of the leaders of al-Qaeda, which shows us exactly what we are up against. However, the one thing about which I have absolutely no doubt is that it is our job to stay and get the job done. We must make sure that Iraq becomes that democratic and stable state, because that is in the interests of the Iraqis, the region and the world.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): My question follows my right hon. Friend's reply to my hon. Friend the Member for Birmingham, Northfield (Richard Burden). Taking into account the fact that my right hon. Friend is uniquely responsible for the process that led to the creation of the middle eastern road map, and that the Gaza strip has become a blood-bespattered charnel house, will he condemn the murder of an Israeli women and her four daughters, and the deaths of those Israeli soldiers who gave their lives futilely in pursuit of a futile policy? At the same time, will he also condemn, in the most categorical terms, the Israeli Government's policy of indiscriminate slaughter in the Gaza strip, which yesterday led to the deaths of 20 people, including two children? Will he condemn too that Government's policy of destroying large numbers of homes, and take the earliest possible opportunity to use his unique influence to get the road map back on track?

The Prime Minister: My right hon. Friend the Foreign Secretary—and I echo the words that he used yesterday—has already made it clear why we regard what happened yesterday to be unacceptable and wrong, as I said earlier. My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) is quite right to list the pain and grief on the other side, and in particular the brutal and appalling murder of a pregnant Israeli women and her young children. He makes clear the importance of beginning again a process that means that we must do everything that we can to stop the terrorism that gets in the way of achieving a political settlement, and which gets us back into proper negotiations. The road map remains the only way we can get back into those final status negotiation discussions. I will do everything that I can over the coming weeks to see that we are able to be in that position, because it is the only possibility for the future in both Palestine and Israel.

Mr. Howard: The Prime Minister knows that I agree with what he has just said, and in his efforts to get the road map back on track he has my full support.

In the Deputy Prime Minister's interview with *The Times* on Saturday, he said:

"I think it's true that when plates appear to be moving, everyone positions themselves for it."

What does the Prime Minister think that the Deputy Prime Minister meant?

The Prime Minister: I have no intention of engaging in a textual analysis of what my right hon. Friend said. I will leave that to others better qualified than myself. In the end, the issue will be very simple: it will be between the record of the right hon. and learned Gentleman in government and the record of this Government. Perhaps we should now debate that.

Mr. Howard: Let me see if I can help the Prime Minister a bit, because that was not the only thing that the Deputy Prime Minister said. He was asked whether the Cabinet was discussing life after the Prime Minister, and he said:

"Yes, people do talk about it and you get that discussion."

He added, helpfully:

"Every British Prime Minister goes eventually."

We know what the Deputy Prime Minister had in mind. Let me say this to the Prime Minister: I intend, if elected, to serve a full term of office—does he?

The Prime Minister: I have to say to the right hon. and learned Gentleman that since I have been Prime Minister, it is not Prime Ministers who have gone but Leaders of the Opposition.

Mr. Howard: I can assure the Prime Minister that no one is plotting against my leadership. But everyone will notice that he did not answer the question. What everyone will want to know is whether if they vote Blair, they will get Brown. This week the Leader of the House said that the Prime Minister has hit a "really big sticky patch", the worst of his premiership; the Secretary of State for Health gave members of the Cabinet a dressing-down; the Chancellor issued a one-paragraph statement of support; and the Chancellor and the Deputy Prime Minister have been discussing a "smooth transition" at an oyster bar in Argyll. Is it not the case that the most senior members of the Prime Minister's Cabinet—the two people he is sitting between now—have stitched him up like a kipper?

The Prime Minister: It is interesting how the right hon. and learned Gentleman never wants to discuss the issues. I wonder why—*[Interruption.]*

Mr. Speaker: Order. The House is suspended.

12.18 pm

Sitting suspended.

On resuming—

Speaker's Statement

1.30 pm

Mr. Speaker: Following this morning's suspension in the Chamber, I wish to make a brief statement.

As Members will know, a security screen has been erected in front of the main part of the Strangers Gallery. Members sponsoring guests or visitors for admission to the unscreened Galleries are required to certify that their guests are known to them. They are also required to vouch for their good behaviour. Members whose guests disrupt the Chamber will be required to apologise to the House; it will be for the House to decide what further action to take.

In this case, I understand that a member of the House of Lords signed the visitor who disrupted our proceedings into the Gallery.

Mr. Dennis Skinner (Bolsover) (Lab): Abolish them!

Mr. Speaker: Order. The hon. Gentleman must hear me out.

I expect the relevant member of the House of Lords to provide me with a full explanation before this day is out. I am directing the Serjeant at Arms that the right of members of the House of Lords to sponsor visitors for admission to this Chamber is suspended with immediate effect.

I am pleased to inform the House that, after detailed examination, the substance has been found not to be harmful. I and the authorities in the House will review the way in which this incident has been dealt with to ensure that all appropriate procedures are followed, if necessary, in the future.

David Winnick (Walsall, North) (Lab): On that point, Mr. Speaker.

Mr. Speaker: I am obliged to take points of order, but I must say to the hon. Gentleman that the House has been disrupted, Prime Minister's Question Time has been stopped and the best thing we can do is to get back to business as usual.

Hon. Members: Hear, hear.

Telecommunications Masts (Need and Safety Tests)

1.32 pm

Mr. David Amess (Southend, West) (Con): I beg to move,

That leave be given to bring in a Bill to establish need and safety tests before telecommunications masts can be erected; to amend the Town and Country Planning Act 1990 and the General Permitted Development Order 1995; and for connected purposes.

I am delighted that we are not allowing our proceedings to be disrupted by the shenanigans earlier today. I for one will never be silenced on my concerns about the erection of mobile phone masts.

When mobile phones were invented, I had no idea of their ramifications for all our lives. They seem to dominate our very existence. Every MP I talk to has anxieties about mobile phones and mobile phone masts, so why did Parliament not seize the opportunity offered by the Bill introduced by my hon. Friend the Member for West Suffolk (Mr. Spring) to legislate on the matter? I hope that it is not because Parliament is afraid of the power of the five large mobile phone operators.

Everywhere I go, people have mobile phones fixed to their ears, engaged in all sorts of conversations. We cannot help hearing what the conversations are about. Most of them are trivial nonsense—for instance, "I'll be home, dear, in 10 minutes", or "Would you like tomato ketchup with your meal this evening?" Who wants to know what those people are doing? I do not know, but everyone now seems to be talking on mobile phones.

As far as I am concerned, this new technology comes at a cost. The health risks from mobile phones—people cannot have mobile phones without mobile phone masts—are absolutely clear from what Sir William Stewart said. When it suits those who want to defend mobile phone masts, they quote Sir William Stewart, but what they do not say is that he amplified his personal concerns about phones to the British Association for the Advancement of Science in September 2001. He called for the cost of handsets to be increased to restrict their use by children. Sir William—the great expert in this field—said that he would not allow his grandchildren to use a mobile phone. That says it all.

I am concerned not only about the potential health risks of brain tumours caused by mobile phones, but about the mental health risks. Anyone with children must see how our children have been polluted by the way in which they use mobile phones and send texts and video pictures to one another. That is very serious. Given that many Members of Parliament are endlessly presenting petitions and saying how concerned their constituents are about the situation, the House should have no difficulty in giving full approval to my ten-minute Bill, without any need for a debate. I expect my Bill to be nodded through its various stages.

Mobile telecommunications masts are being erected all over the United Kingdom, and they are certainly being put up in large numbers in Southend, West. Mobile telephone users expect to have a reception at all times, but with that comes a price to local residents. My goodness, the people who put up those masts are clever in beating the rules and regulations. The masts might look like trees or flagpoles. They make them look

beautiful, but those masts emit levels of radiation that can damage the thin skulls of our children—and perhaps some adults who have thin skulls as well—so the House should take seriously people's genuine concerns about the health risks.

The Bill that I am seeking to persuade the House to accept would amend the Town and Country Planning Act 1990. Furthermore, the Planning and Compulsory Purchase Act 2004 amends the 1990 Act, but does not replace it. My Bill seeks to redress that anomaly. The 1990 Act does not deal with separate categories of planning permission according to the type of development involved. Mobile telecommunications masts are therefore included with all other types of development, despite the fact that mobile telecommunications masts are a different type of development.

Section 70 of the 1990 Act deals with the determination of planning applications. It says:

"(1) Where an application is made to a local planning authority for planning permission—

(a) subject to sections 91 and 92, they may grant planning permission, either unconditionally or subject to such conditions as they think fit; or

(b) they may refuse planning permission.

(2) In dealing with such an application the authority shall have regard to the provisions of the development plan, so far as material to the application, and to any other material considerations.

(3) Subsection (1) has effect subject to sections 65, 66 and 67 and to the following provisions of this Act, to sections 66, 67, 72 and 73 of the Planning (Listed Buildings and Conservation Areas) Act 1990 and to section 15 of the Health Services Act 1976."

I hope that the House is impressed by the considerable work done by the House of Commons Library on my behalf.

Those measures are outdated. Furthermore, the 2004 Act does not attempt to address the problem. The siting of a mobile telecommunications mast that is under 15 m is a very different type of development. My Bill would update that legislation and bring it into the 21st century. Rather than allow the telecommunications companies to get around the regulations and laws that the House passes, my Bill would put the onus on operators to prove to the local authority planning committee that the masts are necessary. They would also have to prove to the planning committee that the masts posed no health risks whatsoever.

Last week, as a prelude to my Bill, I called a public meeting through the Mobile Operators Association. The nonsense involved in trying to arrange such a meeting at which the operators could meet the general public went on for two years. To cut a long story short, in spite of complying with the advice from the Mobile Operators Association, I was told eventually that

"it is not an area that we wish to engage in."

No wonder, because they do not want to face the general public; they want Members of Parliament to take the flak instead. Of the five operators, the only two that turned up were O_2 and Orange, and the general public's comments gave them considerable food for thought.

Members of the public constantly tell all Members of Parliament that a mast is too near a school or that it is in the middle of a built-up area. The problem is serious and safety should be of paramount importance. That is why I was very glad that the noble Lady Miller of Chilthorne Domer asked for further clarification on the matter in the other place from the noble Lord Warner, who is, I believe, about to report shortly.

The Bill is well overdue. As all hon. Members agree with it, we do not need any extra time because I hope that it will go through on the nod. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. David Amess, Mr. Simon Burns, Mr. Howard Flight, Mr. David Atkinson, Mr. Michael Clapham, Mr. Andrew Rosindell, Andrew Selous, Mr. Richard Spring, Tom Cox, Janet Anderson and Dr. Ian Gibson.

Telecommunications Masts (Need and Safety Tests)

Mr. David Amess accordingly presented a Bill to establish need and safety tests before telecommunications masts can be erected; to amend the Town and Country Planning Act 1990 and the General Permitted Development Order 1995; and for connected purpose: And the same was read the First time; and ordered to be read a Second time on Friday 18 June, and to be printed [Bill 112].

Orders of the Day

Pensions Bill

[2ND ALLOTTED DAY]

As amended in the Standing Committee, further considered.

New Clause 34

FINANCIAL ASSISTANCE SCHEME FOR MEMBERS OF CERTAIN PENSION SCHEMES

'(1) The Secretary of State must make provision, by regulations, for a scheme for making payments to, or in respect of, qualifying members of qualifying pension schemes ("the financial assistance scheme").

(2) For the purposes of this section—

"qualifying member", in relation to a qualifying pension scheme, means a person—

(a) who, at such time as may be prescribed, is a member of the scheme in respect of whom the scheme's pension liabilities are unlikely to be satisfied in full because the scheme has insufficient assets, or

(b) who, at such time as may be prescribed, had ceased to be a member of the scheme and in respect of whom the scheme's pension liabilities were not satisfied in full, before he ceased to be such a member, because the scheme had insufficient assets,

and in respect of whom prescribed conditions are satisfied at such time as may be prescribed;

"qualifying pension scheme" means an occupational pension scheme (including such a scheme which has been fully wound up)—

(a) which, at such time as may be prescribed, is not—

(i) a money purchase scheme, or

(ii) a scheme of a prescribed description,

(b) the winding up of which began during such period as may be prescribed, and

(c) the employer in relation to which satisfies such conditions as may be prescribed at such time as may be prescribed;

"scheme's pension liabilities", in respect of a member of a qualifying pension scheme, means the liabilities of the scheme to, or in respect of, the member in respect of pensions or other benefits (including increases in pensions),

and a qualifying pension scheme has or had, insufficient assets if the assets of the scheme are, or were, insufficient to satisfy in full the liabilities of the scheme calculated in the prescribed manner.

(3) Regulations under subsection (1) may, in particular, make provision—

(a) for the financial assistance scheme to be managed by the Secretary of State, a body established by or for the purposes of the regulations or such other person as may be prescribed;

(b) for the person who manages the financial assistance scheme ("the scheme manager") to hold (whether on trust or otherwise), manage and apply a fund in accordance with the regulations or, where the fund is held on trust, the deed of trust;

(c) for the property, rights and liabilities of qualifying pension schemes to be transferred to the scheme manager in prescribed circumstances and for the trustees or managers of a qualifying pension scheme in respect of which such a transfer has occurred to be discharged from prescribed liabilities;

(d) prescribing the circumstances in which payments are to be made by the scheme manager to, or in respect of, qualifying members of qualifying pension schemes and the manner in which the amount of any payment is to be determined, and, where the fund is held by the fund manager on trust, the circumstances and manner may be prescribed by reference to the deed of trust;

(e) authorising the Secretary of State—

(i) where he is not the scheme manager, to pay grants to the scheme manager;

(ii) where he is the scheme manager, to pay amounts into the fund held by him in accordance with the regulations;

(iii) to pay grants to other prescribed persons in connection with the financial assistance scheme;

(f) prescribing the circumstances in which amounts are to be paid into or out of the fund held by the scheme manager;

(g) conferring functions in relation to the financial assistance scheme on the Pensions Regulator or the Board of the Pension Protection Fund;

(h) providing for a person to exercise a discretion in dealing with any matter in relation to the financial assistance scheme;

(i) applying any provision of Part 1 or 2 with such modifications as may be prescribed;

and such regulations may make different provision for different cases or descriptions of case and include such incidental, supplementary, consequential or transitional provision as appears to the Secretary of State to be expedient.

(4) Any amount which, by virtue of subsection (3)(e), the Secretary of State pays under regulations under subsection (1) is to be paid out of money provided by Parliament.

(5) A time or period prescribed under subsection (2) may fall (or, in the case of a period, wholly or partly fall) at a time before the passing of this Act.

(6) Nothing in this section prejudices the operation of section 272 (subordinate legislation (general provisions)).'.

Brought up, and read the First time.

1.44 pm

The Minister for Pensions (Malcolm Wicks): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to take the following:

Amendment (d) to the proposed new clause, line 7, after 'prescribed', insert

'(irrespective of the time at which the winding up of the scheme took place)'.

Amendment (e) to the proposed new clause, line 10, after 'prescribed', insert

'(irrespective of the time at which the winding up of the scheme took place)'.

Amendment (a) to the proposed new clause, line 73, at end add—

'( ) The first payments from the financial assistance scheme shall be made within six months of the coming into force of this Act;'.

Amendment (b) to the proposed new clause, line 73, at end add—

'( ) Schemes where the qualifying pension scheme was closed whilst the sponsoring employer was solvent shall be qualifying pension schemes for the purpose of this section;'.

Amendment ((a)) to amendment (b); in line 1, after 'closed', insert

'up until 14th May 2004'.

Amendment (c) to the proposed new clause, line 73, at end add—

'( ) Assistance from the financial assistance scheme shall be at least sufficient to provide total benefits to qualifying members as they would have received had their scheme fallen within the scope of the Pension Protection Fund.'.

Amendment No. 212, in page 76, line 27 Clause 113, leave out subsection (2).

Government amendments Nos. 216 to 218.

Malcolm Wicks: Nothing will prevent the Pensions Bill from passing into law.

The pension protection fund is a major social policy advance that will bring protection and security to more than 10 million pension scheme members and their families. We hope that it will start in April next year, subject to the will of Parliament. I believe that one day it will be viewed as a substantial achievement of the Labour Government, but it is overshadowed by a cloud—the plight of the tens of thousands of workers who have already lost their pension rights or a large percentage of them, which is debilitating for those affected and undermines confidence in the idea of saving for a pension.

The Secretary of State, other Ministers and I have been considering for some time whether something could be done to alleviate the situation. We have been assisted by the representations of many hon. Members, including my hon. Friends the Members for Cardiff, West (Kevin Brennan), for Sittingbourne and Sheppey (Mr. Wyatt), for St. Helens, North (Mr. Watts), for Ayr (Sandra Osborne), for Hemel Hempstead (Mr. McWalter) and many others. All have expressed deep concern, which we share, about the position of their constituents. I should add that my right hon. Friend the Member for Birkenhead (Mr. Field) has been a stern social security saint, judging our stewardship of this vital issue. *[Interruption.]* It is those in front of me from whom I have nothing to fear. The Secretary of State, other Ministers and I have met a number of members of affected schemes. I cannot mention all the schemes, but Allied Steel and Wire, Ravenhead Glass and Dexion come to mind. Most of those people expect to receive a much reduced pension. I have been deeply moved, as we all have, by the distress and bewilderment of many people who, after long years of paying into a pension scheme, have been told that, after all, the pension they are relying on, and which they have paid for, will not be there.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Will the hon. Gentleman tell the House how, as we are establishing a precedent in the new clause, we can guard against having to pay compensation in absence of fault? That troubles one very much, because one does not wish to establish such a precedent.

Malcolm Wicks: Although one might use a variety of terms in English usage, this is not compensation, and there is no legal liability. We are proposing an assistance scheme.

Alan Howarth (Newport, East) (Lab): My hon. Friend said that the Government do not have a legal obligation. When my right hon. Friend the Secretary of State for Work and Pensions spoke on the radio at the weekend about the plight of workers who have lost much of their pensions in defined benefit schemes, he said, "My goodness they've got a human case." On the basis of humanity, why should the Minister not respond with equal generosity to people who, through no fault of their own, have lost out in defined contribution schemes, which they were required to join as a condition of employment? In fairness, why would he not then extend help to pension policyholders in Equitable Life, where the Government's duty of care was certainly no less?

Madam Deputy Speaker: Order. That is a rather lengthy intervention.

Malcolm Wicks: There is general acceptance of the argument that there is a genuine difference between the situation described by my right hon. Friend and that facing this group of workers, some of whom had to join their pension schemes and are now in difficulty. As I describe our proposals, some of those issues may become clearer.

Several hon. Members *rose—*

Malcolm Wicks: I should like to describe the progress we have made, because hon. Members may wish to question me about some of the details. First, however, I shall give way to my hon. Friend the Member for St. Helens, North.

Mr. David Watts (St. Helens, North) (Lab): I thank my hon. Friend for his comments. I urge him to ignore the beliefs of some of my hon. Friends, as we very much welcome the decision, which, we understand, was difficult and involved the Treasury, the Prime Minister and the Secretary of State for Work and Pensions. Firewalls have had to be built in, but we welcome and support the proposals.

Malcolm Wicks: I thank my hon. Friend for those remarks.

Several hon. Members *rose—*

Malcolm Wicks: I think it would help the House if I made some progress; there will be plenty of time for dialogue and debate later.

Many people—ordinary, hard-working people—are being left with their legitimate expectations of a comfortable retirement in tatters. That cannot be right. One of the many people whom I have met was distraught that her plan to retire this year on an expected two thirds of her final salary has been wrecked as a result of her employer's insolvency. Coming up to her 60s, after 18 years of service in the company and 18 years of contribution, she has had to decide to continue working. It would be a hard heart that was not moved by the plight of such shattered individuals.

In the meetings that I have had—I know my ministerial colleagues would echo this—I was touched by the remarkable restraint and quiet dignity of many of those people as they modestly explained their plight. I asked what it meant for them, and their stories are in my mind, such as that of the man who, in his early 60s, had

[Malcolm Wicks]

to return to rather backbreaking work at an airport, lifting luggage. People told me—reluctantly—about the effect on their family, their marriage, their health and their mental state. When I met these people, the phrase "proper people" always came to my mind. They are proper people, hard working, who have taken on their responsibilities, not least for their own pensions futures.

The Government have been clear all along that if we could do something to help such people, that would be the right thing to do. That is why I am so pleased—indeed, honoured—to be at the Dispatch Box to move new clause 34. It will assist people who have lost out severely as a result of the winding-up of their pension scheme as a consequence of the employer's insolvency.

Mrs. Iris Robinson (Strangford) (DUP): Will the measure close the loophole in the case of companies that do not declare insolvency, but decide to uproot and move to other parts of the world, leaving a deficit in the pension scheme? Will people be protected in such cases?

Malcolm Wicks: I may be able to cover some of those issues in a moment. The scheme is very much for the insolvent employer. It cannot be about any disappointments in a range of pension schemes. Where an employer is solvent, the responsibility rests with that employer.

Over the past few months we have been clear with the House that a potential action for the group I was describing raises a number of complex issues. In particular, we have been clear, and I am sure the House will understand, that we cannot accept liability for private pension losses in general. Indeed, it would be quite wrong to do so, and would mean the taxpayer writing a blank cheque. No Government can undertake to nationalise financial risk. While we do not accept any Government legal liability, we do accept that the situation is very serious. It is right that the Government take action to provide some assistance.

The new clause requires the Secretary of State to establish a financial assistance scheme for people who are in underfunded occupational pension schemes that have begun winding up before the pension protection fund is set up. The Government have put forward £400 million over 20 years to help address the serious losses that some now face. It is open to industry to offer further support. We hope that that support will be forthcoming. This money will not cover everyone who feels aggrieved, nor will it give those it does help everything they might want, but it represents significant help to those who have lost the most.

Mr. Steve Webb (Northavon) (LD) *rose—*

Mr. Jim Cunningham (Coventry, South) (Lab) *rose—*

Malcolm Wicks: I shall give way, then I shall try to keep to my word and make some progress.

Mr. Webb: We know that the Government are proposing a 20-year scheme. Can the Minister explain their reasoning? Some of the workers affected are already past pension age and therefore need money now, but some have not yet reached pension age and will still be alive in, say, 30 years. What will happen in the final 10 years or so?

Malcolm Wicks: It is our judgment that £400 million over a 20-year period, fed into whatever scheme we set up—the mechanics have still to be decided—will be sufficient. There will be a three-yearly review of the administration and of how the scheme is working.

Mr. Jim Cunningham: I welcome the Government's initiative in establishing the scheme, but will it extend into the past to cover people such as Matrix Churchill and Massey Ferguson workers in Coventry?

Malcolm Wicks: I shall make progress, because I can cover those issues.

Some important choices remain on how we should proceed. Hon. Members will appreciate that the matter is complex, and we must work quickly with all those involved to explore how we can balance the funds available. The coverage must ensure that those suffering losses are helped according to the principles of openness, fairness and, very importantly, operational practicability. The role of the industry, employers, actuaries, trustees and trade unions in resolving those issues is as great as that of the Government.

Alan Howarth: Will the Minister give way?

Malcolm Wicks: No, I shall make some progress. I hope that my right hon. Friend will not think me discourteous, but he has already intervened once.

I would like briefly to take the House through how we intend to turn our commitment into reality. It involves four phases of work: first, we shall engage with our partners and industry experts, including the trade unions; secondly, we shall design the detail of the policy and the operational framework; thirdly, we shall prepare to implement the scheme; and fourthly, we shall go live and make payments.

The House will want to know about the key milestones in that process. By the end of May, we will have established our working relationships with key partners at all levels. This week, the Secretary of State will write to stakeholders to open a discussion, so that we can address the choices that we must make in partnership. As part of that engagement, the Secretary of State and I plan to meet key stakeholders as soon as possible.

By the end of June, as already promised, we shall lay a report on the results of our investigations to establish the extent of the problem and the numbers affected. Over the summer, we shall work closely with industry experts in a design phase and in exploring the options for operational delivery, on which a number of alternatives are available. Some alternatives involve running on schemes and topping them up, while others involve winding up schemes and providing assistance. Options for delivery might include that undertaken by the DWP, an industry-led body or a stand-alone trust.

By the end of November, we can begin to consult on the details of the regulations. As we expect to use affirmative regulations, hon. Members will have the opportunity to consider our proposals in depth in

Committee, and debate will also occur in the other place. By the spring of 2005, we intend to have the scheme in existence with a view to being able to make the first payments as quickly as possible. The programme is demanding, and successful delivery will be possible only through a close working partnership, the establishment of which is our immediate priority.

Kali Mountford (Colne Valley) (Lab): Will my hon. Friend clarify two points on how he intends to operate the scheme? First, when he examines the parameters for who might qualify, will he ensure that he does not open the floodgates and increase payments above the sum that he announced? Secondly, will he ensure that as much as possible is spent on the people who need help, rather than on administrating the scheme?

Malcolm Wicks: Those matters are crucial, and I hope that I have reassured my hon. Friend on her first point. We cannot nationalise risk and think that a particular case deserves assistance. Given the level of need, the question of how the money will be distributed is uppermost in our minds.

Mr. John Redwood (Wokingham) (Con): I am grateful to the Minister for his courtesy in giving way. My entry in the Register of Members' Interests includes my being a trustee of a pension fund, but I am not speaking on its behalf. The Minister says that the figure is £200 million over 20 years, but he also says that he does not know how many people will be affected. If he discovers that many more people are affected, will he increase the sum, and if far fewer people are affected, will he decrease it?

Malcolm Wicks: We are about to publish a report examining the evidence base on that question, and the collection of that data is obviously at an advanced stage. The pensions industry also has an opportunity to contribute more money. As the Government have no legal liability, the word "compensation" is not appropriate—it is an assistance programme—but we feel that there is an ethical duty to act, as well as a need to restore confidence in pensions. I would hope that the pensions industry, too, recognises that responsibility.

Mr. Watts: Does my hon. Friend remember that in a previous debate the Conservatives supported a campaign to pay some form of compensation to this group of workers? Will he seek an assurance that they will join him in trying to get the insurance industry to pay a contribution into the fund?

2 pm

Malcolm Wicks: Even from a narrow economic and financial viewpoint, it would be a very useful investment, given the need to restore confidence and get the word "security" back into social security as regards pensions.

Norman Lamb (North Norfolk) (LD): The Minister said that one of his stepping stones was to do more work on determining how many people might be entitled to help from such a scheme. How did he determine the sum of £400 million? Is it entirely arbitrary? He says that the Government believe that it is enough, but enough for what?

Malcolm Wicks: It is a very significant and substantial amount, and it relates to our arithmetic about the size of the scheme. It represents a very significant draw on Exchequer resources, and it will be larger if industry will make a contribution. I set out the four areas of work—stepping stones—and the six milestones. I think that Conservative Members were grappling with those two figures—*[Interruption.]* Well, milestones are a step forward in many respects. Given their difficulties, it is just as well that they are not in charge of collecting the evidence base. Once we have done that, we shall be able to consider these questions in more detail.

Mr. David Willetts (Havant) (Con): The Minister is right. I admit that I was confused as to how four steps could cover six stepping stones, but he explained that authoritatively.

The Minister said that the £400 million relates to the arithmetic of the number of people affected—that is, 60,000. Can he explain how?

Malcolm Wicks: In determining how much money we wish to seek from the Exchequer, we obviously bear in mind what the evidence is telling us. It is a very substantial amount in relation to those matters.

Mr. Malcolm Savidge (Aberdeen, North) (Lab): As my hon. Friend knows, Richards of Aberdeen Ltd., a company in my constituency, has a failed pension scheme. Can he assure us that the new clause and the timetable that he described give sufficient flexibility for hon. Members with affected constituents to be fully consulted before detailed regulations are brought in?

Malcolm Wicks: It is not possible to comment on a particular scheme, and my hon. Friend would not expect me to do so, as there are many hundreds in the same position. However, I am of course happy to talk to him and to other Members affected if that would prove helpful.

David Taylor (North-West Leicestershire) (Lab/Co-op): On 4 October 2000, 572 deferred pensioners and 371 existing pensioners at British United Shoe Machinery—BUSM—were hit by that company's closure. My hon. Friend talks of industry contributing to the cost of the scheme. What incentives does he plan to put in place to encourage them so to do? That would clearly improve the deal that the Government have rightly hammered out over the past weeks and months, which is most welcome to those who worked for the former BUSM—not the present company, which is an entirely separate management buy-out situated at Enderby.

Malcolm Wicks: I would hope that £400 million of public money is a considerable incentive. As I said, I think that other partners would want to engage with us in restoring confidence in the pension system.

Mr. David Drew (Stroud) (Lab/Co-op): Will my hon. Friend discuss the administration process with the Department of Trade and Industry? Many pension funds get into difficulties because of what happens to the parent company, and I am pleased that my hon. Friend will meet the workers of Lister-Petter next week. Problems arise because the pension fund is an unsecured creditor, way down the list of priorities, which means that it has little purchase over what happens to the future of the company. A pension fund can therefore be driven into insolvency when there may be other ways in which the parent company could be made to help. My hon. Friend is right to say that industry should help, including by examining the way in which other creditors bear some responsibility for what happens to the pension fund. Does he agree with that?

Malcolm Wicks: I understand my hon. Friend's point. We are always in close contact with the Department of Trade and Industry on such matters. In Committee and on Report yesterday, we tabled amendments to protect against what some euphemistically describe as "moral hazard"—one hon. Member called it "fraud"—whereby a parent company can, through restructuring, allegedly dump pensions on a subsidiary company. We need to stop such action.

Several hon. Members *rose—*

Malcolm Wicks: I shall give way twice more at this stage, but I must then deal with the amendments that various colleagues have tabled.

Mr. Mark Francois (Rayleigh) (Con): The Minister has been courteous in allowing so many interventions on an important matter. The issue affects several of my constituents, so I welcome in principle the Government's decision to do something about it. As with anything to do with pensions, the devil is in the detail. It is evident from the Minister's remarks that some detail remains to be worked out on exactly how the provision will operate. Will he give an undertaking to all hon. Members that, when the decisions have been made, we will all be provided with detailed briefing material, not simply so that we can understand it but so that we can ensure that it is passed on to our constituents who are affected?

Malcolm Wicks: That is a helpful and constructive suggestion. We are always happy to meet Members of Parliament to discuss such matters. I hope that the process that I have described shows that there will be opportunities for consultation. Later, consultation will take place on regulations.

Alan Howarth: I applaud the generosity of my hon. Friend's impulse. I am well aware of the predicament of Allied Steel and Wire workers in south Wales. None the less, I do not understand how he defines "a deserving case" or a "proper" person. Will he explain the Government's ethical case for helping some pensioners in misfortune but not others?

Malcolm Wicks: Recently—and perhaps throughout history—people have lost money when financial circumstances have moved in the wrong direction, and financial arrangements, such as pensions schemes and life insurance policies, have saddened the customer. I do not say that lightly—some circumstances have been serious, as we know. However, in the circumstances that we are considering, many workers were required to join the company pension scheme as part of their employment contract. We argue that that is a special case. It would be dangerous if we were to get on a slippery slope of believing that the Government could stand behind all such financial risk.

Mr. Nigel Waterson (Eastbourne) (Con): I am grateful to the Minister, who is being generous. Before he moves on to the detailed amendments, will he tell us whether it has been decided in the discussions that have been taking place behind closed doors in the past few days that the trade union-inspired litigation in the European Court will be abandoned or settled?

Malcolm Wicks: I have heard no word about that one way or the other. I hope that, like other parties, the unions will consider what we say today and make a judgment about their legal action.

Annabelle Ewing (Perth) (SNP) *rose—*

Malcolm Wicks: I shall give way to the hon. Lady and then I really will get on.

Annabelle Ewing: The Minister has, indeed, been generous this afternoon in taking interventions. He mentioned the figure of £400 million, which has come from somewhere. Is he genuinely telling hon. Members that no estimates of the average percentage payout have been conducted?

Malcolm Wicks: We are not in a position to do that. However, I have set out the critical milestones for the approaching period. I hope that that will reassure hon. Members that we have a process for dealing with the detail. Our intention is that people will receive a significant proportion of their pension rights. Something that is often forgotten in these discussions is that many of these schemes, although bust in a colloquial sense, still have considerable scheme assets. We are not just talking about the arithmetic of the £400 million; we are often talking about scheme assets as well and, of course, we hope for a contribution from the industry.

Coming as it does at the start of this process, the Government new clause simply requires the establishment of a financial assistance scheme and confers wide enabling powers so that the specifics can be expressed in regulations. When the issue of assisting those who had lost most of their expected pension was first raised, there was a lack of reliable information on the scale and nature of the problem. We have since begun to gather this important data, which will soon placed in the Library. As this information builds up, we shall be in a much better position to develop a structure for an assistance scheme. The new clause reflects our commitment to helping pension scheme members by requiring the setting up of an assistance scheme, and gives us the power necessary to enable us to devise an appropriate structure for that help. I therefore

commend the Government new clause to the House as the right route for achieving the outcome that we all desire.

I now turn to the two amendments tabled by my right hon. Friend the Member for Birkenhead (Mr. Field), who is not in his normal place, which is very confusing. [HON. MEMBERS: "He's behind you!"] Is he? I know that he is in the House, but he is not in his usual place.

The two amendments amend the definition of a qualifying member to allow access to the financial assistance scheme, regardless of when the scheme began to wind up. We have yet to consult on the detail, but I believe that we will probably need a cut-off point, both to make an assistance scheme administratively feasible and to have some certainty about the funding arrangements. Indefinite backdating is simply not practical. Our current thinking is that the financial assistance scheme should cover schemes that began winding up after April 1997. That date is significant because it was the implementation date of key provisions of the then Government's 1995 Pensions Act. Any starting point must bear a relationship to that important Act of Parliament.

Mr. Frank Field (Birkenhead) (Lab): Will my hon. Friend give way?

Malcolm Wicks: I was about to ask my right hon. Friend to withdraw his amendments. I shall now give him the opportunity to do so.

Mr. Field: From what we have heard so far, I shall certainly not. The Minister's case just does not stand up. When he argued, in response to my right hon. Friend the Member for Newport, East (Alan Howarth), that we should not cover every risk, including Equitable Life, he put forward only one reason, which was that we are dealing largely with people who had to join a scheme as a condition of employment. People such as me, who joined Equitable Life, had no such condition imposed on them. The nearer to date that he takes a cut-off point, the greater the chances will be—given the changes that the Conservatives made—that members had a choice as to whether to join a scheme. The further back we go, the more likely it is that they will have had to join. So, on the Minister's own evidence today, he should be arguing the very opposite case. We should be less concerned with those who more recently lost out, and more concerned with the others, because the further we go back, the more we find that joining a scheme was a cast-iron condition of employment: people had to be in a pension scheme if they wanted a job.

Malcolm Wicks: We shall have the opportunity to look at these issues and consult on them, and I shall obviously be happy to talk to my right hon. Friend about them. There are practical difficulties relating to the question of how far we go back. Obviously, the money will stretch less far if we keep going back for decades. There is some significance to the change of regime following the 1995 Act, which is why we think that any starting point should bear some relationship to that.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): If my hon. Friend is relying on a key date that was triggered by an Act that he now recognises as flawed, is not that an illogical date to choose? If there has to be a date—I do not think that there should be—would it not be better to choose the date on which the 1995 Act received Royal Assent?

Malcolm Wicks: Clearly, there must be some date. The point at which the key provisions of the 1995 Act come into force is important. May I emphasise to my hon. Friend that I have said that I feel that a starting point must bear some relation to the 1995 Act? We have an open mind, not an empty mind, on that. If he reads our amendment carefully, he will see that it is deliberately drafted in broad terms as an enabling measure. I hope that he will take some comfort from that.

2.15 pm

The amendment tabled by the hon. Member for Northavon (Mr. Webb) would require the financial assistance scheme to begin making payments within six months of this Bill coming into force. I have already explained the milestones that we are setting to make sure that we have a body in place by this time next year and to make payments as quickly as possible thereafter. Including a deadline for payments in legislation at this stage of design, however, could lead to wasted effort and a poorly administered scheme. We would be doing nobody any favours by rushing these proposals through, least of all the very people whom we are trying to help.

The second amendment tabled by the hon. Member for Northavon would allow schemes that are closed while the sponsoring employer is solvent to qualify for the financial assistance scheme. The term "closed scheme" is generally applied to schemes that are still operating, albeit closed to new members. I assume that he was referring to schemes in wind-up. If so, the amendment would allow schemes that wind up underfunded, but with a solvent employer, to qualify for assistance under the proposed assistance scheme.

At this point, it might be helpful if I were also to deal with the amendment tabled by my right hon. Friend the Member for Birkenhead to that amendment, which would limit the qualification to solvent schemes that wound up prior to 14 May 2004. One of our key concerns has been to ensure that solvent companies remain responsible for their pension provision. A pension promise made should be a pension promise honoured. We have introduced regulations that can be used by trustees of schemes that started winding up after 11 June 2003. Those regulations place a debt on solvent employers to pay the full costs of members' benefits if their pension scheme is wound up. Solvent companies must be held responsible for the pension provision that they have arranged.

The third amendment put forward by the hon. Member for Northavon would set the level of assistance at no less than the amount that would be provided by the pension protection fund. All of us want to ensure that the people who will be helped by the financial assistance scheme receive meaningful levels of benefit. The final level of assistance that can be provided will depend on

[Malcolm Wicks]

several factors, such as the number of claims that are submitted, the final size of the fund and the method of delivering assistance. At this stage, however, it seems unrealistic to expect that assistance will be set as high as future pension protection fund levels, as in future members will benefit from cover paid for by a premium to the pension protection fund.

In the light of what I said, I would hope that my right hon. Friend and the hon. Gentleman might consider withdrawing their amendments. Those are all the amendments to the Government proposal to set up a financial assistance scheme.

The amendment tabled by the hon. Member for Havant (Mr. Willetts) relates to the pension protection fund. It would, in effect, make the pension protection fund retrospective. It provides an apparently simple answer to a complex problem—*[Interruption.]* He says from a sedentary position that that is not necessarily a bad thing. He normally reverses that by providing complex answers to simple problems. However, the pension protection fund will be financed through a levy on occupational defined benefit and hybrid occupational pension schemes. Retrospective cover would mean that this levy would be required to meet unknown and potentially very large liabilities. It is possible that those additional costs could threaten the viability of the fund itself. In addition, it would be unfair to place such a disproportionate burden on levy payers who are running schemes. We have always maintained that the new fund is similar to an insurance scheme in some respects: it should not cover people against events that have already happened. In view of what I have said in setting out the Government proposal, I therefore ask the hon. Gentleman to withdraw his amendment.

Finally, I should like to deal with some small amendments to clauses 265 and 273 that are consequential on proposed new clause 34. The amendments to clause 265 simply add the financial assistance scheme provision to the list of provisions that may be modified by regulation—if necessary—when being applied to either a hybrid or a multi-employer scheme. The amendment to clause 273 will add the financial assistance scheme provision to the list of provisions that require use of the affirmative procedure for any statutory instrument made under them, for the reasons I have just given.

Mr. Edward Garnier (Harborough) (Con): I apologise for not being here at the beginning of the Minister's speech. I had duties elsewhere.

I understand the Minister's wish to be careful about open-ended commitments that would expose the Treasury to huge amounts of liability. Let me remind him, however, that the Lord Chancellor's Department—the Department for Constitutional Affairs—has encouraged access to the courts through what is called "after-the-event insurance", which underpins something called "conditional fee arrangements". It seems to me that the principle that the Department has opened up applies directly to the recovery of lost pensions. The Government are now setting up an after-the-event insurance scheme. The problem for my constituents, many of whom have worked for British United Shoe Machinery, is that the system will not—*[Interruption.]*

Madam Deputy Speaker: Order. I hope that the hon. and learned Gentleman will soon be bringing his intervention to a close.

Mr. Garnier: I shall do so immediately, Madam Deputy Speaker. The problem is that the system set up by the Minister is nowhere near adequate to protect my constituents, including those who have worked for BUSM, who have seen their pensions disappear.

Malcolm Wicks: Naturally, I anticipated that question. I could give a very lucid answer, but given the lateness of the hour and the disruptions we have experienced, I wonder whether the hon. and learned Gentleman would allow me to write to him—after I have taken advice from my learned friends, of course.

Kevin Brennan (Cardiff, West) (Lab): Does my hon. Friend agree that it is not just a matter of sympathy in cases such as this? We are talking about defined benefit schemes, not defined contribution schemes. The benefit was supposed to be a promise. As late as 2002, the Financial Services Authority's "guide to the risks of opting out of your employer's pension scheme" stated:

> "Some types of employers' schemes (the ones called 'final salary' or 'defined benefit' schemes) give you a guaranteed pension. The amount of pension you get from a personal pension is unpredictable".

That makes it pretty clear why the state has some responsibility to act, regardless of whether it is set down in legal terms.

Malcolm Wicks: I agree, and it is important to remember that many people had to join a pension scheme as a condition of employment.

A significant number of Members on both sides of the House have represented constituents in dire straits very ably, but I think my hon. Friend the Member for Cardiff, West deserves a special mention as a parliamentary champion of this group of workers, and indeed as a parliamentary hero—*[Interruption.]* One among many, I am sure.

Opposition Members made fun of my confusing stepping stones with milestones. Let me say that one step for our Department is a giant step for our Department.

I can assure the House not just that we have the outlines of a plan, but that we have drawn up a clear route march towards implementation. By the end of May we shall have established our relationship with key partners, including trade unions, as all levels. Over the summer we will be doing critical work on the design of the scheme so that by the end of November we will be able to consult on regulations. By the spring of next year—just one year away—we will have a scheme in existence, with a view to being able to make the first payments as soon as possible.

We have a clear plan for the future with the pension protection fund, but there is a current and grave pensions injustice. Our proposals will bring support to decent, hard-working people—those whom I describe as proper people—and I commend them with enthusiasm to the House.

Mr. Willetts: The fact that we are debating these proposals today is a tribute to pressure from Members on both sides to help the 60,000 people who have been affected by the winding up of their pension schemes. I am pleased that, even at this late stage in the process, we now have something from the Government. We have an obligation to help the people affected.

I see the three most powerful arguments for giving help as follows: first, the human distress that many people are suffering as a result of their pension being so much less than they had hoped for; secondly, the effect on everyone's confidence in saving for their pension if they see the horrific experience of those 60,000 people endlessly repeated; and thirdly, as the hon. Member for Cardiff, West (Kevin Brennan) quite rightly mentioned, the public statements that have been made by a variety of public institutions that saving in a company final salary pension scheme is in some sense secure, safe or guaranteed. Those expressions were thrown around. Looking back, they were thrown around rather too lightly, but people took them seriously. That is why they are particularly angry.

David Taylor: Will the hon. Gentleman take this opportunity to confess to the House whether during Prime Minister's questions earlier today, when his party leader claimed credit for the change that the Government are now introducing, he felt just a scintilla of embarrassment at the fact that his party had opposed Second Reading?

Mr. Willetts: If the hon. Gentleman looks at the reasoned amendment we tabled when the Bill came to the House on Second Reading, he will see that one of the specific reasons that we gave was that it did nothing to help the 60,000 people who had lost out as a result of their pensions winding up. That was specifically set out in our reasoned amendment because it was one of the big omissions from the Bill. We are pleased, even at this late stage, that that matter has been tackled.

Mr. Watts: May I remind the hon. Gentleman that many Labour Members have been campaigning for more than two and a half years on that issue? It seems to me that the only time when the Opposition joined the campaign was when they thought that the Government were going to concede and provide compensation to that group of workers. Does he agree?

Mr. Willetts: If I may say so, we have had several debates on this specific subject, which Opposition Members have raised over a long period. It might well be the case that it was the intervention from my right hon. and learned Friend the Leader of the Opposition that finally clinched the matter. There were then panic meetings among the Chancellor, the Prime Minister and the Secretary of State. The—*[Interruption.]*

Madam Deputy Speaker: Order. The House must come to order.

Mr. Willetts: The Prime Minister ran from this Chamber last Wednesday and asked why it was that nothing had yet been done.

John Robertson (Glasgow, Anniesland) (Lab): On a point of order, Madam Deputy Speaker. I would ask you to rule on the remark that the hon. Member for Havant (Mr. Willetts) has just made. The Prime Minister was ushered out by the Secretary of State for Health after something was thrown down into the Chamber. The fact of the matter is that it was the Leader of the Opposition who would not come back and take the drubbing that he was getting from the Prime Minister at Question Time.

Madam Deputy Speaker: That is not a point of order for me. This is an important debate and many Members in the Chamber want to contribute to it. We should proceed as quickly as possible. I call Mr. David Willetts.

Mr. Willetts: Perhaps I could just explain that I was referring to events last Wednesday. That was when my right hon. and learned Friend the Leader of the Opposition raised this point, and it was after that, later on in the day, that there was a meeting of Ministers.

2.30 pm

Mr. Hogg: May I press my hon. Friend—I should point out that he supports the provision—on the principle on which the Government are operating? In the past, assistance—to use a consensual word—has always been given when Government agencies were at fault, an example being the Barlow Clowes affair. It is far from clear to me that ring-fencing is possible. The question has been raised of Equitable Life members. Where lies the distinction in principle between them and the people is question?

Mr. Willetts: It appears that people were led to believe by various public bodies that their defined benefit schemes were in some sense guaranteed or safe. It has been asked whether the legal case, in which this point will doubtless prove important, will be pursued. This could indeed still be a matter for the courts.

Several hon. Members *rose—*

Mr. Willetts: I shall give way to the hon. Member for Cardiff, West first.

Kevin Brennan: In the case of Equitable Life, members chose to put their money into that scheme because they thought that it was offering the best rate in the market. No Government agency promised them that their pension was secure or guaranteed.

Mr. Willetts: It would be a great pity if one group of Members in this House argued that we should help the victims of pension wind-ups and do nothing to help the victims of Equitable Life, and another group argued the opposite. Both sets of victims have a case—although they are different cases—and both give rise to the question of whether public bodies have, on occasion, misled people or failed to discharge their obligations.

Mr. Savidge: Does the hon. Gentleman remember that Labour Members asked questions about this issue a fortnight and three weeks before the Leader of the Opposition raised it, and that the Prime Minister made clear his intentions? The phrase "jumping on bandwagons" comes to mind.

Mr. Willetts: The trouble was that although the Prime Minister said that he was going to do something, nothing happened. We have pursued this issue for a long time and we have raised it regularly; indeed, we debated it last year and in February of this year. It was the Prime Minister's failure to pursue the rather confused assurances that he gave during the two preceding Prime Minister's questions that caused the Leader of the Opposition to raise this issue, which finally led to action being taken.

Several hon. Members *rose—*

Mr. Willetts: I want to question the Minister about his proposal, so once I have given way to the hon. Member for North-West Leicestershire (David Taylor), I shall try to make some progress.

David Taylor: I am grateful to the hon. Gentleman for giving way yet again; he is being most generous. He is trying to establish the logic that, because the Leader of the Opposition raised this issue last week and the announcement was made subsequently, those two incidents are somehow connected. Given the brain that the hon. Gentleman is reputed to have, he will doubtless be familiar with the post hoc, ergo propter hoc logical fallacy. Does he acknowledge that, in fact, pure coincidence and undiluted opportunism have led to the Leader of the Opposition's attempt to claim credit?

Mr. Willetts: The Secretary of State is welcome to intervene if he wishes to correct this account, but according to one newspaper, when the Prime Minister left Prime Minister's questions last week—

Madam Deputy Speaker: Order. The tenor of this debate is becoming very repetitious indeed. We are discussing Government new clause 34 and I advise Members to address their remarks to it.

Mr. Willetts: After I have finished this point, Madam Deputy Speaker, I will indeed try to make some progress. There were specific accounts of the Prime Minister leaving Prime Minister's questions last week, phoning the Chancellor to ask why nothing had yet been done, and calling a meeting—

Madam Deputy Speaker: Order. I have already ruled on this. May we please discuss the new clause that is before the House?

Mr. Willetts: I was responding to a challenge, but I shall of course follow your strictures, Madam Deputy Speaker, and try to make some progress. This issue is in fact very relevant to the new clause. Labour Members are saying that this campaign has gone on for a very long time and that they have pressed for action for ages. But whenever people have pressed for action—as we have done—the Secretary of State has always come up with the same sort of answer. In March, he said:

"We are exploring with industry representatives the basis on which we can establish . . . the extent of the problem, the number affected".—[*Official Report*, 2 March 2004; Vol. 418, c. 764.]

Earlier, in an Opposition debate in February, he said that it was

"important to have a clear idea about how and where boundaries could be placed around those who would be eligible."—[*Official Report*, 24 February 2004; Vol. 418, c. 212.]

We have already heard those answers, implying that the Secretary of State was doing lots of work behind the scenes to try to tackle the problem. If he has been doing all that hard work behind the scenes, why has he ended up with the new clause before us today? It does not answer any of the technical problems that he claimed he was busy addressing and studying. He could have tabled the amending provisions before us today a year or even two years ago. This evinces no progress whatever in tackling the problems or establishing the evidence, which he claimed was the only reason why amending provisions could not be tabled sooner.

I understand why sometimes quick and dirty, and sometimes long, slow and carefully considered, amending provisions are necessary. This new clause, however, has been turned out very slowly, but it has not been carefully considered and offers no detail on the scheme—*[Interruption.]*

Madam Deputy Speaker: Order. There is far too much noise in the Chamber.

Mr. Willetts: The new clause appears to have been cobbled together at the last possible moment, without answering any of the questions that the Secretary of State has told the House for the past 18 months had to be studied before he could take any action. The question before us now is why such a thin new clause has been tabled at such a late stage, and which does not answer any of the relevant questions.

Let me put to the Secretary of State some of the questions that he has told the House for the past 18 months that he has been busy studying. First, we have heard various suggestions that he will restrict his assistance to pension rights accrued pre-1988 and to people who joined pension schemes pre-1988, when it was indeed possible for companies to make membership of a pension scheme compulsory. That was changed in the Social Security Act 1986 and after 1988 no one had to be a member of their company pension scheme. People may not have realised that there had been that change because their contract of employment may have appeared still to require compulsion. Is the Secretary of State contemplating some restriction so that the provisions would apply only to those who were compelled to join schemes or who built up rights pre-1988? That issue has been discussed for a long time, so can we have some indication of the Government's thinking?

Secondly, what about the scale of the losses? Are the Government intending to provide more assistance for the people who lost most or are they thinking of targeting people with substantial losses? Will there be a minimum loss, below which people will not receive any

assistance? That seems to me to be an elementary question to ask of any compensation scheme. Again, can Ministers please respond to that question?

Thirdly, what about the use of the pension protection fund itself? I do not believe that the Minister for Pensions fully captured the purpose of our amendment. It is not our intention to make the levy in the PPF the basis for funding the assistance retrospectively. We fully understand that the new insurance scheme has to operate for the future. Our point is different. An institution is being established, which will deal with the assets of insolvent pension funds. I presume that some expertise will be built up to help people whose pension funds have wound up.

The Minister referred to the obvious ways in which new help could be provided and mentioned the possibility of his Department setting up a separate institution. What he missed out from his list of possibilities was the most administratively simple way of proceeding—setting up a separate compartment within the overall structure of the PPF that would receive the Department's funding and take in the assets of the companies that are winding up their pension schemes, enabling them not to have to purchase annuities. We would like to hear more from the Minister about that. Such a body could then administer the assistance programme that he is announcing. I am genuinely baffled as to why Ministers are ruling out using an institution that is being set up by the Bill before us.

I do not know why it is all so difficult. Is it because the Secretary of State, in broadcast media interviews, appeared to rule out the PPF being used in that way and does not want to go back on it? Is there any rational reason for inventing yet another institution when the Bill is setting up one that could easily be used for the purpose? We would be grateful for the Minister's guidance on that question.

I would like more detail on the scale of the assistance. Let me offer the House some admittedly rough and ready or back-of-the-envelope figures. Here we go. The number of people affected is 60,000. That figure was first given officially by the Secretary of State in an Opposition debate on this matter earlier this year. The assistance to be provided amounts to £400 million. Dividing £400 million by 60,000 gives me a figure of slightly under £7,000 for every person affected.

I am sure that hon. Members of all parties have had people at their surgeries who have lost that amount every year from the pension that they expected.

Mr. Watts *rose—*

Sandra Osborne (Ayr) (Lab) *rose—*

Mr. Willetts: I shall just finish this point, and then I shall give way to the hon. Lady, as I have given way to the hon. Gentleman already.

Each person will get slightly less than £7,000 in total over 20 years, but we know that many people have lost more than that every year. What sort of annuity would a capital sum of £7,000 buy? With luck, it might buy one worth £350 a year. That is nothing like the scale of financial loss faced by many people.

The advocates of early-day motion 200 were not satisfied with our early-day motion 66, but they campaigned for full compensation for the people who had lost out. Many Labour Members put their names to that demand. Do they consider the package before the House today, given the sort of figures that are being used, to be anything like the full compensation that they requested when they subscribed to early-day motion 200? Perhaps the hon. Member for Ayr (Sandra Osborne) will comment on that.

Sandra Osborne: Some of us will want to press the Minister about the percentage that people can expect. Does the hon. Gentleman recall that in the Opposition debates to which he referred, he was extremely reluctant to commit his party to public expenditure of any kind? Now that he appears to support a rescue package, where would the Opposition find the money for it—in the very unlikely event that they became the Government—given the cuts that they intend to make?

Mr. Willetts: The hon. Lady raises exactly the point to which I want to turn. The House, and those Labour Members who signed early-day motion 200, must accept that the Government are in a position of maximum political exposure. I think that they could have faced defeat in the House this afternoon, but they have come up with a package worth £20 million a year for 20 years, to be financed out of public expenditure. We can take it that that is the maximum amount that the Government are prepared to make available to help the people who have been affected. That falls a long way short of the amount of assistance that the announcement led many people to expect. I saw the photographs of ASW workers celebrating on Friday night. They raised their glasses to this great settlement, but I am afraid that, for many people, euphoria will turn to depression when they discover how modest the help is.

As a result, either we have to call for more public expenditure—and I do not believe that we should—or we must turn to the other proposal that is on the table. It is an option that the right hon. Member for Birkenhead (Mr. Field) has raised before, and it involves using the unclaimed assets of banks and building societies to make the amount on offer a useful sum. I am clear that the sum of money proposed at the moment will not match the scale of the financial distress that people face, but I do not believe that there is any reasonable prospect that the Government will put in any more money.

Mr. Bill Tynan (Hamilton, South) (Lab) The hon. Gentleman has been doing sums on the back of a fag packet. How much does he believe should be given in compensation or assistance to help the 60,000 people who have lost out? Will he clarify the Opposition's position with regard to retrospection? Does he believe that the Bill should contain a provision for retrospection?

Mr. Willetts: The hon. Gentleman says that I am quoting figures that I have worked out on the back of a fag packet. I freely accept that they are rough and ready, but they are more detailed than anything that the Secretary of State has had to offer. The Department for Work and Pensions has worked on the problem for more than a year, but no practical evidence has yet been offered about the scale of the problem.

[Mr. Willetts]

It is very difficult for the Opposition to estimate the scale of the problem. We have been pressing Ministers about the 60,000 figure, which was offered by the Secretary of State when we asked him for an estimate of the number of people affected. Given that we have hit the limit for public expenditure on this matter, I believe that the only way forward is to increase the financial support for people who have lost out by using the unclaimed assets to which I referred. The Chancellor specifically referred to that in the Red Book this year. It states on page 116:

"Where assets and owners cannot be reunited, it is also right that the assets be reinvested in society, as long as the original owners' entitlements to reclaim are preserved."

The Chancellor has his eyes on that money, and the Irish Government have introduced reforms aimed ultimately at claiming unclaimed assets after 15 years.

The House faces a problem today that is as serious as the problem we faced before. In some ways the problem is worse, because many people think—as a result of the announcement and the amendment—that their problems have been solved. Their problems have not been solved. Therefore, either we need yet further public expenditure or we should use the unclaimed assets, and I favour the latter approach.

2.45 pm

Kevin Brennan: Does the hon. Gentleman acknowledge that his calculations assume that all those involved will retire on the same day? The key to the amendment is the ability to take the assets in the pension funds in question and to use them more effectively than simply by purchasing annuities, in order to build a fund. The hon. Gentleman is being slightly misleading in his calculations. As for early-day motion 200, the word "full" does not appear in it.

Mr. Willetts: The hon. Gentleman has been very active on this issue and I would be interested to know whether he regards the new fund as sufficient to address the problems that he has identified. If he does not, what does he think would be a better way forward? I am trying to help him, and other Members on both sides of the House, to identify that. [HON. MEMBERS: "Answer the question!"] I shall answer his question. I agree that it would be much better to continue a scheme rather than to wind it up and require the purchase of an annuity or deferred annuity. Ministers have still not made it entirely clear that they are committed to that course of action, but I agree that it would be better. Indeed, it is something that the pension protection fund will do in future. It is another argument for supporting our amendment.

We will set up one institution under the Bill that will take over the assets and liabilities of pension schemes in wind-up in future, so why does not the hon. Gentleman support our amendment that would add a separate compartment to the PPF to do that for schemes that already have a problem and are in wind-up? I agree with him, but his point is another argument in favour of using the approach that we set out in our amendment.

I know that many hon. Members wish to speak, and I have taken several interventions, but I wish briefly to touch on the Liberal Democrat amendment. It would tackle perhaps the greatest single omission from the Government's announcement—to which the Minister briefly referred—which was the issue of solvent wind-ups. Many hon. Members will have been approached by constituents who have been victims of solvent wind-ups. For example, I have constituents who were employees of Ballast UK. They lost out, but they will receive no assistance under the Government's announcement because the parent international company is solvent. That also applies to former employees of the Dalgety group and a Japanese bank in the City.

Andrew Selous (South-West Bedfordshire) (Con): Will my hon. Friend comment on the fact that it is curious that Ballast Wiltshire continues to be able to trade in the Netherlands, despite having so short-changed its UK employees? Does he agree that there is a case for the European Union to look much more seriously at companies that defraud their pensioners in one member state but continue to trade elsewhere in the Union?

Mr. Willetts: The issue first got on to the front pages with Maersk, although that company changed its mind and decided to support the company pension scheme. Maersk would not be covered by the provisions in the Government's amendment, and my hon. Friend makes an important and interesting point.

Bob Spink (Castle Point) (Con): Will my hon. Friend add to his list the Bradstock group, where there was a solvent wind-up that affects many of my constituents? They feel that the Government's treatment of them is terribly unfair.

Mr. Willetts: My hon. Friend gives another good example of solvent wind-ups that are not covered by the Government's new clause. The purpose of the Liberal Democrat amendment is to cover such people and I fully accept that there was a serious omission from the announcement.

I put the same question to the Lib Dems and to Members on both sides of the House: on what basis might we help the victims of solvent wind-ups? We should help them, and using unclaimed assets is the only feasible or practical way to do so. If the hon. Member for Northavon (Mr. Webb) can assure us that that would be possible under his amendment, I will look at it sympathetically. What I am not clear about is whether he envisages that the solution is higher public expenditure and, if so, how spending more public money in this case would be consistent with various statements from Lib Dem economic affairs spokesmen about their tax and spending plans. I have never found a reference in those statements to spending more money on the victims of pension wind-ups.

I have looked through the list of Liberal Democrat spending pledges and the victims of pension wind-ups do not appear, although I should be happy to go through the list with the hon. Gentleman because I hesitate to suggest that he may be proposing something with which his colleagues may not agree. As I cannot see help for the victims of pension wind-ups among the

Liberal Democrat expenditure pledges, it would be helpful to know whether he regards his amendment as such a pledge.

Mr. Redwood: Is my hon. Friend advising us to support spending £400 million of public money? Is he advising us to support the outline Government scheme, or is he suggesting that the money is inappropriate, that the scheme will not work and that we should, therefore, be against it? I am not quite clear which advice he is giving us.

Mr. Willetts: I am sorry that my right hon. Friend has not found that my comments over the past 27 minutes answered all the questions he may have had about the Government's proposal. The real problem is that we know very little about their proposal. I welcome the £400 million that has been put into the scheme and I am proposing extra assistance, which would not be public money but would use the unclaimed assets of banks and building societies. That would be a constructive way forward that would involve no increase in public expenditure.

Alan Howarth: The hon. Gentleman has indulged in a variety of expressions of sympathy this afternoon. He has indicated that he would not rule out the possibility that it might be appropriate for assistance to be given to the victims of Equitable Life and to the victims of solvent wind-ups. As I agree that there is not the remotest fiscal scope for providing adequate help to all those deserving cases, how is it to be afforded? He suggests that the unclaimed assets will provide what is necessary, but is he not at risk of spending that nest egg several times over?

Mr. Willetts: The House may not face the decision today, but I am sure that as the penny drops about the very limited scale of the Government's announcement Members on both sides of the House will have to decide whether to explain to their constituents, "This is all there is and there is no more", or whether we should aim to do more. I do not claim that we could give 100 per cent., and we certainly need to see the figures. We are still waiting for Ministers to provide them. The money from unclaimed assets that the Chancellor identified in the Red Book would enable us to do more and we could plug a large loophole in what the Government have announced today—namely, the position for victims of solvent wind-ups. That is the proposition that I am putting to the House.

I have two final points about the lessons that we should learn from this unhappy episode. The first is on compulsion. Although I give less weight to it than Labour Members, one of the arguments that has been used is that people are entitled to compensation because they were obliged to join a pension fund. That raises questions about whether it would ever be conceivable to embark on implementing the proposals made by the Secretary of State 18 months ago for forcing people to save. If compulsion is to be used as a basis for Government liability when things go wrong, it seems to me that Members who are using the compulsion argument on this occasion will make it much more unlikely that a future Government would ever be willing to contemplate compelling people to save in any form. I should be interested to learn whether the Secretary of State or the Minister can envisage that Adair Turner, who has been commissioned to look into compulsion, would really make proposals, which they would accept, for compelling people to save, if when people were compelled to save we faced the arguments about Government financial liability that have been put today. That is the first lesson for the future.

Rob Marris (Wolverhampton, South-West) (Lab): Is not the hon. Gentleman setting up a straw man? Most of the compulsion that has been discussed has been based on models such as the Australian scheme where there would be compulsion to save in a money purchase scheme. The new clause offers no hope of financial assistance for people in the UK who were forced—as some employees were before 1988—to save in a money purchase works pension scheme.

Mr. Willetts: The hon. Gentleman may not be fully reflecting Adair Turner's commission. Nothing in the original statement said that he should look only at compelling people to save in money purchase arrangements; the remit was much wider than that.

My second point on lessons for the future is directly addressed to the Minister of State. Another reason for the obligation we face, to which the hon. Member for Cardiff, West referred—as have I on several occasions—is that people were led to expect that in some sense the money in their company pension schemes was safe or guaranteed. May I, therefore, quote to the Minister some of the things that he and his Department have been saying about the PPF?

A DWP fact sheet published at the same time as the Pensions Bill states that

"members can be reassured they will still receive the core of the benefits to which they are entitled".

In Committee, the Minister said that people's pension rights "will be safeguarded" and that

"they will get 90 per cent."—[*Official Report, Standing Committee B*, 30 March 2004; c. 483–88.]

That is 90 per cent. of the pension they were entitled to expect. With the PPF, the Minister and the Secretary of State are in danger of repeating exactly the same mistake that was made on company pensions. They talk about the fund as though it safeguards, reassures or guarantees, yet we all know that without the Government standing behind it and without the rate of levy that has been suggested, it can offer no such guarantee.

The Minister chose his words unwisely on several occasions in Committee when he was referring to the PPF. If ever the fund cannot provide the 90 per cent. that has been promised, the Minister has already said sufficient for future Members to come to future debates in this place and say that Ministers told people that they would get their 90 per cent. We should all be careful about the words we use when talking about pensions and I am sorry to say that Ministers have not been careful when talking about the PPF in our debates on the Bill.

Dr. Jenny Tonge (Richmond Park) (LD): On a point of order, Madam Deputy Speaker. Have you received notice from the Foreign Secretary that he will come to

[Dr. Jenny Tonge]

the House to make a statement about the deteriorating situation in Gaza? We now have confirmed reports that in the last hour the Israelis fired missiles from jet fighters into a peaceful demonstration in Rafah. It is reported that about 20 people were killed and more than 40 were seriously injured. The demonstration was peaceful and had been organised to protest against house demolitions. Many, many women and children were involved.

Is it not time for the Foreign Secretary to come to the House and tell us his plans for action against the Israeli Government—not just fine words of disapproval?

Madam Deputy Speaker: I have received no such request. Clearly, the hon. Lady's remarks are very serious and Members on the Treasury Bench will have heard what was said.

Mr. Frank Field: I rise to speak to amendments (d) and (e), which stand in my name and that of my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt).

Today is a great day; it is a day of celebration. It is a day that many of us thought that we would not see. The heroes of today's events are sitting below me on the Treasury Bench. Of course, we wish to pursue issues about how complete the compensation fund will be, but we also know that the Freedom of Information Act 2000 will allow us to ask for policy papers on issues of public concern from 1 January next year. So when I ask for the papers on 1 April next year, on the whole saga of trying to get justice for those workers who lost their pension funds, I have no doubt whatsoever that riding on white chargers from those papers will be my right hon. and hon. Friends who are now sitting on the Treasury Bench. We will be able to celebrate their success then, as we are celebrating it today. Of course, I am sure that that will not affect how they view these issues as we finally see this matter through to the statute book. I am sure that, as decent comrades, they will ensure that other Ministers know that a lot of us will be pressing for the policy papers and to know who said what and who does what in the final stages of the analysis.

3 pm

I also want to compliment those on the Treasury Bench on their confidence and on the graceful way they have approached the debate—there has been nothing of trying to be too clever about it; there has been no arrogance about it—for it is now two and a half years since I was trying to put on the statute book a Bill that covered all these issues and more, and those on the Treasury Bench were blocking it. Of course, we now know that they were spending almost every minute of the day trying to find answers to all the questions that we have been posing. What have we experienced? We have not had clever little Dicks jumping up, reciting answers to all the questions that we have been posing during the past two and a half years. They have been nonchalant; they have been laid back; and they have been careful. Indeed, they have not bragged at all that they have done one iota during the past two and a half years. So I want to thank those on the Treasury Bench for the real stature of their characters, which have been on such good display during the debate.

Mr. Garnier: I, too, should like to join in the congratulations that the right hon. Gentleman is showering on his right hon. and hon. Friends. When he gets access to those policy papers next April, will he be sure to bring with him a carbon-dating machine, so that he can check the age of the pieces of paper on which those policies were written?

Mr. Field: Those people with hearing better than mine will already be hearing the machines at work, shredding various papers that will not be part of the record. That was trying to be humorous; those on the Treasury Bench must not be too worried about that.

The reason why I proposed my Bill more than two and a half years ago was that I have constituents who lost out heavily in the closure of their company. Those constituents worked in the constituency of my hon. Friend the Member for Ellesmere Port and Neston (Mr. Miller). Not only has he endlessly raised the issue, along with me, but whenever I have made such moves—albeit as a Parliamentary Private Secretary, which usually prevents him from signing such motions, Bills and so on—he has always signed those measures.

I am not anxious therefore for new clause 34 to be passed, unless the reason why I became interested in the issue—the position of those constituents—is met, but another issue is as important as that of those constituents. The first pension scheme that attracted the attention of the House was the closure of the Belling scheme in Burnley. My hon. Friend the Member for Burnley (Mr. Pike) is not here, but all hon. Members know that candidates of all parties are facing the most serious challenge from the National Front in Burnley.

Are we so naive, so idiotic, so proud and so boastful that we will let a measure go through from which, given what the Minister for Pensions has said, those workers will be excluded? Those workers are largely working-class, male and disfranchised. Is that the message that the House thinks it should send to Burnley in the middle of fighting elections against some of the nastiest people in the business? So when we come to deal with amendments (d) and (e), we need a clear statement from the Minister. He is wrong to say today that the worry about the measure is who may come in from earlier years. That is not the worry. We know most, if not all, the people who would qualify if we ensured that there was no starting date for the new compensation scheme.

The worry is that employers will try to dive-bomb the scheme and drop very large liabilities on to it before it commences. So I hope that we will not have to press amendments (d) and (e) and that the Government will say that they take on board the fact that their one defence against other Labour Members and against helping, for example, Equitable Life is that those workers were compelled to join. Workers from H. H. Robertson in Ellesmere Port were made to join. Workers at the Belling factory were made to join. Therefore, if words mean anything, surely what the Minister for Pensions has spoken about today will cover those workers.

The numbers that will be covered are minuscule compared with the 60,000 that the Government have estimated. So I make a genuine plea—it is a plea not to

unbalance the scheme, but for natural justice. If we go ahead with the scheme and exclude small handfuls of our colleagues elsewhere in the country, some of them will become so desperate and do the most awful things to themselves and perhaps their families, as a result of the actions that we take today. I beg the Government to tell us clearly before we deal with the relevant amendments that they will be serious in moving an amendment in the other place.

Mr. Redwood: The right hon. Gentleman has fought a valiant and honourable campaign to get this far. Does he think that £6,700 per person, on average, will be a big enough capital sum? My hon. Friend the Member for Havant (Mr. Willetts) says that it would buy £350 a year. At most, it would buy £500 a year, on current actuarial tables. Does the right hon. Gentleman think that that is enough; or does he wish that those on the Treasury Bench would come up with a better solution?

Mr. Field: No, of course, I do not think that sum enough. If I had been a little quicker when the Secretary of State for Work and Pensions asked me to withdraw my clause—in fact, it was tabled by my hon. Friend the Member for Sittingbourne and Sheppey—I should have said, "I will do so on condition that you give Government time for the Bill on unclaimed assets that I introduced a couple weeks ago." Of course, £400 million is not enough. If anything, I am critical of the Government coming up with £400 million. Why should our hard-pressed taxpayers, who are earning away, contribute £400 million, when we could use the large sum that has been lying idle, sometimes for 100 years or more?

I make a plea to the Government. It might go down well among Labour Members to say that the industry should make a contribution. If the Government are serious in that, they are in danger of having their sanity tested. We have charged the industry £5 billion a year in extra taxation. If we think that those who have done well by their schemes to ensure that they are not in deficit will now come up with even more funds to keep someone else's scheme going, we are living in cloud cuckoo land. So by all means make that point if we want to make a party point, but please do not be misled by one's own rhetoric into thinking the industry will come up with the money to save us on this one.

Mr. Watts: Does my right hon. Friend agree that the Government today have not accepted liability for the problem, but put in some money to try to restore some confidence in the insurance industry? Surely he would agree that it is in the interests of the insurance industry to do the same, to find some resources and to boost the amount of money available to that vulnerable group.

Mr. Field: As we both come from Merseyside, I am always loth to disagree with my hon. Friend, but I am afraid that I do. The Government have not put any of their money into the scheme. Instead, they have put some of our workers' money into it. So they are using taxpayers' money. It is wonderful that they have made a move to start the fund at £400 million, but it is not their money: it is our constituents' money. Our constituents are also contributing to a pension scheme which, thanks to the Bill, will now be protected not only to a large extent, but for the first time. That is great.

I would love to see the Pauline conversion of this country's financial institutions, but although I hope that I have a long life ahead of me, I do not think that I will live long enough to see that. We have to get other sources of funding, before the general election, if we are to avoid the disgust and hatred of many of our constituents. It is a great start, but in no way are the funds sufficient.

I hope that the Minister will tell us that the Government will find Government time for the Balance Charitable Foundation for Unclaimed Assets Bill. The hon. Member for Havant (Mr. Willetts) was right to quote the Red Book. The original Bill for winding up pensions stated that we should pay for deficits by using unclaimed assets. The Chancellor moved those unclaimed assets to a new foundation, the Balance Foundation. That Bill has all-party support. The first charge on that new foundation should be to pay these pensions.

Although it is a challenge for the Government, it is also a challenge for the Opposition. They have said that they support using the huge resources in unclaimed assets to ensure that we do not run amok yet again with people's hopes and expectations of a good payout. I put it to the hon. Member for Havant that if the Government do not find time in their programme to ensure that the Bill on unclaimed assets gets to the statute book, will the Opposition attempt to find a way to adapt the procedure of the House? Instead of having a rant from them—whatever the rant of the week might be—perhaps we could use one of their Supply days to have the Second Reading of the Bill to push it on its way.

Mr. Willetts: The right hon. Gentleman asks me a specific question. We have considered that idea, and it is an ingenious suggestion. It is my understanding, however, that such a debate would appear to be a Second Reading, but it would not have any legal force in practice. It would not be a real Second Reading, but a copy. Although it would be an interesting way to ensure that that important matter is debated, sadly it would not help his Bill on its way. However, it would be an opportunity for us to show yet again how much we support his particular idea.

Mr. Field: If the Opposition spoke more to the Clerks, they might find that the motion on the Order Paper would come very close to a Second Reading motion. More importantly, it would flush everyone out because we would have a vote on whether hon. Members give that priority to unclaimed assets. I leave that with him, as I leave it with my hon. Friend the Minister.

I support the Liberal Democrat amendment (c). It is immensely important that at this stage of the debate, when the ink is not yet dry on the Government's new clause, we apply as much wisdom as possible to determining how we can protect as many people as possible. Those people have done what every Government told them to do—to save and be independent in their retirement—and thought that they were doing the right thing. They have found, however, through no fault of their own, that future wickedly grabbed from them. We cannot let them down.

Bob Spink: Does the right hon. and highly respected Gentleman believe that the unclaimed assets could be

[Bob Spink]

used to compensate those people who were victims of solvent wind-ups, such as the Bradstock Group plc, which affected people in my constituency?

3.15 pm

Mr. Field: I do. Those people should be included in the scheme.

Although some of my comments were technical, I hope that for the first time I have been slightly humorous. It is difficult to be humorous in this place if people think that you are not. Neil Kinnock only had to stand up and everyone started laughing. I was pushed into the House by the deputy Chief Whip one day and told to speak. I did not know what the debate was on, and only realised when someone intervened on me. When I got to my feet, I said, "Mr. Speaker, I record reading over the weekend in one of the supplementary volumes to a book on Churchill's life that friends of his were approaching the garden house at Chartwell when they heard the great man say, 'Mr. Speaker, I didn't expect to catch your eye today.' I, Mr. Speaker, did not expect to catch your eye." Not one hon. Member laughed. I am pleased if I managed to put smiles on the faces of Front-Bench spokesmen today.

I do not want my remarks to detract in any way from my thanks to the Government for tabling new clause 34 and to the Ministers for the difficult negotiations that they entered into in order to convince their colleagues that it was the right thing to do. Many of our constituents must have given a big cheer for them. I wish to add my cheer to theirs.

Mr. Webb: When the right hon. Member for Birkenhead (Mr. Field) began, I thought that he was giving a whole new meaning to the term "wind-up".

The new clause is a breakthrough. It is the first time that the Government have accepted that it is legitimate to use taxpayers' money to help people who have lost their pensions. It is entirely welcome and I hope that every hon. Member will support it. I hope the House will note the lack of a "but" at the end of that sentence, although there will be one later.

The fact that the new clause exists at all is a tribute to a large number of people. I am not going to turn this into the Oscar ceremony, but the workers and trade unions who have been affected by these issues campaigned tirelessly and deserve great credit. Dr. Ros Altmann, who has not been mentioned in this debate but has in many others, made a huge contribution. She applied her expertise, commitment and compassion in equal measure and brought credibility to the campaign in a way that I have seldom seen before. She deserves huge credit for that.

Many hon. Members also deserve credit. In particular, the hon. Members for Cardiff, West (Kevin Brennan), for Sittingbourne and Sheppey (Mr. Wyatt), for Ayr (Sandra Osborne), the right hon. Member for Birkenhead and others were successful in campaigning on the matter. I have said in other contexts that the hon. Member for Cardiff, West has bored for Wales on the subject. Speaking as someone who was described in the press this morning as a "nerd", I can think of no higher compliment.

The new clause is an important step forward. It is worth reminding ourselves of how far we have come by reflecting on just one quote. The hon. Member for Sittingbourne and Sheppey has raised the subject many times, including in an Adjournment debate in mid-October 2002. In that debate, the then Minister for Pensions, the right hon. Member for Makerfield (Mr. McCartney), said:

> "My hon. Friend has called for an ex gratia payment to be paid into the pension scheme. I would not like to give him false hope. Indeed, I cannot give him any hope. The Government are not able to assist schemes in wind-up that are underfunded."—[*Official Report*, 16 October 2002; Vol. 390, c. 441.]

That shows the magnitude of what has been achieved, which is to the immense credit of every hon. Member who has pursued the problem doggedly.

We still do not know what we do have, however. The critical point, and we cannot let Ministers off the hook on this, is whether what we have is a hardship fund—a bit of charity because we feel sorry for those people—or a compensation scheme. The distinction matters. If we are to talk about who should be included, how much they should get and when they should get it, the basis on which we are to pay out that money matters. In my judgment, the new clause needs to be about more than a hardship fund.

Why is there a case for more than just a bit of money, in this case £400 million over 20 years? Why is there a case for more than tea and sympathy and £20 million a year? It is because we are talking about people who have paid into their pension for 40 years but got next to nothing. ASW transferred 30 years' worth of miners' pensions into its fund and lost the lot, because a distinction was not made between money transferred in and money that was there all along. That is not right, and it is not just a question of extending sympathy to people in that position, as I shall explain. The system makes provision for a guaranteed minimum pension—a legal term originating in Government statute—but in that case the guaranteed minimum pension was not guaranteed. The Minister for Pensions made an important point when he said that the Government propose that compensation will apply only to schemes that were wound up from 1997 onwards. It was in 1997 that the Pensions Act 1995 came into force. If the financial assistance that is being offered has nothing to do with Government and is just charity, why is it being offered from the date at which an Act of Parliament came into force?

Mr. Watts: The Government have made it quite clear that the scheme does not offer compensation. They have resisted the notion of liability and have proposed a hardship fund. Do the hon. Gentleman's comments not make it more difficult to try to convince the Government to do something similar in future, because everyone will line up trying to find criteria to extend the help given to a particular group?

Mr. Webb: I do not accept that. We need to ensure that justice is done, but we will not do people who have suffered an injustice any favours if we ask them not to make a fuss about their case because that may prevent other people who have suffered an injustice from getting handouts. That is not a basis on which to draw up a scheme. The Government have asserted that the scheme

is effectively a hardship fund, but payment should be made on a basis that dictates certain things about the level and structure of payments.

Mr. Miller: I would like to correct the hon. Gentleman, as the Pensions Act did not come into force in April 1997. It came into force in part when Royal Assent was given on 19 July 1995. "Butterworths" has 26 pages on the detailed provisions that came into force then. There are arguments for drawing a line at any one of those 26 pages, but I would urge the hon. Gentleman to agree with my analysis that either there should be no cut-off date, or it should be the date when Royal Assent was given.

Mr. Webb: I understand why the hon. Gentleman has made that point. The Government chose 1997 as the cut-off date because the changes in the order of priorities on the winding-up of schemes came into force then. It was in 1997 that trustees lost the discretion to divide an inadequate pot more fairly, but it was Government who changed the rules. However, I know where the hon. Gentleman is coming from, and I have a lot of sympathy with the amendment tabled by the right hon. Member for Birkenhead specifying an earlier date.

In 1997, statutory instruments removed employers' obligation to warn of insolvency risks. Because the 1995 Act had been introduced and there was a minimum funding requirement, employers' obligation to tell their workers that the pension fund was at risk when the company was in danger of becoming insolvent was removed by Government. A trail of responsibility starts to emerge, so this is about more than having sympathy for those employees—it is about justice, which is a key distinction.

The hon. Member for Cardiff, West mentioned the Financial Services Authority, which was set up by Government. In a guide to pensions headed "Reasons for joining an occupational scheme if you can" it said:

"In a final salary scheme you know broadly how much pension you'll get. This makes it easier to plan for retirement".

The Green Paper that the Government produced in December 2002 said on page 55:

"Accrued rights ... are clearly protected under pensions legislation and this will remain the case".

Some people are getting nothing, when the Government were telling people only 18 months ago that their rights were protected.

"Occupational Pensions: Your Guide", a document produced in 2003 by the Pensions Service for the Department for Work and Pensions, told people who wanted to know how they could be sure that their money was safe that they were

"protected by a number of laws"

and that the regulator could

"act quickly to protect your interests".

Successive Governments do not have clean hands on this issue. The regulator, set up by the previous Government in the 1995 Act, issued a guide to trustees which has since been withdrawn. However, it said that the Act

"was intended to increase the security of members' benefits".

It talked about the minimum funding requirement and said that it was

"the minimum amount ... that should be in the scheme at any one time ... to meet the scheme's liabilities if it were to be discontinued".

However, schemes that met that requirement did not have enough money to meet those liabilities. The regulator was issuing erroneous information to trustees, and the Government, too, are not completely blameless.

The National Association of Pension Funds is not part of Government, but it issued documentation saying that the schemes were safe. It is reasonable to claim that as Government are part of the problem, more than just charity is required.

Mr. Waterson: I am following the hon. Gentleman's arguments closely. Does he share my surprise that in cobbling together a deal the Government have not obtained a firm undertaking that the European Court case will be withdrawn? Does that not mean that in due course they could put this package in place, the detail of which is still sadly lacking, but end up paying much more if they lose that case in the European Court?

Mr. Webb: I do not share the hon. Gentleman's view. Because this is about justice, if the unions' claim is tried in the courts and they are successful they have every right to pursue it, and should not bought off by this package. I am not suggesting that they were asked to give up their claim, but I do not believe that they should do so.

There are the hands of successive Governments all over this issue. Many of us have had to rely for information on the press, who were briefed by the Department, and the workers. Last night, I went across the road to meet the Dexion workers who were holding a vigil by candlelight. They asked me how much they would get, as it is still far from clear what they will receive. We have queried the difference between the £400 million fund offered by the Government and the cost of full cover, which is estimated to be more than £2 billion. In the *Financial Times* today, a Government spokesman said that

"we are not in the business of paying full compensation. What we are talking about is assistance. We are not guaranteeing anything."

That last sentence is critical. Even today, the Government cannot say what sums are available, so people do not know where they stand.

There is a big gap between the figure of £400 million to be paid over 20 years, equivalent to £20 million a year, that the Government have come up with and Dr. Altmann's estimate of £76 million to be paid over 30 years, or £2 billion in total. We do not know the precise figures, but there is clearly a big shortfall, giving rise to problems of timing, cover and level, the subjects of our three amendments. Amendment (a) deals with timing and says that payments should be

"made within six months of the coming into force of this Act".

We tabled the amendment last week to try to get the Government to say something on the record and stop the date drifting. We have received some reassurances from the Minister, who said that a scheme would be in place this time next year. If things are ready to roll then,

[Mr. Webb]

it would be about six months after the measure comes into force, so we shall not seek to press amendment (a) to a vote.

Cover is a problem, though. If the true cost of covering the 60,000 workers is £2 billion-plus, but the Government are offering only £400 million, there must be big exclusions, including people who work for solvent companies. The Government have prevented that problem from arising in future, because they have introduced provisions which, from last June, mean that solvent employers cannot close a scheme unless there is enough money in it. I hope that amendment (b), which the right hon. Member for Birkenhead tabled to our amendment, is not necessary, but there are cases historically in which people have been members of schemes closed by a solvent employer, where the minimum funding requirement was satisfied but there was not enough money in the fund to pay people full pensions. Those workers are as unfortunate as people who work for a company that goes bust, and should have the same rights as them. If people work for a solvent employer and the scheme is closed against their will, they have not suffered less injustice than people whose scheme is closed because the employer goes out of business.

Mr. Frank Field: The hon. Gentleman says that he hopes my amendment will be unnecessary and will not be pressed. Will he put that question to the Government, to ensure that his interpretation is the same as the Government's interpretation of what the law will be, which will make my amendment unnecessary? If the Government cannot give that assurance, he may think my amendment is necessary.

3.30 pm

Mr. Webb: Yes. To sum up on that point, my understanding is that no new solvent employer can now close an underfunded pension scheme because of what the Government legislated back to 11 June, so if we include solvent employers in the financial assistance scheme, there is no danger that new solvent employers will close their schemes, as the Government have separate provisions to prevent that from happening. That is my understanding of the implications of our amendment. It would be helpful if the Minister could confirm that when he responds.

Mr. Drew: The hon. Gentleman will know that I am about to raise the issue of Lister-Petter, whose employees he shares. The decision may not be taken by the employer. Where there is an administrator, it may be the administrator who takes the decision on the pension fund. If there is no suitor willing to come in and take over the company, including taking over the pension fund, an insolvent pension fund will have to be closed. I shall seek clarification from those on my Front Bench, but I should be interested to hear the hon. Gentleman's views on that circumstance. It could be doubly unfair to the work force, who could be losing their jobs, as well as their pensions.

Mr. Webb: That has always been the infamous double whammy that people suffer in such cases. They lose their job and, to add insult to injury, they lose their pension as well. The position of solvent employers, parent companies, sub-companies and so on needs looking at. If the Minister can assure us that the Government do not intend to put the solvent employer cases into the present financial assistance scheme but they have other plans to right that injustice, we will not pursue amendment (b) either. In other words, we believe that people who work for solvent employers have suffered a real injustice and it needs tackling. If the Government think there are good reasons why that cannot be done through this scheme but they have plans to do something about it through some other mechanism, that will offer us the reassurance that we seek.

Amendment (c) is critical and comes to the heart of the issue. It states that the level of compensation that people get should match what people will get next year through the pension protection fund. We must remember that that is not full compensation. There are many, Dr. Ros Altmann among them, who say that we are being too soft and that 90 per cent. is not enough—it is a case of injustice and theft, and the figure should be 100 per cent.

We are not going that far. We are asking, "Why should someone who loses out because their employer became insolvent on 31 March next year get perhaps substantially less than 90 per cent. of their pension, while someone who loses out on 1 April gets 90 per cent?" Why should there be that arbitrary distinction? The Minister seemed to say it was because the employer had paid into the levy—into the fund. Where is the case in justice and morality for that distinction? Those are people who have saved all their lives, who have done what they were told, and who have lost out. It is not acceptable that those workers should get less than the amount they would get under the pension protection fund.

The worry is that the figure may be not just a little less than 90 per cent. If the figure of £400 million, compared with £2 billion or something of that order, is right, we could be talking about only half pensions or one third pensions. That would be unacceptable, so we feel particularly strongly about amendment (c), which specifies the level of benefits. The workers over the road and the ASW workers who were celebrating on the television news thought they would get most of their pensions back. It would be a cruel deception. All the way through, the Government have spoken of not creating false hope. It would indeed be creating false hope if workers thought last Friday that they would get their pension pretty much covered, and if it turned out that they would get only half or thereabouts of their pension covered.

Andrew Selous: Will the hon. Gentleman give way?

Mr. Webb: I will not, as I shall try to conclude.

There is a real urgency to the issue. I am told that there are already ASW widows. Members of the ASW scheme have, sadly, died and the widows still do not know what widows' pension they will get. That needs to be sorted out soon. We need clarity. We need these matters to be resolved urgently.

Because we consider the issue to be a matter of justice, I conclude with some words from Andrew Parr, who has been one of the leading figures in the Pensions Action Group. I tried to get his permission to quote him, but I was not able to speak to him today. I am sure he will forgive me for quoting him. Having seen the Government's new clause 34, he said:

"Our aim is not to discriminate between groups. Every affected person should have full restoration of their pension entitlements regardless of company, regardless of date of joining the scheme, regardless of the reason for the scheme wind-up, regardless of length of service and regardless of age."

He continues:

"Nobody told us of the risk we were taking, not the Government, not the FSA, or OPAS, or OPRA, or the NAPF, or our employers. All led us to believe our pensions were safe, guaranteed and protected by law.

We only want what we were promised. Surely that is fair."

This is not about charity. It is about justice, and that should be the basis for payments from the fund.

Kevin Brennan: The hon. Member for Northavon (Mr. Webb) said that I had bored for Wales on the issue of occupational pensions. May I return the compliment and say that he has nerded for Northavon throughout our debates?

I begin with a comment about the people whom I have tried to represent in our discussions. My hon. Friend the Member—I call him the learned Member; I know that is technically not in order, but he is a professor—for Aberavon (Dr. Francis) yesterday gave me a badge that his late father, Dai Francis, who was a distinguished trade union leader in Wales, had in a drawer at home. The badge says, "Steel must stay in Cardiff". As the hon. Member for East Carmarthen and Dinefwr (Adam Price) will know, it dates back to the 1970s, when there was a campaign by some of the same people whom I have been representing. At that time, they were working in a nationalised industry—the steel industry—and certainly thought their pension was guaranteed. Some of them are now close to retirement age.

Those workers are tempered by the heat of battle, as steel men should be, rather than put off by it. That is why they have been so durable in fighting the battle. It has helped me in trying to take up the campaign, along with many other hon. Members, a large number of whom are in the Chamber this afternoon. They are too numerous to mention, but all have made an important contribution.

New clause 34 represents an astonishing victory for the campaign that those workers and workers from other companies around the country have waged on the issue. It is a testament and a compliment to the dignity, steadfastness and solidarity—if I may use some old-fashioned words—shown by the workers who have been faced with the problem. It is a good example of why it is important that people join trade unions. Many of those people were members of trade unions and their trade unions were able, for example, to collect funds, possibly to take a legal case to court, if necessary. That could not have happened if they were not members of trade unions, and it shows the importance of trade union membership.

I have worked closely with the Iron and Steel Trades Confederation and also with Amicus, but other trade unions have been involved. In addition to showing the importance of trade union membership, the campaign has also shown the importance of having a Labour Government. Instinctively, the Government have understood the issue—a difficult, complex issue that they have had to deal with. They have instinctively understood it from day one and have not shut the door on doing something that some people said was impossible at the beginning of the campaign—to get retrospective assistance for those who have been affected.

I pay tribute to the Secretary of State, to the Minister for Pensions and his predecessors, to the Prime Minister for the interest he has taken in the issue, and to the Chancellor, who has disproved one of Churchill's sayings. My right hon. Friend the Member for Birkenhead (Mr. Field) earlier quoted Churchill. Another of Churchill's sayings was that the Treasury was the inverse of the Mr. Micawber principle: instead of waiting for something to turn up, the Treasury was waiting for something to turn down. In this case the Treasury has come through and should be complimented. A compliment is due to the Chancellor for his role in bringing about the new clause before us, which permits the Government to use public funds in order to deal with the matter.

I have said all along that I did not mind where the funds came from. I said that in Committee. Unlike some colleagues, I think it is entirely proper that money from general taxation should be available for such purposes. The scheme is right for three basic reasons.

Mr. Waterson: I confirm that the hon. Gentleman said in Committee that he does not mind where the money comes from. Before he moves on, is he satisfied that his constituents, whom he has valiantly represented in discussions and debates, will be fully compensated? If not, is he satisfied by the compensation that they will receive?

Kevin Brennan: I accept that it is not possible to say that full compensation will be paid, and I have never used those words—as the hon. Gentleman, who listens carefully, knows. I am satisfied that the measure is a major breakthrough that will provide significant sums to pay substantial compensation. If that compensation is cleverly combined with the available assets, a significant level of assistance—I should not use the word, "compensation"—should be available. If someone had offered my constituents significant assistance when we started the campaign two years ago, my constituents would have bitten their arm off. I accept that a lot of detail must be worked out, and people are understandably anxious because they want to know what they will get.

The measure is not about fobbing off people, buying off people or fooling people. Indeed, such an approach would not work because workers, other hon. Members and I would return to the issue, and the trade unions would pursue their legal case under the European insolvency directive—that possibility remains if substantial assistance is not made available. I believe that substantial assistance will be made available, although I accept that a lot of the detail must be worked

[Kevin Brennan]

out. The possible legal obligation on the Government under European Union law to protect pensions is one of the three reasons why the measure is right.

The moral obligation to act has been discussed in great detail, and it is not good enough to argue that the matter concerns hard luck. If someone pays into a defined benefit scheme, the scheme's nature means that a pension promise has been made. It is not good enough to say, "We can all walk away. Hard luck if you have worked for 40 years in a company and your pension is taken away from you at the last minute."

It is in the public interest to make the Bill a success. As the Minister says, a cloud has hung over the Bill, which is, incidentally, among the most progressive pieces of legislation to pass through this House for many years. The Bill is about security. The Labour party was invented to provide social security for working people, and that is its fundamental purpose.

The Bill is in the public interest, because some 60,000 people—we will not know the true figure until people come forward—will not go round saying, "Don't believe that the Government will help to protect your occupational pension. Don't believe that your pension is safe, because look what happened to us." If we assist those people, they will say, "We were worried that we would lose our pension, but, at the end of the day, the Government"—in this case the Labour Government—"would not permit that to happen."

We have discussed in detail the difference between occupational pensions and cases such as Equitable Life. One can sympathise with people whose expectations are disappointed, but that is very different from a pension promise backed up both by the permission of compulsion by the state and by the fact that the state, through its agencies, told people that their pensions were secure and guaranteed. When someone chooses to invest in a company, their expectations might be disappointed, but they have not lost a guaranteed pension that they thought would be based on their final salary.

Some questions of detail must be settled, and I am pleased that the Minister set out a clear timetable to resolve some of those issues. I am sure that hon. Members want to raise questions such as the exact point at which the assistance starts, and my right hon. Friend the Member for Birkenhead and my hon. Friend the Member for Ellesmere Port and Neston (Mr. Miller) are particularly concerned about that point. I am happy with the Minister's comments on that issue: he has not said that the point at which assistance starts is written in stone and, importantly, he is prepared to consult.

3.45 pm

The various definitions of insolvency raise some issues, and we should make it clear that no one should be left out because of a technicality. We must ensure that we help the people who need assistance.

Mr. Miller: I congratulate my hon. Friend on his sterling work. In supporting new clause 34, does he agree that our party's history, which he mentioned, is one of protecting people who are disadvantaged by an outside body, in this case, pension funds, which is why schemes such as the HH Robertson scheme should be included?

Kevin Brennan: My hon. Friend makes the point eloquently—he has also made it in private meetings with Ministers—and I am sure that his comments have been heard.

Other issues must be clarified. It is vital that the trade unions are involved in the consultations and the setting up and fashioning of the scheme. We must do everything that we can to maximise the value of the remaining assets in the pension schemes that have been wound up or are winding up. We must ensure that the three-year review, which is a key part of the measure, takes place, and the review must act if it finds that the scheme is inadequate and is not providing substantial help.

I do not want to discuss exact percentages today, and the Government are right not to do so. We all know what 100 per cent. of nothing equals—the phrase is too impolite to say in this House—but that is what some workers faced. We must ensure that those affected, especially those who have contributed for many years and who are close to retirement, receive a substantial pension. We all have a duty to help those affected, and I pay tribute to all hon. Members, particularly to those on the Government Front Bench, for their contributions. Most of all, I pay tribute to the workers who have campaigned on the issue.

The scheme is the right way forward. It was always going to be better for the Government to introduce their own proposals, which they have done. I welcome their proposals, and we should all support new clause 34.

Mr. Redwood: I remind the House of my interests, including the fact that I am a pension trustee, but I am not speaking on behalf of that pension trust in this debate.

Those hon. Members who, like me, were involved in past lives with the pensions industry, will know that final salary pension schemes are a great idea if they combine a generous employer with a well-funded scheme. Such schemes can offer extremely good pensions, but we also know that on too many occasions the employer either is not generous or is unable to be generous because of pressures or strains in the business. Despite the formidable array of regulatory controls, interventions and actuarial advice, on occasions the funds in schemes are woefully inadequate to cover future liabilities.

In recent years in particular, when regulation has been intensified, Governments and their regulators have been wrong to give people the impression that final salary schemes are secure and that they are the best way to fund one's pension in all cases. Final salary schemes entirely depend on the generosity of the employer and how much the employer can afford to pay, and many people have been misled. It is ironic that the pensions crisis has developed severely in recent years while the regulatory effort and cost in the system have massively increased. One can waste an awful lot of money on regulation and not tackle the underlying problem, which is the inadequacy of pension payments and of the funds with which to pay them.

Andrew Selous: Does my right hon. Friend agree that there is an unsatisfactory inconsistency in the fact that whenever a member of the public may be about to buy equities there is a warning that the value of those equities could go up and down, whereas that is not the case with pensions? When the chief operating officer of the Financial Services Authority wrote to me in March, he said that he accepted that the risks of a scheme and employer insolvency are not dealt with in every publication about pensions. Does my right hon. Friend agree that people were misled in thinking that such schemes were guaranteed?

Mr. Redwood: They were grossly misled. That is a great tragedy, as is the fact that many of their decisions were made as a result of that.

David Taylor: The right hon. Gentleman assented to his hon. Friend's comments on advice given to those about to invest in a pension scheme. Does he therefore assent to yet more regulation in a speech that is, one presumes, in favour of pruning it back?

Mr. Redwood: I am not assenting to more regulation, but saying that it can be a waste of money and time if it does not address the underlying questions of whether enough money was going into the funds in the first place, whether that money was well managed in such a way as to combat the very real risks in financial markets, and whether there was the right relationship between the employee, the company and the trustees in each case. Clearly, that was not so—the regulators either did not know or did not care.

It would not be possible to design a faultless system that guaranteed, through regulatory devices alone, that people could live in a world where final salary pension promises could be made and always met. We simply do not live in that sort of world. We have to explain honestly to people that there are limits to what one can offer and guarantee, and that there is a range of difficult choices in this field, as in many others, given that we lead our lives subject to risk. Just as one can buy the wrong house in the wrong area and the price can go down, so one can buy the wrong pension. It is unforgivable that regulators should have intervened in those judgments by giving bogus and wrong advice suggesting that a final salary guarantee is a real guarantee that can be met in all circumstances. Any sensible person would know that that is wrong. We have now lived through a series of circumstances in which many well-intentioned companies could not meet that guarantee, let alone those that may not have been so well intentioned and have also been hit by events in the markets.

The purpose of the Government's new clause is wholly admirable. It is a cross-party wish—Members on both sides of the House have made these points powerfully and often—to see something done for the people who have fallen by the wayside because they had been given final salary promises that could not be met, and are going to be broken in a very material way. I am delighted that the Government are proposing to remedy that. However, as other Members have said, £20 million a year is a very small sum of money in relation to the magnitude of the crisis. My hon. Friend the Member for Havant (Mr. Willetts) pointed out that it equates to an average of £6,700 per person. It might buy an annuity of £500 a year for a person who does not want to index it, so he would have a progressively smaller pension in terms of purchasing power over the years, or £350 a year with increases in line with prices. That is roughly what current actuarial tables would show.

Mr. David Cameron (Witney) (Con): I wonder whether I might take my right hon. Friend back to the time when he was a councillor in Witney. He may remember the company Early's of Witney, the last blanket maker in the area, which sadly closed in 2002. Although it closed its occupational pension scheme, and pensioners are not getting paid, the ultimate parent company is still operating. Do not the Government need to clarify whether the parent company, in such situations, will be affected by new clause 34?

Mr. Redwood: I am obviously disturbed to hear of the plight of my former constituents as a county councillor and my hon. Friend's constituents, who are well represented. I agree that when the Government work out the details of their scheme, they will need to give a precise view on such questions. As other hon. Members have asked whether it be fair to leave out certain categories of people because of technicalities relating to the timing of their employment and the nature of their fund compared with those of other people, given that they are all suffering from the same basic problem—a broken pensions promise.

The rather small sum of money that each person would get from the purchase of an annuity under the Government's offer is probably not much above the amount that they would get from means-tested benefits, and may in some cases be below it. It would be interesting and useful if Ministers were to clarify the net cost of the scheme to give the House an idea of how generous it really is. It is possible that quite a lot of the £400 million that the Government are proffering, some of which comes from the taxpayer, will be covered by savings on means-tested benefits that would otherwise go to those poor people who had lost their main pension and were on the basic state retirement pension.

We can all agree that more money will be needed. My hon. Friend the Member for Havant and the right hon. Member for Birkenhead (Mr. Field) have produced a good way, free to the taxpayer, of augmenting the amount that is available. I hope that Ministers will think about that. It might be a neat way out of their dilemma, as I am sure that they would join me in wishing to offer more support to the wide range of people who are suffering.

I want to explore one other suggestion that, although it is widely canvassed in the House and thought to be part of the answer, might turn out to be another promise that is broken rather than observed—that is, the idea that the appointment of a scheme manager under the new clause could produce better management of the existing assets in these inadequate pension funds, which would somehow transform the position and pay larger pensions to people who have entitlements under those funds. Having been an investment director before I came into this House, I know how difficult it is to guarantee and deliver above-average performance, and how difficult it is to make wise asset choices that will just meet the requirements of a group of people who do not

[Mr. Redwood]

have enough money kept collectively on their behalf, but would like their money to go further to buy them a better pension.

Under the new clause, the choice of the scheme manager would not be easy. Because the funds coming into the scheme are those of insolvent pension funds or pension funds in wind-up, they are very likely to be held almost entirely in the form of holdings in Government or gilt-edged securities—in other words, bonds that repay at a specific date in the future and pay a fixed rate of interest out of the consolidated fund of the country. They are as near to risk-free as one can get, short of putting one's money into a good bank and being able to withdraw it on any day one chooses at no capital loss. The actuarial advice would be that those funds have to be kept like that, given the circumstances.

If the Secretary of State wants to achieve gains over and above those that can be obtained by the current scheme managers, two things will have to happen. First, he will have to ensure that there are regulations for his scheme manager that allow him to take much greater risks with the money on behalf of these people than any investment manager and actuary combination in the private sector would dare take, because they would feel obliged to opt for very low-risk strategies for this category of investor.

Secondly, the scheme manager will have to be much better than most of the investment managers in the City of London, because he will have to get his strategy right to ensure that when markets go down, as they did in recent years, he is not invested in risky assets, and that when markets go up, if they do, he is fully invested in risky assets to try to recoup some of the money. I think that hon. Members immediately begin to see how difficult the situation is likely to be, and how unlikely. I suspect that the Secretary of State would not want the investment and risk rules that apply to his scheme manager to differ from those that apply to the professional scheme managers and investors who are out there at the moment.

However, if the Secretary of State did overcome that hurdle and say to his hon. Friends on the Back Benches, "Yes, you're right—let's have a go and let our scheme manager take some extra risks", the scheme manager would invest in equities, not bonds, because that is the obvious thing to do. They would sell Government stocks and buy equities. If there were three good years in the equity market, everybody would be happy and start spending money; if there were three bad years—perhaps they would be allowed only one—we would be back in this House debating a compensation scheme for the compensation fund because it would have lost more money out of the limited resources that had come into the scheme manager's funds from the failed private sector pensions.

Although it is welcome that the Government are producing a partial answer, we need to know the exact cost to the taxpayer. Clearly, it will not be as much as £400 million. I should like the Government to acknowledge that that sum is not nearly enough to deal with the problem. They should be generous in their definition so that it is fair to the different categories of people who have failed pensions. The Government should understand that there is no way of creating magic money out of existing assets in the failed pension funds. If there were, someone would already have done it.

It is not easy and there is much moral hazard in taking money from other companies or taxpayers to sort out the problems, difficult though they are for the people who are locked into them. I am glad that the Government have begun to understand that they have some liability because the regulators must bear their fair share of the blame.

4 pm

Mr. Derek Wyatt (Sittingbourne and Sheppey) (Lab): I congratulate my right hon. Friend the Secretary of State, my hon. Friend the Minister for Pensions and their colleagues. If I am honest, after leading the campaign for 22 months with ASW Sheerness, I was not certain even last Thursday that we would get the provision. I appreciate that Ministers worked late on Wednesday and Thursday evenings.

I have received different sets of e-mails. In one category, more than 100 say, "We didn't believe you'd ever do it", and in another, fewer ask, "Is that all?" It has been difficult for the Secretary of State because he knew the compelling arguments but could not say anything because of the moral hazard and could not give us any encouragement. I stress that we are undeniably thrilled even though more work remains to be done.

I pay special tribute to ASW Sheerness workers who have led the campaign, especially Phil Healey, Keith Plowman and Andrew Parr. Andrew Parr set up a website with the rather inappropriate address of pensionstheft.org. It is probably the first internet campaign in British politics that has succeeded in changing a Government's mind. We have a database of thousands of people throughout the country and we have been able to provide a daily update of every meeting with every Minister, adviser or consultant. The campaign has been conducted live on the net and there have been hundreds and hundreds of comments, as there were last weekend after the statement on Friday. Again, I commend Andrew Parr who has done that on his own. It was a considerable effort and I hope that other campaigns will learn from it. It has been profoundly worth while.

I thank the hon. Members for Havant (Mr. Willetts) and for Northavon (Mr. Webb) for their cross-party support. I hope that the Government and the Opposition understand how distressing it was when the Leader of the Opposition rose last Wednesday to claim some sort of control or authority over the issue when we had sought and got cross-party support. My hon. Friend the Member for East Carmarthen and Dinefwr (Adam Price) has also been very good and worked with us. Every hon. Member who had a case—120 Members have such cases—believed that there was a compelling morality about the matter. It is pleasing that the Government have accepted that. As a dear old friend said to me on the phone, "Isn't it great to be back in an old Labour Government?" There was a smile on my face when she said it.

David Taylor: My hon. Friend is all right at the moment—there are no Whips around.

Mr. Wyatt: Well, they say that humour is in.

I should like to tease out one or two issues. First, we are delighted that we have got the compensation. Even those who are upset that it is only £400 million acknowledge that it represents a scene shift. I will not mention Teutonic plates—[HON. MEMBERS: "Teutonic?"] I meant tectonic plates. Such a scene shift is important.

Secondly, hon. Members from all parties have questioned whether £400 million is enough. My hon. Friend the Member for Cardiff, West (Kevin Brennan) said that there were also assets. Let us assume that, on 30 June, the Minister will have more knowledge and a better understanding of all the schemes and can publish them and ascertain how many need help. If the £400 million means only £2 a day for 60,000 people—I appreciate that that is a crude calculation—and the addition of the assets means £5 a day, there would be genuine disappointment. We must try to resolve how else we can shift money into the fund.

Mr. Webb: Does the hon. Gentleman accept that the calculations that Ros Altmann and others made take account of the assets and that all her estimates of the cost of compensation have been over and above the total figure? We must not get carried away into believing that the assets will ride to the rescue and that the £400 million therefore deals with the problem.

Mr. Wyatt: I have worked with Ros in the past 22 months and some of her figures have come and gone a bit. I am happy to wait for the Government to publish their figures so that we can crawl all over them, but I take the hon. Gentleman's point.

Mr. Frank Field: Presumably, the Government will publish the figures soon. One worry is that we are not considering free assets because many of them have been turned into annuities. The annuities are appalling compared with people's expectations. There may not be huge amounts of assets, in the normal sense of the term, for pension funds.

Mr. Wyatt: My right hon. Friend knows far more about occupational pensions than me. Twenty-two months ago, I could hardly spell the words "occupational pensions", let alone understand them.

Mr. Tynan: That was in Teutonic times.

Mr. Wyatt: Touché.

It is serendipity, but I had Question 6 at Prime Minister's questions today. I would have congratulated the Prime Minister but asked him whether he would grant parliamentary time for a Bill on unclaimed assets if the £400 million was not enough. We will come back to that dilemma. I ask the Minister what we are going to do if the £400 million is not enough. A reasonable solution has not yet been found.

Thirdly, when will the provision come into effect? The answer is important. When I visited a widow, Mrs. Wade, who lives in Murston near Sittingbourne, she burst into tears. It was terribly distressing. I visited a man, whose name I will not mention, in Halfway in Sheerness. He has not worked since the day he was made redundant and is now clinically depressed. After the statements on Friday, people are nervous about what they really mean.

I hope that the Minister will take my remarks in the right way, but we do not have a fantastic track record on acting after saying that we will deliver something. The Child Support Agency is an example of that. When the Minister says that we will be accepting forms by 5 April 2005, I hope that the machinery will start and that he can reassure us that we have enough support staff to deal with 60,000 cases, which are complicated and require a lot of paperwork.

David Taylor: Does my hon. Friend share my reservations about such activities being put out to the private sector, which includes companies such as Capita? Does he share my hope that the arrangements, which are so necessary and will be so welcome, are kept in-house and not given to the Capitas of the world?

Mr. Wyatt: Capita is a dirty word in my constituency where it runs housing benefit, which is approximately nine months behind. I simply stress that it is important to provide a robust system that will pay the money quickly. Again, I congratulate Front-Bench Members on their actions.

Adam Price (East Carmarthen and Dinefwr) (PC): There has been much talk in the Chamber this afternoon of saints and heroes. The hon. Member for Sittingbourne and Sheppey (Mr. Wyatt) is a worthy candidate for canonisation for his sterling work on behalf of his constituents. Notwithstanding the earlier dramatic events, it is a good day for Parliament and politics. Politics works when Governments listen, however late in the day; there are legitimate criticisms on the record about that, but it is a good day for the reputation of politics. The Government have responded to what is widely acknowledged to be an important case of injustice, which has caused so much distress to so many people.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I praise the hon. Gentleman's role in this campaign. Do not these events demonstrate exactly what is necessary in our democracy—namely that people should come and see their Members of Parliament? All of us who have supported this measure have reacted because people have come to us with their personal stories, which have had an impact on us. Back Benchers across the House have acted on that and worked with the Government. This is a great demonstration of how we can work together to improve the lives of our constituents.

Adam Price: I agree. I do not want to turn this debate into a mutual admiration society, but the hon. Gentleman makes an important point. Back Benchers, especially on the Government side, have played their role admirably. I think that we would all accept, however, that the real heroes are the workers at ASW and all the other companies involved, who have run one of the most effective lobbying campaigns in the past 20 years. They have changed Government policy not once but twice.

[Adam Price]

The first change was on the principle of a pension protection fund, which the Government had considered three or four times in the last five years and rejected. That has been an important change of mind, and we welcome it. The second change has been on the specific issue of compensation for ASW and other companies. This has been a fantastic campaign, with its imaginative use of technology and its sheer determination. Who would not lose heart if they lost their job and their pension as well? Those workers have not lost heart, however. They have led this fight from the front, and they are heartily to be congratulated on what they have achieved.

I also welcome the further announcements that have been made today. To be fair, the Government have set out a very clear timetable for how they are going to move this issue on. They have confirmed that there will be another opportunity for a vote in Parliament on these measures, on an affirmative resolution. Obviously, we have some doubts about the proposals, and this vote will give us a further opportunity to overturn the Government's majority if they do not come up with the goods, as is right and proper. They have also confirmed that there will be not only an initial review after three years but triennial reviews on an ongoing basis. That is valuable new information. I particularly warmly welcome the fact that the trade unions will be involved in devising the details of the scheme. That gives Members on both sides of the House a degree of comfort as we await the publication of the details.

I believe that the Government had a responsibility in this matter. Reference has been made to the socialisation or nationalisation of risk, but I do not think that that is what has happened here. The Government were responsible because of the European directive that has been mentioned. I met officials of the Iron and Steel Trades Confederation in January last year, to point out to them that legal action had been attempted under that directive at the time of the Maxwell pensions scandal. The directive remained in force, but there had been no action by any Government on this matter—neither the previous Conservative Government nor this one. The directive was ratified in 1980 and member states had three years to transpose it into their own legislation. That never happened. The relevant article in the directive, which I urge Members to read, is very clear and concise in stating that the necessary measures should be put in place to safeguard supplementary company pensions. It could not be clearer.

As we know, we are almost unique in the world in not having some kind of safety net for occupational pensions. The Government have now plugged that gap, but it should have been done 20 years ago. In that sense, I believe that the Government had a responsibility. If it turns out that what is on the table is not going to be adequate, the unions should leave open the option to continue their legal action, because the Government clearly had a responsibility in this regard.

4.15 pm

In the argument about whether there should be a cut-off point—a starting point, effectively—the Government have suggested that April 1997 should be the initial floor for applications. I do not think that that is acceptable, given what I have just said about the directive. Most people would accept that it was the case of Allied Steel and Wire that put this issue on the agenda initially, and I have checked the regulations of the ASW pension fund. The Government are arguing that April 1997 should be chosen because that is the date on which the new rules imposing a requirement on trustees to follow the priority order set down in the Pensions Act 1995 and removing discretion came into force. In the case of ASW, however, a priority order was already in place. The kind of priority order set out in the 1995 Act had already been in existence there for many decades. In that case, therefore, the Act was not relevant.

The problem was the lack of a safety net or insurance system for occupational pension schemes. I know of cases going back to the early 1990s of people who have suffered in exactly this way, and the Government are on very shaky ground, morally as well as legally, in not providing the same level of assistance to employees in pension schemes of companies that became insolvent in 1994 or 1995. I know of one case of a botched privatisation under the previous Tory Government. Following the privatisation, the company became insolvent and the workers lost their pension assets. I also know that the Public and Commercial Services Union—a public sector union—is keen for its members to be afforded the same protection as proposed in the new clause. I therefore urge the Government to look closely at the issue of the starting point again. As I have said, their argument is not borne out by what was in the ASW regulations.

Hon. Members have raised concerns about the amount of money in the fund. Indeed, the Leader of the House hinted in *The Western Mail* this morning at the possibility of a top-up if the money was found to be inadequate. He said:

> "If we find, in the process of addressing claims, that extra changes are needed, either on the resource or administration front, we will look at that."

Will the Minister tell us whether the Leader of the House had been licensed to go outside Government policy, as he often is, or whether he was reflecting that policy? Are the Government prepared to top up the fund, from whatever source, if they find that it is inadequate? That is clearly what the ASW workers are looking for. They and all the other workers involved have had to endure terribly insecurity and distress through not knowing what their future position would be.

The Government have set out the timetable and I urge them to come up with some hard data as soon as possible, so that we can provide the level of security that those workers deserve. I know that the Minister for Pensions referred in an interview on Radio Wales to workers being guaranteed "the greater part" of their lost entitlement. Now, I am not an expert on the English language—it is my second language and I did not have a classical education—but I think that "the greater part" would suggest more than 50 per cent. Bearing in mind the comments of the hon. Member for Cardiff, West (Kevin Brennan), I think that we would all expect far more than that. Can the Minister confirm that, at the very least, we shall not see anyone get less than 50 per cent., for goodness' sake?

We in Plaid Cymru and the Scottish National party support the Liberal Democrat amendment. As a bare minimum, we should ensure that people get 90 per cent. of the pension that they were promised. There is a moral and legal case that they should get the whole amount that they expected. Certainly, now that the principle has been conceded, there is no reason why we should not provide the same level of compensation for those workers—who have changed Government policy twice—as we will do in future.

Sandra Osborne: I am aware that other Members wish to speak, so I shall keep my contribution short. I am absolutely delighted to support the new clause, which introduces yet another excellent measure by the Labour Government.

There has been quite a lot of humour in today's debate, some of which has been uncharacteristic. In the previous debate, there was quite a lot of emotion. I spoke emotionally, and I make no apology for doing so. I may have laid it on a bit thick, however, as one of my colleagues said to me today, "Don't worry about today's debate, Sandra. All you need do is burst into tears and you'll get anything you want." That remark may have been slightly sexist, but perhaps I did lay it on a bit thick.

Yet again, I want to highlight the case of the United Engineering Forgings workers. Before I do so, I want to pay tribute to their campaign, which they have carried out for almost three years. I first brought their case to the attention of the House in an Adjournment debate in Westminster Hall almost three years ago. Since that time, they have travelled the length and breadth of the country almost weekly, attending debates here, and holding marches, rallies and even an overnight vigil in Parliament square in the middle of winter—I thank Members who spoke to them at that time. They have picketed the headquarters of Prudential, met the chief executive, and taken part in television and radio interviews. Of course, they have had several meetings with Ministers, for which I am very grateful. Willie Riggins may not yet qualify as a national figure, but he is a familiar figure to my right hon. and hon. Friends, as they have seen him in so many places and at so many different times. It has been my pleasure, as well as my duty, to play a small part in that campaign.

After a time, the UEF workers came together with other workers, including those of Allied Steel and Wire, who had lost their pensions. It is a textbook case of how collective action can work. From the rank and file to trade union leaders, to Back-Bench Labour and other MPs and Ministers, everyone could immediately see the injustice of the situation. The question was: what could be done about it? I know that the Government have taken some time to find out what could be done about it—it is a very complicated issue—but I am glad that they have done so. The only problem is that, at the moment, the Government amendment does not fully answer the questions as to exactly what will be done.

UEF went into administration in June 2001, with a shortfall in its pension fund of £12 million. There were six UEF sites throughout the UK, and more than 1,000 workers. Some of the sites were sold off, but the Ayr site was taken over by a Swedish company, with no final salary scheme. The bottom line is that the UEF pension scheme is being wound up, and all will substantially lose their pensions. No matter what the circumstances are—whether a company goes into administration, receivership or insolvency—employees will either lose their pensions or not, and all cases should be dealt with equally on that basis.

The Secretary of State has promised substantial help—those were his words—but we are all now left wondering what he means by "substantial". The pension protection fund will provide 90 per cent. compensation, and that will be clear to current pension fund members as soon as the Bill is passed. But those who have already lost out were led to believe that their pensions were 100 per cent. safe. Although I very much welcome the Government assistance, it is still incredible that that can happen without anyone accepting actual liability. Everyone who has been affected still cannot believe that that can happen and that there is nothing illegal about it.

As has been stated many times, occupational pensions are part of the remuneration package agreed by employers and their employees. The majority shareholder of UEF was PPMV—an investment arm of Prudential. I eventually received an apology from the Prudential's group chief executive, Mr. Jonathan Bloomer, on the way in which the UEF situation was handled, while obviously not accepting liability.

As stated earlier, we met Mr. Bloomer twice. He offered us tea and sympathy but refused to redress the shortfall in the pension fund. That was scant consolation to my constituents who have lost their pensions, especially as we read continually about the big fat bonuses—and packages if they leave their employment—that Mr. Bloomer and others of his ilk receive. Perhaps now, Mr. Bloomer and others will accept their responsibility in this area not only to the workers but to restore confidence in pensions. They have resisted previously, possibly on the grounds of liability, but making a contribution to this fund would not make them liable, and I call on them to do so.

The UEF case is only too familiar to Members of the House, as I have outlined it previously, but I want an assurance from Ministers that the UEF workers will be accepted as part of the equation for the assistance being made available, and that both they and I will have the opportunity of input to the discussions that will take place shortly.

I also want to take the opportunity to speak for those who are not members of trade unions because their company did not have a recognised trade union: for example, workers of the Dexion group. Many of those were at managerial level and worked in companies that have never recognised trade unions. I suspect that they very much regret that now. If there is one lesson from this, it is that every worker should join a trade union.

One of the worries about the Government's amendment, because it is an enabling amendment, is that it tends to raise more questions than it answers. We urgently need those answers. I am happy that the Minister has outlined a set process that the Government will follow to bring forward those answers, with a time scale. I hope that the Secretary of State has not done inadvertently what he always said that he would not do—to raise false hopes among the workers. For those of us who have campaigned on this issue, last Friday's announcement was like manna from heaven. Of course

[Sandra Osborne]

it raised expectations—it was bound to do so—and it is perfectly reasonable that people want to know the scope of the assistance available. We all understand how complicated the situation is, but we cannot leave people in limbo with no indication of how it will work. I hope that the Minister's road map to resolve the situation is much more successful and has a quicker effect than the other road map about which we heard on a point of order earlier.

The Secretary of State has said time and again that a pension promised should be a pension delivered. We have seen a great step forward today in delivering that promise in a situation of great injustice. I very much welcome that, and I congratulate the Secretary of State on it. I said in the previous debate that if anyone could do something about this matter, it was the Secretary of State, and I thank him very much.

Sue Doughty (Guildford) (LD): I want to keep my remarks short. First, I apologise for not having taken part in these debates previously, because I did not have a constituency need. More recently, however, we have had a major problem.

Hon. Members will be familiar with Dennis buses, which we used to see on the roads as a key part of the London transport strategy, and which are now marketed as part of TransBus. That company collapsed, as part of the Mayflower collapse, in April this year. Even now, many of my constituents in the Dennis Group pension and assurance scheme still do not know the extent of the damage done to their pension. Loyal employees who enabled the company to do great things were forced, as part of their conditions of employment, to join a scheme that has now collapsed around them through no action of theirs.

4.30 pm

I received a letter from a woman constituent—as all Members know, women have had a difficult time with pensions over the years—who had to plead to join a scheme for which, as a part-time worker, she had initially been ineligible. Having joined it, she had to find a lump sum with which to buy the years of pension that were missing. Now she has been left high and dry. Another tragic case involves someone with years of service who joined a share save scheme and was also with Equitable Life. It is just not fair.

I am grateful to the Government for listening to Members' concerns and taking them on board, but I am still worried about the size of the fund. I shall not repeat all that has been said today, notably by my hon. Friend the Member for Northavon (Mr. Webb), but I am concerned about the Dennis Group pension assurance scheme. There are 130 contributing members, 305 deferred members and 150 pensioners. The trustee has calculated that the buy-out cost for just that number would be £24 million. The same trustee is handling another fund whose buy-out cost would be £80 million. All these sums will add up.

I look forward to the work that the Government are doing to put flesh on the bones of their proposals, and make this a scheme that will bring about justice. Employees such as my constituents who have given a lifetime's service to their company and made it a great business do not deserve to be treated like this.

I wrote to the Minister, who replied just before last week's announcement by the Government. I was initially depressed, because he wrote a very cautious letter about meeting people, and I thought that it was a Government cop-out. At the end, he wrote:

"It would be very cruel to raise expectations for these people who have suffered such a dramatic blow to their security in retirement if the Government cannot then provide assistance."

What I want is for the Government to provide full assistance, and to make this into a full fund so that we can give real help to people who have given a lifetime of service. I think particularly of the women who had to fight so hard for a decent pension scheme, only to see it fall away from them.

Mr. Miller: I want to put my speech in context—the context of the fantastic work being done by a Labour Government.

In 1995, the right hon. Member for Hitchin and Harpenden (Mr. Lilley) said:

"We believe that a levy on schemes is more appropriate since the benefits of well-regulated schemes accrue only to members and employers. Many taxpayers are not members of schemes, so why should they pay?"—[*Official Report*, 24 April 1995; Vol. 258, c. 527.]

The Tories were fundamentally opposed to allowing the public to pick up the liabilities from schemes.

Last week, during Prime Minister's Question Time, the Leader of the Opposition said:

"this Government have introduced legislation—to deal with a problem that has arisen under this Government."—[*Official Report*, 12 May 2004; Vol. 421, c. 352.]

That is entirely wrong, as we know from today's debate. I am on record as congratulating the hon. Member for Solihull (Mr. Taylor), who started the serious fraud investigation into the HH Robertson case. My right hon. Friend the Member for Birkenhead (Mr. Field) mentioned a case in Burnley. Early-day motion 308 in 1992 proves that the Leader of the Opposition was being opportunistic. That is a polite way of putting it; it may have been worse.

I have had a close interest in the HH Robertson case for a long time. There are now more than 1,000 entries for it in *Hansard*. I thought at one point that my hon. Friend the Minister of State was airbrushing it from history. I hope that he will not do so, for reasons that I shall try to explain. The alleged "white knight" who took over the company and then asset-stripped it left the pension fund £5 million short. After a two-year fraud squad investigation, the Serious Fraud Office could not bring criminal proceedings because—as we all know—intent is so hard to prove in such cases. In the meantime, the occupational pension fund became insolvent.

Soon after the change of Government, successive pensions Ministers—and other Ministers—engaged in constructive dealings on the case, as did the hon. Member for Solihull, but we were all stuck with the law as it stood at the time. In 1998 the hon. Member for Pontypridd (Dr. Howells), then Under-Secretary of State for Competition and Consumer Affairs, wrote to me:

"That organisation"

—the Occupational Pensions Regulatory Authority—

"has however been unable to deal with the issues at HH Robertson simply because of the timing and I do not see grounds for a further consideration of the law at the moment."

Similarly, the then Minister of State for Social Security, the right hon. Member for Southampton, Itchen (Mr. Denham), wrote:

"I am aware that this response is not what you would like to hear. I must reiterate, however, that the Government is not the guarantor of private pension funds and does not see its role as one of intervening in the debt arrangements of private companies."

That position was accepted by successive Governments because we, as a House, had failed in our responsibility when passing the Pensions Act 1995. We thought that we were creating an environment in which pension schemes would be safer for our constituents in future. It is on the basis of our failure that we should now look again at the Royal Assent that the Act received.

Mr. Waterson: The hon. Gentleman rightly mentions the 1995 Act, which established a minimum funding requirement. For the sake of completeness, however, he ought to remind the House that this Government have twice diluted the MFR since taking office.

Mr. Miller: If the hon. Gentleman accepts with me that we failed in the 1995 Act, I may accept one or two things from him.

The HH Robertson scheme was wound up in the spring of 1997, before what is perceived as the magic date of 6 April. There were suspicions that it was being brought forward to avoid the consequences of the 6th, and I can produce evidence for that.

I hope that Ministers will note what has been said today, and will not have a fixed date in their minds. The date needs to be flexible so that the results of evidence and research can be taken into account. I hope that my hon. Friend the Minister of State will bear it in mind that the breadth and depth of the scheme, how far it goes back, whom it covers, and the level of compensation remain matters for negotiation and discussion with all the stakeholders.

Mr. Nigel Dodds (Belfast, North) (DUP): My concern arises from the plight of my constituents who worked at the IFI factory in north Belfast, formerly Richardson's, and that of workers at TKECC in the constituency of my hon. Friend the Member for Strangford (Mrs. Robinson), who has led a doughty battle on their behalf. Those workers were devastated to find that their hard-won pension savings, building up a nest for their retirement, had been snatched away from them through no fault of their own.

I welcome the fact that new clause 34 has been introduced today by the Government. An important step has been taken, and I pay tribute to all who have played a major role in bringing this day about, including the hon. Members for Cardiff, West (Kevin Brennan) and for Sittingbourne and Sheppey (Mr. Wyatt), and others. I raised the matter in relation to my constituents in the Northern Ireland Grand Committee on 29 April, but I will not follow the example of some others and therefore claim credit for the Government's announcement today.

I welcome the fact that the announcement has been made. The majority of the 200-plus employees at Richardson's IFI in Belfast gave 20 or even 30 years of service, and a significant number gave even more. However, within five years of reaching their retirement, they were told that they had no jobs and, worse still, that their pensions were being put in serious jeopardy. There were similar considerations in the case of the TKECC plant.

The hon. Member for Ayr (Sandra Osborne) mentioned the emotions that were evident on Second Reading. I was present during that debate although, unfortunately, I was not called to speak, and I think that emotional is the right description of it. We are dealing with people, many of whom have worked all their lives, who are genuinely devastated and destroyed, with their families, by the terrible plight that they are in. If emotions were not raw, and Members were not standing to express and display those emotions on their constituents' behalf, we would be failing in our duty to them.

As the hon. Member for East Carmarthen and Dinefwr (Adam Price) said, politics has worked. Parliament and the Government have been shown to have responded on this issue. That is absolutely right, although there are questions over the extent of the compensation or assistance. There are serious questions to be asked in that regard. I join other hon. Members in urging the Government to go as far as they possibly can in giving full compensation to this group of workers. It is absolutely wrong to have one set of policies—one set of assistance or compensation criteria—for one set of workers, and a different set for the workers whom we are considering today. The sum that has been talked about, £400 million over 20 years, does not in my view come anywhere near to meeting the need. One of my constituents faxed me today to say that he reckoned that the figure was out by three times in value and two and a half times in length. He, too, has been working on the back of an envelope today.

There is serious work to be done on the detail, but this is a major step in the right direction in terms of the principle that has been adopted. I urge the Government to take on board the amendment tabled by the hon. Member for Northavon (Mr. Webb) on companies that are solvent and have wound up pension funds. That applies to the company, TKECC, that I mentioned. It is absolutely wrong that workers in those companies, through not fault of their own, should not receive compensation or assistance when others do. I believe that they would not understand in any way why they should be excluded.

I welcome the fact that the legislation, and the figures and amounts, will be reviewed every three years. That is extremely important, and will allow us to consider the matter in due course. Yesterday, when debating another part of the Bill, we discussed the fact that it does not, on the face of it, apply to Northern Ireland immediately. The Minister gave an undertaking that an Order in Council would be brought forward to ensure that the Bill would apply to Northern Ireland at the same time as it applies to the rest of the country. I welcome that. There should be no question of citizens in Northern Ireland receiving any less compensation than others elsewhere in the kingdom, and they should receive it at the same time.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I shall keep my remarks brief. I have suffered the experience, which I know many hon. Members have had, of receiving representations from honest, hard-working constituents who have been part of companies that, for various reasons, have not been able to meet their pensions obligations. Sigmacast, formerly known as Triplex, in my constituency—a long-standing foundry—was subjected to a management buy-out last September. The pensions fund was found to be £18 million short, and the successor company was not prepared to sponsor a successor pension fund. The result is that some 150 workers, who would have enjoyed deferred benefits, have been told that they will get nothing at all.

4.45 pm

The news of the Government new clause, presented last week, was wonderful news for those workers. I share that feeling of joy, but I also feel a certain circumspection and concern. We do not know how much there will be and we do not know whether that particular case will fit with Government guidelines. I do not expect the Minister to make a determination on this particular case at this moment in the debate, but I should like reassurance that the representations of the unions, the employees and the members will be taken into full consideration and that we will have a sympathetic response. I do not need to tell the Minister that the worst possible outcome is to raise people's expectations and then to dash them. We would expect the Government response to be consistent with the declared objectives of the proposal.

I have couple of quick, general points. First, in their consideration of funding, I hope that the Government will take into account the fact that if we do not provide adequate pension compensation—no, I shall not use the word "compensation", but say "assistance" instead—for those 60,000 who have lost their pensions, there will be a double financial whammy. On the one hand, the tax receipts that would have come from those pensions will be lost, and on the other, there will be potential benefit obligations in cases of hardship.

Secondly, I welcome the Government's commitment to working with other stakeholders to add to the fund. Regardless of the implementation of the pension protection fund, there is a potential loss to the pensions and savings industry and to the Exchequer from people who will have seen or heard the publicity about those 60,000 families and therefore decided not to invest in company pensions—irrespective of promises made, or of the implications of the pension protection fund. It is therefore essential that the Government, the pensions and savings industry and companies all work together to ensure that the fund is added to, so that there is an adequate level of assistance for those who have lost their pensions in the past.

Several hon. Members *rose—*

Madam Deputy Speaker: I call Mr. Wicks.

Mr. Tynan: On a point of order, Madam Deputy Speaker. I understand that we are on Report, and that the situation is that if a speaker is on their feet, they are entitled to be called during the debate.

Madam Deputy Speaker: I am afraid that that is incorrect. I am sorry to have to disappoint the hon. Gentleman. Mr. Malcolm Wicks.

Malcolm Wicks: We have had a good debate, and no doubt we can return to some of its themes on Third Reading. Obviously, not everyone has been able to make their contribution and I know that many would have liked to do so. For example, I see my hon. Friend the Member for Birmingham, Northfield (Richard Burden), who brought a delegation of Kalamazoo workers to see me, which very much informed our speeches. We have just had a useful contribution from my hon. Friend the Member for West Bromwich, West (Mr. Bailey). I do not think that I can even refer to every speaker in the time available, and certainly not to every point raised, although the debate has been good on both sides.

The shadow Secretary of State for Work and Pensions, who I know cannot be here now—he sent me a note to that effect—rather reminded me, given some of the debate, of the old adage that failure is an orphan but success has many parents. I should not want to prejudge the PhD thesis that will one day be written about this era of policy development, with or without the official papers, but as long as the PhD student is not being supervised at Bath university by a well-known professor, I shall look forward in my own old age—when I am receiving the £100-plus winter fuel allowance—to reading that thesis. However, the idea that the parent of this provision could possibly be the Leader of the Opposition is an extraordinary one. If anyone dare advance that claim to parentage, I will demand a DNA test immediately.

I should emphasise that right from the start of this process we have adopted the difficult but honest position of saying that we could offer no false hope; indeed, my right hon. Friend the Secretary of State has been straight with people all along. This is not a U-turn, as some have said. We have had to be cautious from the start. We have had to look at the evidence and to listen to ideas, and I am delighted to be able to introduce this assistance package. Purely for accuracy's sake, I should point out that if anyone can claim credit for this package, above the many other voices that we have heard, it is the Secretary of State. From the start, he has been absolutely determined—albeit cautiously, so that we do not raise false hopes—that we should do something if at all possible, and I pay tribute to him today.

The shadow Secretary of State asked various questions. Some of them concerned the detail, which we cannot provide at this stage. We will have discussions with stakeholders, including the trade unions, and it is important that we do so. We have talked about the scale of assistance constituting a significant or substantial proportion of pension rights, and we cannot go further at this time.

Although the shadow Secretary of State did raise some serious issues, his introduction drew rather more on the tittle-tattle of the Sunday newspapers than this important occasion deserved. He moved somewhat off course when he referred to alleged comments by me on the pension protection fund and pension rights. Those who read our proceedings in Committee will discover that we made it absolutely clear what those rights are. We had to introduce qualifications into the Bill, because in extremis one has to make provisions. There is a serious possibility that the shadow Secretary of State summarised my approach to this issue in a manner that was not very useful.

It was unfortunate that the shadow Secretary of State made somewhat patronising remarks about ASW workers celebrating the announcement of this assistance scheme. I, too, saw those scenes on television, which were touching and moving. At long last, their campaign, alongside that of others, has brought the results that our Department has doggedly worked towards.

Miss Anne Begg (Aberdeen, South) (Lab): Workers in my constituency who lost out because of the collapse of the Richards pension fund were also pictured celebrating, on the front page of my local evening newspaper. This is a major breakthrough and the Government deserve to be congratulated on it.

Malcolm Wicks: Indeed.

Mr. Dennis Turner (Wolverhampton, South-East) (Lab/Co-op): Will my hon. Friend give way?

Malcolm Wicks: Yes, but it might be the last time.

Mr. Turner: I should like to add the congratulations of workers at GKN Thompson Chassis, in Bilston, which is in the black country. They welcome this measure as we welcome the flowers in May, and they thank the Secretary of State for his intervention and for the initiative he has taken.

Malcolm Wicks: I always welcome good news from Wolverhampton. We need to look at the detail and we shall of course do so, but such workers were celebrating an important advance, excellent parliamentary representation on their behalf, and a Labour Government—be it old or new—who are delivering.

My right hon. Friend the Member for Birkenhead (Mr. Field) started off by praising Ministers. I always reach for my flak jacket when he does that, because with all due respect, I see what is coming. However, he asked some important questions, and rightly so, about which people might be covered by the provision, and about the time scale and dates. We have listened very carefully to his comments, which are based on experience, as well as to those of other colleagues. He will note that the new clause is a deliberately broad enabling provision that that omits any mention of particular dates. We will want to draw on clear principles of fairness when looking at the practicalities. I have explained the process through which our proposals are drawn up, and I repeat that we shall consult my right hon. Friend and others about these important details.

Mr. Frank Field: What the Minister has just said could affect all the amendments to the new clause. The labour resource centre received a Government briefing that gave specific dates on which the provision would and would not apply. Was that briefing merely by way of illustration, or did it reflect the Government's view?

Malcolm Wicks: It indicated our thinking on this issue. I said what I just said very deliberately, and as I have also pointed out, the provision will need to bear some relation to the Pensions Act 1995. I hope that that has reassured my right hon. Friend, and that he will consider withdrawing his amendments.

At one stage, the hon. Member for Northavon (Mr. Webb) almost seemed to suggest that this assistance constitutes charity or sympathy. There is nothing wrong with sympathy, but it butters no scones: it needs to be followed by action, and it is being followed. Alongside considerable existing scheme assets and any money that we can hopefully draw in from industry, this proper assistance scheme will provide a significant proportion of pension rights to individuals in future.

My hon. Friend the Member for Cardiff, West asked a technical but very important question about definitions of insolvency. We expect that insolvency will be defined as it is intended to be defined in the pension protection fund. This definition will include schemes that are sponsored by employers in administration and in receivership, as well as those in liquidation. We need to consider in detail the implications of the definition that we intend to use, but we are not about using technicalities or legalese to define people out of a proper assistance programme.

I was in danger earlier of awarding too many honours in my descriptions of certain hon. Members, but I am serious when I say that my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) has been a persistent, almost obstinate champion of the workers to whom he is so committed. I pay tribute to him in that regard. One photo opportunity that he helped to organise involved a group of ASW workers stripping off on the beach—mercifully, behind a banner. There is no truth in the rumour that one reason why we hastily found £400 million was to prevent my hon. Friend from taking off his clothes—be it on the beach or elsewhere.

There is a great deal of unity in the House, which has welcomed the assistance package, so I hope that those who have tabled the various amendments will consider withdrawing them. This was an injustice that needed to be righted and an unfairness that we needed to overthrow, and that is the purpose of this assistance package. Yes, we need to work on the detail, and I have explained our strategy and the milestones that we have adopted. A scheme will be in place by the spring of next year, and as soon as is practicable afterwards, it will deliver the pensions that belong to the workers, and which should be given to them.

Mr. Webb: On a point of order, Madam Deputy Speaker. Would you clarify what would happen if the right hon. Member for Birkenhead (Mr. Field) did not pursue his amendment (d)? Could the House still divide on amendments (b) and (c), which have attracted support throughout the House?

Madam Deputy Speaker: I am certainly mindful to accept a vote on amendment (c) but not necessarily on amendment (b).

Mr. Frank Field: The Minister can put his flak jacket away for the moment. It is quite clear that the Bill will go to the other place. Hon. Members who have tabled amendments are anxious that they are fully dealt with. I shall therefore not press my amendment.

It being Five o'clock, MADAM DEPUTY SPEAKER *proceeded pursuant to Order [18 May] to put forthwith the Questions necessary for the disposal of business to be concluded at that hour.*

Clause read a Second time.

Amendment proposed to the proposed new clause: (c), in line 73, at end add–

'( ) Assistance from the financial assistance scheme shall be at least sufficient to provide total benefits to qualifying members as they would have received had their scheme fallen within the scope of the Pension Protection Fund.'.—*[Mr. Webb.]*

Question put, That the amendment be made:—

The House divided: Ayes 203, Noes 339.

Division No. 181] **[5:01 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, David
Campbell, Gregory *(E Lond'y)*
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Donaldson, Jeffrey M.
Dorrell, rh Stephen
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Gummer, rh John
Hague, rh William
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson, Boris *(Henley)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Opik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Paisley, Rev. Ian
Paterson, Owen
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Pugh, Dr. John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trend, Michael
Trimble, rh David
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Ayes:
Mr. David Heath and Sue Doughty

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Blackman, Liz
Blizzard, Bob
Boateng, rh Paul
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*

Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbyn, Jeremy
Corston, rh Jean
Cousins, Jim
Cranston, Ross
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Doddhoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morley, Elliot
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Wills, Michael
Winnick, David
Woodward, Shaun
Woolas, Phil
Worthington, Tony

Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Fraser Kemp and Gillian Merron

Question accordingly negatived.

Clause added to the Bill.

Clause 265

MODIFICATION OF THIS ACT IN RELATION TO HYBRID OR MULTI-EMPLOYER SCHEMES

Amendments made: No. 216, in page 192, line 2, leave out second 'and'.

No. 217, in page 192, line 3, at end insert ', and

( ) section [Financial assistance scheme for members of certain pension schemes] (financial assistance scheme for members of certain pension schemes).'.—*[Malcolm Wicks.]*

Clause 273

PARLIAMENTARY CONTROL OF SUBORDINATE LEGISLATION

Amendment made: No. 218, in page 196, line 21, at end insert—

'( ) regulations under section [Financial assistance scheme for members of certain pension schemes] (financial assistance scheme for members of certain pension schemes);'.—*[Malcolm Wicks.]*

New Clause 20

REVIEWABLE ILL HEALTH PENSIONS

'(1) This section applies where there is an assessment period in relation to an eligible scheme.

(2) The Board may review a reviewable ill health pension in respect of a member under the scheme if—

(a) disregarding section [Effect of a review], the member would be entitled to compensation under paragraph 3 of Schedule 7 in respect of the pension if the Board assumed responsibility for the scheme,

(b) the member did not attain normal pension age in respect of the pension before the assessment date, and

(c) the pension is attributable to the member's pensionable service under the scheme or another scheme.

(3) An ill health pension in respect of a member under the scheme is reviewable for the purposes of subsection (2) if the member is entitled to the pension by reason of an award under the scheme ("the award") which was made—

(a) in the period of three years ending immediately before the assessment date, or

(b) before the end of the prescribed period beginning with the assessment date, in response to an application made before that date.

(4) Where—

(a) before the assessment date, an application was made under the scheme for the award of a pension before normal pension age by virtue of any provision of the scheme rules making special provision as to early payment of pension on grounds of ill health, and

(b) the trustees or managers of the scheme failed to decide the application before the end of the period mentioned in subsection (3)(b),

section 10 of the Pensions Act 1995 (c.26) (civil penalties) applies to any trustee or manager who has failed to take all reasonable steps to secure that the application was decided before the end of that period.

(5) Where—

(a) the award was made in response to an application which—

(i) was made on or after the assessment date, or

(ii) was made before that date but not decided by the trustees or managers of the scheme before the end of the period mentioned in subsection (3)(b), and

(b) in the absence of this subsection, the award would take effect before the assessment date,

the award is, for the purposes of determining the compensation payable under this Chapter in a case where the Board assumes responsibility for the scheme, to be treated as taking effect after the date on which the decision to make the award was made.

(6) Regulations must prescribe the procedure to be followed in relation to the review of a pension under this section and any subsequent decision under section [Effect of a review].'.—*[Mr. Pond.]*

Brought up, and read the First time.

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 21—*Effect of a review.*

Government new clause 22—*Interpretation of sections [Reviewable ill health pensions] and [Effect of a review].*

Government amendments Nos. 99, 104, 105, 111 and 145.

Mr. Pond: Given the spirit of celebration evident in our proceedings this afternoon, I hope that there is considerable agreement about how to move forward and improve the Bill. In Standing Committee, an Opposition amendment was tabled with the aim of giving the pension protection fund board the power to review any early retirements that took place in the three years prior to the assessment date, and to make retrospective adjustments where it appears that the award created an unfair advantage to certain scheme members.

We agreed to consider the essence of that amendment. These amendments introduce new clauses to review the awards of early retirement by scheme trustees or managers on the grounds of ill health.

We have specifically focused on scheme members who have retired early on the grounds of ill health, because that is the only way in which scheme members under NPA can receive the 100 per cent. level of compensation and be exempt from the compensation cap on entry to the PPF. Scheme members who have taken early retirement other than on the grounds of ill health will be subject to the 90 per cent. level of compensation and the compensation cap, so they are unlikely to be able to create an unfair advantage.

The clauses allow for the board to review certain cases of early retirement on the grounds of ill health where the award was made in the three years prior to the assessment date, or in limited circumstances where the application had been made before the assessment date. Other conditions for review must also be satisfied—for example, the member must be under normal pension age immediately before the assessment date.

The board will consider whether the original decision by the trustees or managers regarding the ill health award was based on a mistake or was made in ignorance of a relevant fact. The board will also consider whether the member should have been entitled to an ill-health award at any stage before the assessment date.

The new clause is an important addition to our moral hazard powers. It will work in conjunction with the requirement that some rule changes that were made should be disregarded in certain circumstances. Together, they will be a significant deterrent to individuals looking to take advantage of the PPF.

Amendments Nos. 99, 105 and 111 are technical amendments relating to the new clauses. Amendment No. 104 will amend clause 127, on the board's obligation to obtain valuation of assets and protected liabilities, to require prescribed information to be included in the written valuation. That may include details of some of the basis of the valuation. Amendment No. 145 will insert a new paragraph into schedule 7.

The admissible rules are the scheme rules, excluding certain recent rule changes that were made, or took effect, in the three years prior to the assessment date. If the combined effect of the recent rule changes and recent discretionary increases result in an increase to the cost of the protected liabilities at the assessment date, those changes are to be disregarded. Entitlement to compensation is based on admissible rules rather than scheme rules. That is an integral part of the moral hazard provisions, to ensure that pension schemes do not increase their liabilities in the knowledge that the PPF will be required to meet those liabilities.

If an individual has been receiving a pension and the scheme rules under which the pension was awarded are disregarded for PPF purposes, in some cases we will want to ensure that he or she can still receive payments of compensation from the assessment date. We also want to ensure that any compensation to which the individual becomes entitled will take account of scheme benefits that the individual may have already received. Regulations will set out how such a person's compensation is to be determined. The effect of the amendment will be to prevent scheme members from being inadvertently affected by the PPF admissible rules and from losing their PPF compensation or gaining unintended enhanced compensation.

Mr. Waterson: This is another anti-avoidance measure, and the Minister was kind enough to nod in the direction of the provenance of this new clause, which was one of the amendments we tabled in Committee. Ill health is a way of getting round the 90 per cent. rule and the cap. The issue was originally raised at the behest of the National Association of Pension Funds, which suggested the amendment to allow a review of early retirements.

Our amendment did not specifically mention ill health, but it is likely to be the most obvious course to achieve what is called inappropriate early retirement, unless the Minister can think of any other ways around the requirements in the Bill. The three-year rule is not without some sense. Practical difficulties will arise in the enforcement of such moral hazard powers, as the explanatory note calls them. That term may stretch matters a little far: we are talking about anti-avoidance measures to stop people taking advantage of the scheme. Indeed, in Committee, the Minister referred to the episode involving a famous individual who apparently acquired Alzheimer's disease and then made a full recovery. I am sure that there have been other, less well-publicised instances of people suffering ill health and then—thanks to the wonders of medical science—making a full recovery after they have put together a satisfactory retirement package. That would be an obvious way out of the requirements of the PPF and that concerns the NAPF, which is why we tabled the original amendment. There should be a power to investigate such matters.

The new clause would give the board the power to revoke the award of a full pension on grounds of ill health. Perhaps the Minister could be a little more precise about how that would happen. The pension could be revoked some two or three years after the event, for example. Does the Minister envisage the board demanding a medical examination? What powers would the board have to require a medical examination if the person did not consent? What attention should be paid to any changes in medical condition in the intervening period? Those are practical issues, but the principle is right: we should not allow an obvious way around the PPF regulations and ill-intentioned people could use ill health to do so.

Mr. Drew: Ministers and Opposition spokesmen are trying to address an issue that we come across in our constituencies. Occasionally, people are encouraged to leave on grounds of ill health, but if that attempt fails they may be granted early retirement. That does enormous damage to pension schemes, and anything that can be done to tighten up procedures is welcome. However, does the hon. Gentleman agree that difficulties arise when people's situations are judged retrospectively? I do not know how we can reflect that in the law, because it comes down to the morality of the case. I am not sure about the term "moral hazard", but the problem needs to be addressed.

Mr. Waterson: That is a fair point. The decision to make the full award of a pension on grounds of ill health is taken at a certain moment in time, and the new clause would provide that that decision could be re-examined some years later. As I understand it, the board will try to put itself in the position of the scheme at the time that the decision was made, not at any other point in history. The obvious example is stress, the 21st century disease. In many cases, the effects of stress are very real, but it can also cover many other situations. Of course, it would be perfectly easy to argue that a high-flying executive had to retire due to ill health caused by stress, but that when the reasons for the stress were removed—whether the pressures of the job or worries about the pension—it would not be surprising that they made a reasonably good recovery.

Although we have no problem with the intentions behind the new clause, some real practical issues are involved and it would be helpful if the Minister could consider them in any further comments he makes. However, we broadly support the new clause.

Mr. Pond: The hon. Gentleman and my hon. Friend the Member for Stroud (Mr. Drew) are right to raise the practical issues. We are all agreed on the principle. We need to make sure that the board acts fairly when making assessments. There will be people—described by the hon. Member for Eastbourne (Mr. Waterson) as "ill-intentioned" individuals—who may try to abuse the system, but many more will have had to retire early on ill-health grounds and we want to protect their position.

We shall introduce regulations that set out precisely the procedure that can be used. I do not want to anticipate the regulations in too much detail, but there could be circumstances where medical evidence will form part of the evidence needed by the board to make its judgment. The board will need to ensure that all relevant evidence is taken into account and that an award is not made on an incorrect basis, especially because in almost all cases such decisions will be made after the event, as my hon. Friend the Member for Stroud said. We need to ensure that judgments are made fairly and that people have confidence in the way that they are made.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

5.30 pm

New Clause 21

Effect of a Review

'(1) This section applies where, during an assessment period in relation to an eligible scheme, the Board reviews an ill health pension under the scheme by virtue of section [Reviewable ill health pensions].

(2) Where the conditions of subsection (3) are satisfied, the Board may determine that the compensation payable in respect of the pension, in a case where the Board assumes responsibility for the scheme, is to be determined in the prescribed manner on and after the relevant date.

(3) The conditions are—

(a) that the annual rate of compensation which would be payable under this Part in respect of the pension at the assessment date, if the Board assumed responsibility for the scheme, exceeds the notional reviewed rate of compensation in respect of the pension,

(b) that the Board is satisfied—

(i) that the decision to make the award was made in ignorance of, or was based upon a mistake as to, a material fact relevant to the decision,

(ii) that, at the time that decision was made, the member knew or could reasonably have been expected to know of that fact and that it was relevant to the decision, and

(iii) that, had the trustees or managers known about, or not been mistaken as to, that fact, they could not reasonably have decided to make the award, and

(c) that the Board is not satisfied that the criteria in the admissible rules governing entitlement to early payment of pension on grounds of ill health were satisfied in respect of the member at any time after that decision but before the assessment date.

(4) For the purposes of subsection (2) "the relevant date" means the date during the assessment period on which a scheme valuation in relation to the scheme becomes binding.

(5) The power to make a decision in respect of the pension under subsection (2) may only be exercised at a time which falls—

(a) during the assessment period but before the time the Board first approves a scheme valuation under section 128 in relation to the scheme, and

(b) within a reasonable period beginning with the assessment date or, where the decision to make the award was made at a later date, that date.

(6) Regulations made for the purposes of subsection (2) may, in particular, include provision applying any provision of Schedule 7 with such modifications as may be prescribed.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 22

Interpretation of Sections [Reviewable Ill Health Pensions] and [Effect of a Review]

'(1) For the purposes of sections [Reviewable ill health pensions] and [Effect of a review]—

"admissible rules" is to be construed in accordance with Schedule 7;

"assessment date" means the date on which the assessment period begins;

"ill health pension", in relation to a scheme, means a pension which, immediately before the assessment date, is a pension to which a person is entitled under the admissible rules in circumstances where that entitlement arose before normal pension age by virtue of any provision of the admissible rules making special provision as to early payment of pension on grounds of ill health;

"normal pension age", in relation to a scheme and any pension under it, means the age specified in the admissible rules as the earliest age at which the pension becomes payable without actuarial adjustment (disregarding any admissible rule making special provision as to early payment on the grounds of ill health) and sub-paragraphs (2) and (3) of paragraph 30 of Schedule 7 apply in relation to this section as they apply in relation to that Schedule;

"notional reviewed rate of compensation", in respect of an ill health pension, means—

(a) the annual rate of compensation which would be payable in respect of the pension at the assessment date, if the Board assumed responsibility for the scheme and the compensation so payable at that date was determined in accordance with regulations under section [Effect of a review](2), or

(b) if no such compensation would have been so payable at that date, nil;

"scheme rules" is to be construed in accordance with Schedule 7;

"scheme valuation", in relation to a scheme, means a valuation under section 127 of the assets and protected liabilities of the scheme as at the time immediately before the assessment period begins.

(2) For the purposes of section [Reviewable ill health pensions](4)—

(a) the definition of "normal pension age" in subsection (1), and

(b) sub-paragraphs (2) and (3) of paragraph 30 of Schedule 7 as they apply by virtue of that definition,

have effect as if the references in those provisions to the admissible rules were references to the scheme rules.

(3) Paragraph 33(4) of Schedule 7 (references to "ill health" to be construed in accordance with regulations) applies in relation to sections [Reviewable ill health pensions] and [Effect of a review] and this section as if, in that provision, the reference to that Schedule included a reference to those sections and this section.

(4) In those sections references to the Board assuming responsibility for the scheme are to the Board assuming responsibility for the scheme in accordance with this Chapter at the time the assessment period in question comes to an end.'.—*[Mr. Pond.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 23

REFERRAL OF QUESTIONS OF LAW

'The PPF Ombudsman may refer any question of law arising for determination in connection with—

(a) a reviewable matter referred to him by virtue of regulations under section 196, or

(b) a matter referred to him by virtue of regulations under section 197,

to, in England and Wales, the High Court or, in Scotland, the Court of Session.'.—*[Mr. Pond.]*

Brought up, and read the First time.

Mr. Pond: I beg to move, That the clause be read a Second time.

The new clause builds on an Opposition amendment tabled in Committee and accepted in principle at that time. I am extremely disappointed that the hon. Member for Tatton (Mr. Osborne) is not with us for this part of our proceedings, as in time the provision may come to be known as the "Tatton amendment", as opposed to "amendments in tatters", the fate of many of the amendments proposed by the hon. Gentleman in Committee. When people at bus stops discuss the role of the pension protection fund ombudsman, the name of the hon. Gentleman will fall from their lips.

Clauses 196 and 197 provide for the pension protection fund ombudsman to consider and make determinations on reviewable matters and complaints of maladministration that have been referred to him following the two-stage PPF internal review process. From time to time, the pension protection fund ombudsman, to whom I shall refer henceforth as the PPFO, may be asked to make a determination on a case involving a complex point of law on which he or she needs advice. The new clause enables the PPFO to refer such questions to the High Court or the Court of Session in Scotland. The PPFO will take the Court's ruling into account when making his or her determination. That approach is in line with the powers in place for the pensions ombudsman under section 150(7) of the Pension Schemes Act 1993, which enable him to seek advice on points of law or to clarify the limits of his jurisdiction in a particular case.

I have acknowledged the role of the Opposition in bringing forward the new clause, but we have extended the scope of their original amendment by enabling the PPFO to ask the Court's advice on points of law arising from an alleged maladministration case as well as a reviewable matter. We believe that is the right approach, given that complaints of maladministration can progress into a reviewable matter question involving a point of law and vice versa.

Mr. Waterson: As the Minister has pointed out, the new clause builds on an amendment that we tabled in Committee. However, I should not like Members to run away with the idea that that was a typical theme of our proceedings. I cannot help but feel that, had Ministers been more open to accepting our amendments, the Bill that leaves this place would be much better.

The whole issue of the PPF ombudsman—or the PPFO, as we must now refer to him—is just one part of the rather complex bureaucracy that the Bill will erect. It is a matter of great sadness, especially to the hon. Member for Northavon (Mr. Webb), that no amendment pertains to the determinations committee: those faceless men and, no doubt, women who will have a major role to play in enforcing the Bill when it becomes law.

As the Minister pointed out, we have my hon. Friend the Member for Tatton (Mr. Osborne) to thank for the new clause. It is fair to say that, when he argued the case for the proposal in Committee, he seemed to be pushing on a relatively open door. It seems clear—the Minister confirmed this in his opening remarks—that there will be not only a pensions ombudsman, as currently, but a PPF ombudsman. It is important to realise that we are producing ombudsmen and women in significant numbers these days.

Just to confuse matters, in another rare moment of openness to argument from the Opposition in Committee, Ministers conceded that they were seriously considering the prospect of that being one and the same person. I do not know how far the discussions with the current ombudsman have progressed, but that suggestion would make a great deal of sense because a lot of the functions are very similar. It seems a little odd to reinvent the wheel and have a completely different ombudsman for the PPF, along with all the associated administration.

As the Minister indicated, the only point behind amendment No. 538, which we moved in Committee, was to try to ensure that a power that is already available to the pensions ombudsman would be available to the PPF ombudsman. In Committee, the Minister kindly said that he would consider that proposal if we withdrew that amendment, which we duly did, and it is now back in almost identical wording. As the Minister said, this is the Tatton amendment, and if my hon. Friend achieves nothing else in politics, which I think most unlikely, he will have this to tell his grandchildren about.

We welcome the new clause. It started off as our amendment, so it would be churlish, even by my standards, to oppose it.

Mr. Pond: I am delighted that the Opposition accept the new clause, which is based on their own original amendment. That comes as a surprise to us all.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

Clause 97

MEMBERSHIP OF THE BOARD

Mr. Waterson: I beg to move amendment No. 25, in page 67, line 32, at end insert—

'(4A) Any person appointed as an ordinary member shall have knowledge and understanding of—

(a) the law relating to pensions and trusts,

(b) the principles relating to—

(i) the funding of occupational pension schemes, and

(ii) investment of the assets of such schemes, and

(c) such other matters as may be prescribed'.

[Mr. Waterson]

Again, this is an echo of an amendment that we tabled in Committee. On the face of it, the amendment might be thought wholly unobjectionable because all it modestly suggests is that members of the board

"shall have a knowledge and understanding of"

things such as

"the law relating to pensions and trusts"

and the principles for funding schemes and

"the investment of the assets of such schemes".

One would have thought that those were necessary requirements to become a member of the new organisation's board. Certainly, the feeling in much of the industry was that it would be worrying if those people did not have such qualifications—perhaps not all of them. One needs a suitable blend of people with knowledge of investment, funding and so on, and perhaps with a legal background. It is a matter of sadness—*[Laughter.]*—and of some hilarity to Labour Members, but lawyers occasionally have something to contribute.

John Robertson: Name them.

Mr. Waterson: The hon. Gentleman is putting me on the spot. Perhaps I could write to him.

Although the Minister gave some explanation in Committee that the Government envisaged that the board members will have the knowledge to carry out their role and that they might undertake training, they seemed unwilling to say so in the Bill. They assume that the appointments procedure will ensure that people have the relevant qualifications. That is fine and I am delighted to hear it, but a further safeguard is needed. Those people will wield enormous powers and be in charge of enormous resources. There are concerns about their powers to make restoration orders and so on. Indeed, there is much controversy about that in the business pages of the newspapers. We need to ensure that the right people are in charge.

I commend the amendment to the House, because it would set the minimum requirements for anyone who wants to become a member of the board. To put it bluntly, we do not want a bunch of the Prime Minister's cronies appointed. We do not want his former flatmates or his chums from the intelligence community. We want people with genuine independence and experience, with a genuine knowledge and understanding of their tasks.

John Robertson: I could not resist taunting the hon. Gentleman, and I have decided to participate in the debate.

On the face of it, the amendment appears to be fairly innocuous. It says:

"Any person appointed as an ordinary member shall have knowledge and understanding of . . . the law relating to pensions and trusts".

The magic word "lawyer" comes to mind. My concern is no reflection on any hon. Member, especially my hon. and learned Friend the Member for Redcar (Vera Baird), who is obviously very good and much better than any Opposition Member.

Why would we want lawyers involved? Is it because they know everything about the law and its intricacies? It has been said many times that if someone talks to two lawyers, he will get two different answers—so if we had half a dozen lawyers together, we would get half a dozen different answers and would never get anything accomplished. I would amend the amendment by stipulating "as long as it does not apply to lawyers". Perhaps then I would not have a problem with it.

The amendment also refers to

"the principles relating to . . . the funding of occupational pension schemes, and . . . investment of the assets of such schemes, and . . . such other matters as may be prescribed".

Some of the people who would be qualified to take on the job are probably the same sort of people who caused the problem in the first place. Would you, Madam Deputy Speaker, want to employ a lawyer who caused the problem in the first place and ignore the people who are suffering? Trade unions and ordinary lay members should be on the board. It is important that ordinary people are represented. We talked at great length about what we are doing for the ordinary people. The same people should be on the board. It is important that they are listened to.

I have once again made my point about lawyers. If they want to write to me and tell me what they do, that is fine; I shall write to them and tell them what they do not do. In that way, we will get on very well.

My hon. Friend the Minister should not accept the amendment. It would encourage the people whom we least want to encourage to be on the board.

Mr. Peter Pike (Burnley) (Lab): The hon. Member makes an interesting point. Perhaps he would like to consider what happened as a result of the Belling pension fund fraud. The fund collapsed in 1992 and 200 people who went to prison for making it go bust were solicitors—legal people.

John Robertson: I thank my hon. Friend for that. He makes my case for me.

Would the amendment have the effect of requiring people to take an exam to quality for the board? Would they have to do a written test to prove that they have the knowledge and capabilities to be on it?

Mr. Waterson: We are not suggesting an exam. The hon. Gentleman might wish to reflect on the fact that he is, presumably, supporting parts of the Bill that require trustees to have some qualification. I am relieved to hear that the trustees of our very own parliamentary pension scheme recently sat an exam, which they all passed.

John Robertson: I would like to find out how those people did in their exams and whether they got an A, B or C. Were they the best people available or were they the only ones available to sit the exam, which would mean that no one could fail them?

5.45 pm

The hon. Member for Eastbourne (Mr. Waterson) is trying to look after his own in the so-called innocuous amendment. He lambasted many of my colleagues in the

trade union movement and, for that matter, ordinary people. I urge my hon. Friend the Minister to do exactly what I would do with it, and not accept it.

Mr. Webb: As I often say before making a speech, I had not planned to say anything.

The amendment is a tease because it requires the board of the pension protection fund to have at least the same knowledge as trustees of a scheme. Given that the PPF is a dirty great pension fund, in which the assets of wound-up pension schemes have been slopped together—presumably to be managed by someone and overseen by the board—I would be horrified if the members of its board did not know anything about pensions. Granted, they do not have to be lawyers; we do not expect trustees of our own scheme to be lawyers, although I suspect that many of them are. It would, however, be incredible if we did not expect PPF board members to have a basic knowledge of pensions law. We are in danger of forgetting the purpose of the PPF. Over time, its assets could build up substantially before they start to fall.

John Robertson: Lest I did not make myself clear, the board members do not have to be lawyers entrenched in pensions law. There are plenty of people in other spheres of business with similar experience. Trade unions deal with the trustees of pension funds. My hon. Friend the Member for Hamilton, South (Mr. Tynan) was a trustee of a pension fund, and he is one of the many people who have such experience. They do not have to be lawyers.

Mr. Webb: The hon. Gentleman makes my point for me. Trade unionists who are pension fund trustees are already obliged under the Bill to satisfy provisions duplicated in the amendment. It is not unreasonable to expect trade unionists, members of the public or anyone else who takes responsibility for potentially billions of pounds-worth of assets to be clued up about pensions so that the workers, about whom we are all worried, get their pensions. I accept that they do not have to be lawyers, but the amendment does not specify that they should be.

Mr. Michael Weir (Angus) (SNP) *rose—*

John Robertson: The hon. Gentleman is a lawyer.

Mr. Webb: I had better be careful, then.

If the amendment did make such a requirement, every trustee of every pension scheme would have to be a lawyer, which is clearly not the Government's position.

Kevin Brennan: Is the amendment not otiose, because appointment to the board of the PPF is a public appointment whereas the appointment of trustees of pension schemes is a private appointment?

Mr. Webb: I cannot understand why we would want to allow the public sector to employ someone who did not understand what a pension was, what investment returns were, or how the law worked.

Kevin Brennan: Would appointments not come under the remit of the Commissioner for Public Appointments, and would therefore have to meet certain minimum standards in any case?

Mr. Webb: They probably would, but I am not sure whether that is wholly reassuring.

Mr. Weir: The hon. Gentleman and the Members arguing against him are all dancing on the head of a pin. I agree with some of the remarks of the hon. Member for Glasgow, Anniesland (John Robertson), but as a lawyer I would be horrified to be asked to advise on pensions law. The assumption that all lawyers know a great deal about pensions law is as flawed as the assumption that trade unionists, for example, do not know about it. Individuals who deal with pensions day in, day out, are the proper people to serve on the board. They should have a knowledge of pensions, whether lawyers or otherwise.

Mr. Webb: We are in danger of becoming obsessed with lawyers. The amendment does not refer to lawyers. It merely refers to knowledge of

"the law relating to pensions and trusts".

I cannot remember the number of members of the board of the pension protection fund. I am open to hand signals, as long as it is not two. The serious point is that if we are speaking about a fairly small number of appointments—10, say—it is entirely appropriate to expect just 10 people to have those skills.

We were worried about the requirement as it relates to trustees. I know that the hon. Member for Bournemouth, West (Sir John Butterfill), who represents our interests as chairman of the trustees of the parliamentary fund, is worried about such an amendment as it relates to every trustee of every scheme, because that would mean that vast numbers of people had to have the required level of knowledge. Surely if we are talking about only 10 people, it is not unreasonable to suppose that we could find 10 people who knew what they were talking about to run the PPF.

Mr. Pike: I was elected as a director of the Philips pension fund before I became a Member of the House. Immediately after I was elected, I and all the members of the work force who had been elected as worker representatives received the necessary training. If someone from the trade unions or the work force did not meet the criteria, would it not be possible to provide them with training? They do not necessarily need to be fully qualified before they become a member of the board.

Mr. Webb: That is a fair point. The hon. Gentleman had the joy of not being a member of our Committee. The point was raised in Committee on the set of provisions relating to general trustees. As I recall, it was acknowledged that a member of the board would not have to have the required knowledge and understanding on day one, but would be expected to acquire it, as the hon. Gentleman suggested.

Whereas trustees are generally volunteers and may not be paid, I would guess, in the case of many pension funds—

Mr. Tynan: I thank the hon. Gentleman for giving way. There was legislation to ensure that trustees were representative of employees as well as management in the company. There was also legislation to ensure that people had the opportunity to become trustees and to be trained after they were elected to the board. The hon. Gentleman seems to be talking himself into supporting

[Mr. Tynan]

the amendment. I would be concerned about that because it is so specific, and there is a danger that it would prevent people from being involved.

Mr. Webb: I will not drag the debate out more than an hour and eight minutes. The arguments that we are now hearing would apply far more to what is in the Bill, which hon. Members on the Government Benches have accepted as requirements of every trustee of every pension scheme in the country, whereas the amendment applies only to the 10 professionals, every one of whom will presumably be paid a salary—a good salary. If Labour Members are willing to accept the conditions in relation to vast numbers of volunteers, we should surely accept the same condition in relation to perhaps 10 well-paid professionals who will be in charge of a very large pension fund.

John Robertson: The issue of professionals has re-entered the discussion. We want everyone whose pension might be affected to be included. Trade unions do that for the ordinary worker, as do lay people who are members of the board of pension trustees. If we go down the road of professionals, the lay person would automatically be discounted, unless he happens to be a lawyer.

Mr. Webb: Perhaps I am not making myself fantastically clear. I appreciate that the debate has a slight "after the Lord Mayor's show" feel to it, but I shall try to clarify my argument. The hon. Gentleman must be happy with the provisions in the Bill relating to trustees, because he voted for them or failed to vote against them. They provide the same hurdle for trustees—all trustees—and he is happy with that. Lay people do not necessarily have those skills, but they can acquire them although they are not lawyers. The hon. Gentleman does not regard that point as a particular hurdle, but he thinks that expecting the people who are paid to look after the pension protection fund to know what they are doing is a huge hurdle.

I have clearly dismally failed to make my point, but at least I feel better about it. It is entirely appropriate that the small number of people whom we expect to perform that important job—they will also be paid good money to do it—are as able to understand pensions and investments as the trustees of schemes up and down the land, which is why I hope that the hon. Member for Eastbourne does not withdraw his amendment.

Mr. Pond: I must begin with a warning to my hon. Friend the Member for Glasgow, Anniesland (John Robertson), which was passed to me by the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), who is a lawyer. My hon. Friend the Member for Glasgow, Anniesland asked the hon. Member for Eastbourne (Mr. Waterson) to write him a letter stating what he considers to be the good things about lawyers, but as the hon. Member for Eastbourne is a lawyer himself, my hon. Friend will probably be charged for it.

The hon. Member for Northavon (Mr. Webb) will remember that the PPF board must have a minimum of seven members, whom we expect to be people of standing and understanding. It may well be that some of those people are trade unionists, but we do not expect members of the board to represent particular groups. They are there to represent the interests of pension members across the board and nobody will be ruled out from that process.

This afternoon, the hon. Member for Eastbourne and I hardly need to be separated by the red lines on the carpet that are two sword lengths apart. The Opposition originally proposed the measure in Committee, and we entirely agree with the principle. The hon. Member for Tatton (Mr. Osborne) is probably not in the Chamber this afternoon because he is on the phone sharing his joy with the newspaper in Tatton that the Government agree, in principle at least, with so many of his proposals.

Having said that, I ask the hon. Member for Eastbourne to withdraw the amendment because it is not necessary. The members of the PPF board will be appointed to a number of specific roles, and the appointments must be based purely on the knowledge and experience required to fulfil those roles. The members of the board will have or will be able to acquire the knowledge and understanding to carry out those roles properly. That approach, along with a range of other measures that we have introduced, ensures that board members must not only demonstrate their knowledge in order to be appointed to the board but, as the hon. Member for Northavon says, develop their knowledge and understanding over time. Board members' performance will be reported on regularly, because the Government are keen on performance standards and we want board members' performance standards to improve, just as we want improvement in other areas of public service.

The package of measures achieves the same outcome as the amendment, and I would even argue that it goes further than that.

Mr. Webb: By refusing the amendment, the Minister leaves himself the option of appointing people who do not satisfy, or who would not be expected to satisfy, those conditions. Why does he want to keep that option open, because that is the effect of refusing the amendment?

Mr. Pond: We have not left ourselves the option of appointing people who do not fulfil the requirements. We expect PPF board members to fulfil the requirements in the same way as trustees.

Kevin Brennan: Is it not the case that if these are indeed public appointments—perhaps my hon. Friend can confirm that—it is a legal requirement that they be appointed on merit, and will therefore have to be the best people for the job?

Mr. Pond: My hon. Friend is correct on that, as on so much else this afternoon. Of course, these appointments will be made through the normal procedure for public appointments, and we will expect the people so appointed to have the abilities and characteristics that are necessary to fulfil their function and to ensure that the PPF provides the level of protection to scheme members that hon. Members want it to achieve.

6 pm

Mr. Waterson: It does not take much to reveal the latent hostility towards lawyers that exists in some parts of this House. I have been accused of many things—in this case, of looking after my own. It might interest the hon. Member for Glasgow, Anniesland (John Robertson) to know that although I am indeed a lawyer, I am a shipping lawyer, so I doubt that I would be much use to the average pension fund and I would certainly not be much use to the board, although I suspect that the prospects of my being appointed to it under the current regime are pretty slim. *[Interruption.]* It is suggested that I could pass the exam. I have passed lots of exams in my time, but that does not make me a good person.

Mr. Webb: Do not be so hard on yourself.

Mr. Waterson: I thank the hon. Gentleman. I am sorry, but it is getting late in the day and my enthusiasm for pensions is waning rapidly.

In their fury at the legal profession, hon. Members misread my amendments. I am not suggesting that a board member has to be a qualified lawyer, actuary, accountant or anything similar, or even that he has to possess an AS-level in pension fund management, but merely that he has to have a knowledge and understanding of some or all of these matters. I presume that board members will be screened. I am sure that Ministers are not going to get them out of a bus queue, although that must be where they get Ministers from.

Malcolm Wicks: We are very ordinary people.

Mr. Waterson: Who could argue with that?

These people will probably be quite well paid—unlike, as the hon. Member for Northavon (Mr. Webb) pointed out, many current trustees of pension schemes, particularly smaller ones, many of whom are volunteers. One of the many unfortunate side effects of the Bill is that trustees of pension schemes will be professionalised as a result of the very firm, detailed and onerous requirements placed on them, which are supported by, or at least acquiesced in, by the hon. Member for Glasgow, Anniesland. Like the hon. Member for Northavon, I am bemused as to why the people running this super-pension fund should be any different.

Vera Baird (Redcar) (Lab): Before I go any further, the hon. Gentleman does not have to believe a word I say, because I am of course a lawyer.

There is a major distinction to be drawn here. People who are appointed to be trustees may not necessarily have the kind of qualifications or understanding that the hon. Gentleman would require, but provisions exist for training them. They should be representative. It will obviously be necessary to ensure that a person is capable of running the pension fund before appointing them to do so. The word "otiose" was used before, and that is the right word to apply to the amendment. The hon. Gentleman is worrying about nothing.

Mr. Waterson: "Otiose" is one of those good lawyer's words that 90 per cent. of the population do not understand. "Surplus to requirements" is probably a better way of putting it. I take the hon. and learned Lady's point. I may be making a fundamental error in referring to a pension fund or a pension scheme, because when the Minister was asked in Committee, in the light of the deep concerns of the actuarial profession, who rarely get very excited about anything, whether this was an insurance scheme or a pension fund, he famously replied, "Neither." We still do not know the real answer to that question. Regarding these people as super-trustees of a super-pension scheme may be misleading, but they will have, on any view, some very significant responsibilities.

As is often the case with amendments, it comes down to whether the proposal is needed or otiose. In Committee and today, the Minister has assured me that he agrees with every word of the amendment and that it deals with matters that not only should but will be required of board members. I am prepared on this occasion to take him at his word. However, if any former flatmates of the Prime Minister pop up on the board I shall have something to say about the matter, possibly in an Adjournment debate. For the moment, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 99

BOARD'S FUNCTIONS

Amendment made: No. 97, in page 68, line 19, after 'Part' insert

'and any provision in force in Northern Ireland corresponding to it'.—*[Mr. Pond.]*

Clause 102

INVESTMENT OF FUNDS

Amendment made: No. 98, in page 70, line 1, leave out from 'Fund)' to end of line 2.—*[Mr. Pond.]*

Clause 118

PROTECTED LIABILITIES

Amendment made: No. 99, in page 79, line 41, after 'in' insert

'sections [Reviewable ill health pensions] to [Interpretation of sections [Reviewable ill health pensions] and [Effect of review]] and'.—*[Mr. Pond.]*

Clause 124

BOARD TO ACT AS CREDITOR OF THE EMPLOYER

Amendment made: No. 100, in page 83, line 24, leave out 'owed' and insert 'due'.—*[Mr. Pond.]*

Clause 125

PAYMENT OF SCHEME BENEFITS

Malcolm Wicks: I beg to move Government amendment No. 101, in page 84, line 7, leave out 'for that period'.

Mr. Deputy Speaker (Sir Michael Lord): With this we may take the following: Government amendments Nos. 102 and 103.

[Mr. Deputy Speaker]

Amendment No. 26, in page 232, line 15 schedule 7, leave out from 'means' to end of line 17 and insert '90 per cent.'.

Amendment No. 27, in page 232, line 24 schedule 7, leave out sub-paragraph (7).

Government amendment No. 144.

Amendment No. 28, in page 247, line 42 schedule 7, leave out '2.5 %' and insert '5 %'.

Amendment No. 31, in page 249, line 19 schedule 7, leave out paragraph 29.

Malcolm Wicks: First, I will deal with the Government amendments, which are all minor drafting amendments.

Amendments Nos. 101, 102 and 103 amend clause 125 on the payment of scheme benefits. Amendment No. 101 clarifies the wording of subsection (2). Amendment No. 102 ensures that the power to make regulations permitting postponement of a person's entitlement to a pension during the assessment period may also permit postponement of a person's entitlement to a lump sum from the scheme.

Amendment No. 103 provides a definition of the term "normal pension age" that is used in clause 125(4). Amendment No. 144 clarifies the drafting in paragraph 14 of schedule 7 regarding the calculation of the revaluation amount in determining entitlement to lump sum compensation under paragraph 14. I ask hon. Members to accept the Government amendments.

Amendment No. 26 would reduce the pension protection fund compensation from 100 per cent. to 90 per cent. for scheme members over normal pension age, members under normal pension age who receive a pension on the ground of ill health and those who receive survivors' benefits before the assessment date. The amendment would mean that everyone would get the 90 per cent. level of compensation.

Amendment No. 27 would increase the level of PPF compensation to 100 per cent. for those members under normal pension age at assessment date who had taken early retirement but not on the ground of ill health. Amendment No. 31 would remove the Secretary of State's power to vary the PPF compensation percentages.

When a scheme enters the PPF, the majority of those members who already receive their pension will get 100 per cent. compensation. We believe that there are compelling reasons why older people who are some way into their retirement, survivors who already receive benefits and those who have retired early on the ground of ill health should receive the 100 per cent. level of compensation. The hon. Member for Eastbourne (Mr. Waterson) will have to explain why he does not agree with that. Those people are significantly less likely to be able to find work again, and so, crucially, the current priority order rules fully protect them.

Amendment No. 26 would cut the benefits of existing pensioners if their scheme should enter the PPF by reducing the 100 per cent. level of compensation to 90 per cent. For the reasons that I have just outlined, we do not consider such an approach to be fair. We also believe that the arguments for less than 100 per cent compensation for those over normal pension age, survivors who already receive benefits and those who have retired on the ground of ill health are less relevant.

One of the purposes of the 90 per cent. level of compensation is to give an incentive to the employer, company decision makers and those with influence, most of whom are much more likely to be below the scheme's normal pension age and may have an interest in keeping their scheme out of the PPF.

Mr. Webb: I understand that the reason for the rule about people who are "retired" but under normal pension age is to try to stop people in the know getting 100 per cent. rather than 90 per cent. However, what about the innocent person under the normal pension age who draws a pension for reasons other than health grounds? Perhaps that person has taken an actuarially—I got into trouble for using that word yesterday—reduced pension. Why should not such people get 100 per cent. of that pension?

Malcolm Wicks: In taking this approach, we want to make the PPF regime as simple as possible so that it can be administered inexpensively. We are keen that those who are not of pensionable age should get 90 per cent. I accept that there is a broad-brush nature to this approach and—inevitably, I guess—some rough justice, but we do not want to get into a situation in which we have to assess individual entitlements in the way that the hon. Gentleman suggests.

The 90 per cent. level of compensation also prevents abuse from members taking early retirement other than on the ground of ill health, and guards against levy payers subsidising schemes that manipulate the rules to gain access to a 100 per cent. level of PPF compensation. If the PPF were to apply 100 per cent. compensation to those scheme members who have taken retirement early on grounds other than ill health, there would be an approximate increase to the PPF levies of £10 million per year. Therefore we should not favour a single percentage level for all, as that would unfairly cut the benefits of existing pensioners and remove an incentive for employers, company decision makers and influencers to keep their scheme out of the PPF.

Amendment No. 31 seeks to remove the Secretary of State's power to vary the levels of PPF compensation percentages. That would remove one of the checks and balances, albeit one that would be used only in the most extreme cases, but it would undermine levy payers' confidence in the sustainability of the PPF for the long term. Pension scheme members can have confidence in the protection that the new PPF will provide, but businesses also need to have confidence that checks and balances are built into the structure of the PPF to ensure that the cost of the levy cannot rise exponentially in the future.

Mr. Webb: Does the Minister not accept that there is already a safeguard against what he just called exponential rises, because there is already a cap on the

increase from one year to the next? The costs cannot go up exponentially anyway, so why do we need this further provision?

Malcolm Wicks: It is a question of having the right number of checks and balances in the system, and we think that this is an important additional one.

Mr. Waterson: The Minister says that this measure would come into effect only in extreme circumstances, but presumably the only relevant circumstances—whether we characterise them as extreme or otherwise—would be that there was not enough money in the PPF. If the Government are intent on saying that they are not standing behind the PPF, surely those are the only possible circumstances. We can call them extreme or not, as the case may be, but whenever and however they arose, those would be the circumstances.

Malcolm Wicks: We are now rehearsing issues that we have rehearsed many times.The Government are confident that the way in which we are establishing the PPF, with the levy system and the ability of the board to increase the levy subject to certain limits—another check and balance—will give us a PPF that is properly funded and which can meet ongoing pension liabilities. We are obviously confident about that, but it is prudent to safeguard against extraordinary eventualities. That is why we are putting these checks and balances into the system. We can argue whether the figure should be 100 per cent. or 90 per cent., but one argument for the 90 per cent. is simply that those below retirement age are, by definition, in a better position to find new work and to supplement their retirement income than those who are above retirement age. This is obviously a broad-brush approach and there will be some rough justice, but the amendment would remove one of those checks and balances—albeit one that would, as I have said, be used only in the most extreme cases—which would undermine confidence.

The members of the PPF board will have the relevant expertise and information available to oversee the PPF's investment strategy and set the pension protection levies at appropriate levels to ensure that the PPF has sufficient funds to pay out compensation. It is important to point out that the PPF will have recourse to a number of measures that must be implemented before reduction of compensation can ever be an option. For example, the PPF will be able to raise the pension protection levies, reduce revaluation and indexation, or borrow commercially. In fact, the compensation percentages can be varied to below the level currently set out in schedule 7 only when revaluation and indexation have been reduced to nil.

6.15 pm

The Secretary of State can make a reduction or an increase in compensation only if a recommendation to that effect is made by the board. The Secretary of State will give extremely careful consideration to any such proposal from the board, which can be made only following consultation. In addition, any change to the level of compensation would have to be subject to the affirmative resolution procedure. The clause makes it clear that indexation and revaluation must have been reduced to nil before the percentages of compensation payable by the board can be reduced below 100 per cent. to 90 per cent., and that indexation and revaluation cannot be reapplied unless those original percentages are in payment. I am sure that hon. Members will agree that a balance is needed between building in constraints to reassure levy payers that costs will not rise beyond control and allowing the PPF flexibility to raise the funds that it needs to reassure members that they are sufficiently protected. Let us not forget that paragraph 29 also provides for compensation percentages to be increased. Amendment No. 28 seeks to increase the cap on indexation to 5 per cent.

Legislation was introduced in April 1997 requiring certain occupational pension schemes to provide indexation capped at 5 per cent. on all pension accruals. This Bill seeks to reduce the indexation capped at 2.5 per cent. on all future accruals through clause 246, which relates to the annual increase in the rate of certain occupational pensions. Clause 247 is also relevant. It would therefore be inconsistent with other provisions in the Bill were the PPF to provide indexation greater than 2.5 per cent. By restricting the amount of indexation paid, the PPF is better able to predict its liabilities and plan ahead financially. In terms, that means that the PPF can provide consistent and meaningful compensation to scheme members.

Were indexation increased from 2.5 to 5 per cent. on all post-1997 accruals, we estimate that the PPF levies would increase by approximately £100 million per year. It is not clear to me whether that is a new spending commitment—the hon. Member for Eastbourne will wish to tell us. We must not lose sight of the fact that businesses must ultimately bear the burden of financing PPF levels of benefit, and although we aim to provide meaningful compensation, we must balance that with affordability. In addition, from 10 May 2004, as we know, the priority order has changed for schemes that wind up, giving greater priority to scheme members who are under normal pension age by dealing with them before the indexation of pensioner members. I ask the hon. Gentleman to consider withdrawing the amendments.

Mr. Waterson: Let me reassure the Minister that these are probing amendments, but what they are designed to probe is an important issue, which has emerged as a major theme in Committee and will certainly be a major theme on Third Reading—the difference between spin and reality as to the sort of guarantee or safety net that this Bill is supposed to deliver.

I was slightly amused in relation to two of the factors on which the Minister was trying to rely, in terms of availability of the right decision making and resources. First, there were the qualifications of members of the board. We have just had that debate. Let us hope that they are well qualified, as that will not be stated in the Bill. Secondly, he talked about commercial borrowing. I have not had time to look up the reference, but the Minister was pretty adamant in Committee that that would only be for relatively short-term cash-flow requirements, and that the PPF would not be expected to borrow massively on the markets. Indeed, it would be odd if it were being given that power without some sort of Treasury guarantee.

[Mr. Waterson]

That brings me on to my main point, before I deal with the specific amendments in more detail: there are only limited numbers of directions from which resources can come to the PPF. There are the assets that it may take over from schemes that, by definition, are short of assets, and the investment income that it makes from them. There is the levy income, which we know is reduced in the early stages in any event, certainly in the first year. There may be some short-term borrowing, but we can discount that. Certainly, no public money is to be made available, as I understand it. This is, then, an organisation with finite resources. I do not say that that is necessarily a bad thing, but it is the background against which the amendments must be examined.

I can say immediately that I have no difficulties with amendments Nos. 101, 102 and 103. Our proposal to substitute "90 per cent." for "100 per cent." is really an attempt to draw out the justification for the distinction between those who are not retired and those who are. I did not get to the bottom of that in Committee. One late entrant in the reasons race was that there would somehow be an effect on key decision makers who would otherwise go out of their way to arrange matters so that a particular company's pension scheme did not function properly. I must say that I think that a rather desperate argument. I do not see why there should be a distinction. Ideally all involved should receive 100 per cent., because the Government are offering a guarantee.

The Minister talks of rough justice. That brings me to the question of indexation, and the 2.5 versus 5 per cent. The Minister talks as if we were trying to do something new and different. All we are trying to do is reinsert the current 5 per cent. figure. We had a lengthy discussion of the issue in Committee. The 2.5 per cent. figure may be all right for the moment, while inflation is relatively low, but every time I pick up a newspaper I see talk of a sharp rise in inflation, mainly because of oil crises. No doubt the Chancellor himself is getting a bit worried. Why seek to reduce the existing figure to 2.5 per cent. at this stage of the game, when there seems to be a reasonable consensus—certainly in the industry—that 5 per cent. is sensible? The Minister has put it to me in terms of a public spending commitment, but I would put it the other way round. Given that the purpose of a Bill that has been allotted 22 sittings in Committee and three days on Report is to restore confidence in pensions, why should there be all this cheese paring in people's entitlements?

A closely related aspect is the cut-off date for pension increases. In its briefing, Age Concern has expressed its own worries. It says that the actuaries Lane Clark and Peacock and the Occupational Pensioners Alliance estimate that some pensioners may receive only 70 to 80 per cent. of their total pension promise under the PPF. It refers to pensioners who retired before 6 April 1997. It states:

"We believe the Bill should be changed so everyone can be entitled to 100 per cent. compensation".

That is the point I am trying to make. I cannot see why there should be either the 90 versus 100 per cent. distinction or the little distinctions buried in the small print, not immediately visible to the average leisured reader, which will cheese pare away the amounts that people will receive in real life.

Mr. Webb: It would not be in the spirit of today's debate to carp at this juncture, but on the one hand the hon. Gentleman asks why everyone cannot have 100 per cent. compensation and 5 per cent. indexation, while on the other hand he has tabled amendments designed to cap the levy so that there is no burden on business. Surely the flip side of what he is demanding is an even greater burden on business about which, presumably, the Conservatives will be worried tomorrow. What is his position?

Mr. Waterson: Unlike the Liberal Democrats, we are concerned both about pensioners and about business and industry. We think that there is a balance to be struck. I said in Committee, and will repeat on Third Reading, that the Government approached the whole business the wrong way round. One reason why the Bill has been overshadowed by our earlier debate about the 60,000 people whom it would not compensate, many of whom may still not be compensated—we must await the small print—is that the Government were desperate to get the legislation on the statute book so that they could say that they had set up the PPF. What they should have done was take a more measured approach to the legislation, which presumably will be there for a long time, and initially tackle the problem of the people who have already lost out. The American scheme, which was a model for this scheme, did not pay out any moneys for several years, as I understand it, because it was building up its resources. I think that we will end up with a very rickety PPF in the early stages, potentially with claims waiting to fall upon it and insufficient resources to meet them.

That brings me neatly to the most important of this group of amendments, amendment No. 31, which relates to the Government's power, tucked away in paragraph 29 of schedule 7, to reduce payments. The Minister says, accurately if not fairly, that there is also the power to increase compensation. However, we are really talking about an overweening power of the Government to reduce payments. On the one hand, the Government say that they will provide a complete safety net, a guarantee for people in these pension schemes, so that if the unpleasant things that have happened to people in the past, particularly the recent past, happen again, people will be fully protected. However, on the other hand, they say in the small print that there are going to be caps, that there is a 90 per cent. figure for people who have not actually retired, that they are going to fiddle with the indexation, and that they will take the power to reduce the compensation and benefits paid under the legislation.

It is no good the Minister saying, as he did, that the Government will use that power only in extreme circumstances. As I tried to point out in an intervention, I presume that the only circumstances in which that will happen will be where there are not enough resources in the fund. I cannot think of any other circumstances in which that will happen. That might be an extreme circumstance, but it is the only one that could, I imagine, prompt the operation of paragraph 29 of schedule 7. If the Government are really persisting with the notion

that the PPF is a stand-alone fund with no Treasury backing and no Treasury guarantee, and that it will have to stand on its own feet, those are the circumstances that will prompt a reduction in benefits.

It is no good Ministers saying that they are providing a full guarantee and safety net. We visited the BBC website the other day, which said bluntly that people will get 90 per cent. if they are not retired and 100 per cent. if they are, with no qualification. We have had to write it a letter pointing out that that "ain't necessarily so". Ministers should be more up front. They were more up front in Committee, because they had no alternative, but we need to get the message across to people out there in the real world that this is not a full guarantee. To use the Minister's phrase again, there is an element of "rough justice". That is the point behind our probing amendments, and I commend them to the House.

Mr. Webb: This is an important group of amendments, despite the stage in the process of assessing the Bill that we have reached. As the Minister says, the Government amendments are largely technical. We have no problem with them.

I want to address two of the amendments of the hon. Member for Eastbourne (Mr. Waterson): amendments Nos. 27, on the issue of 90 per cent. and 100 per cent., and 31. I am sure that the hon. Gentleman's notes said this, but he forgot to say that amendment No. 31 was a Liberal Democrat amendment in Committee. I take it that, imitation being the sincerest form of flattery, he has brought back our amendment as a Conservative one on Report. I have certainly not changed my view that amendment No. 31 is very necessary and goes to the heart of the Bill, because it essentially relates to the fact that the Government will not act as lender of last resort to the PPF, which will have to go elsewhere. I shall come to amendment No. 31 in a moment.

I deal first with amendment No. 27, which is on the issue of 90 per cent. and 100 per cent. One can see a certain amount of logic in saying that people who have already retired cannot do anything about their predicament. So if their employer becomes insolvent, the scheme does not have enough money and the pension protection fund takes over the scheme's liabilities, it is reasonable for retired members to expect to get their full pension because, essentially, there is nothing else they can do.

6.30 pm

It is important to remember that even that statement needs qualifying. The question is—the Minister will doubtless intervene if I am wrong—100 per cent. of what? Even 100 per cent. will not necessarily constitute the entire pension that a person was expecting to get, and for two reasons. First, they will get 100 per cent. of the pension that they were expecting to get, excluding indexation for pre-1997 rights. In other words, even if the scheme of which they were a member offered them indexation on pre-1997 rights, the PPF will not. So there will be a set of people going into the PPF who will get a lower pension over time than they would have received had their existing scheme continued.

To some extent, this has been a theme of the day. Even now, to talk of guarantees and 100 per cent. is somewhat dangerous and potentially misleading. The literature that the Government send out to members of schemes who, in effect, will become members of PPF schemes will need to be explicit in pointing out that they will not get 100 per cent; otherwise, we could have a repetition of what happened with inherited SERPS—the state earnings-related pension scheme—whereby everybody in this place knew what had changed, but nobody else did. The official literature sent to SERPS members did not explain what had happened, and in the end the Government had to point out that people had been misinformed, and had to spend billions of pounds on putting matters right. Our discussions have given rise to one or two, albeit charitably intended, warnings. The Government need to look very carefully at the way in which they communicate with PPF scheme members. They need to realise that they will not necessarily get 100 per cent., if they were entitled to anything other than post-1997 indexation.

Moreover, such people will not get 100 per cent. anyway if, for example, their scheme includes particular provisions relating to survivor's benefits or to unmarried spouses. We touched on this issue in Committee, and I suggested then to the Minister that the PPF, which presumably will roll forward over decades, should be a forward-looking scheme that reflects best practice in the private sector, rather than a 1940s view of society. The 100 per cent. provision ought to match best practice in the occupational sector. For example, if a scheme provides for a surviving unmarried partner, the PPF should do the same.

Malcolm Wicks: It might help our deliberations on Report if the hon. Members for Northavon (Mr. Webb) and for Eastbourne (Mr. Waterson) cared to cost their proposals and to tell the House where the money would come from. I am advised that 100 per cent. compensation for all and indexation capped at 5 per cent. would add £200 million a year. Would the hon. Gentlemen raise the levy to raise that money, or would they make an Exchequer contribution? The House should know whether the Opposition do occasionally cost their proposals.

Mr. Webb: The Minister's intervention may well have been inspired, but it does not relate to anything that I have said so far. My point is that the terms "100 per cent." and "90 per cent." create a particular mental picture; indeed, that is what amendment No. 27 is all about. Those who listen to our deliberations—poor souls!—will get the impression that the PPF will provide full compensation. I have tried to illustrate through two particular cases that "100 per cent." does not mean 100 per cent., and it is very important that people should not get the impression that it does. Even raising the rate from 90 per cent. to 100 per cent. would not mean full compensation, because of the exceptions that I have mentioned.

Even if we were to raise the rate to 100 per cent., as amendment No. 26 would do, we would still not be providing full cover. But the key question, which amendment No. 27 addresses, is: who gets 90 per cent. and who gets 100 per cent.? We are agreed that people who have already retired will get 100 per cent., even though 100 per cent. is a rather limited concept. I am not uncomfortable about people who have not retired—they are still working— getting 90 per cent., but the nub

[Mr. Webb]

of the amendment is about the people in between; that means people below the normal pension age of the scheme who might be drawing a pension. If the Bill is not altered as the amendment suggests, they will receive only 90 per cent. of their pension. The question is whether that is fair.

The Minister's response was that it was a moral hazard point—something that the Government appear to have been fond of during the Bill's passage. Sometimes it happens that a company director, perhaps in his early 60s and seeing that things are going wrong with the company, decides to retire, even though he has not reached the normal pension age of the scheme. He applies to the scheme for retirement benefits and then, mysteriously, the company winds up the next day. Lo and behold, he is in the 100 per cent. rather than the 90 per cent. camp. That would certainly apply under existing rules about wind-up. Before the PPF is introduced, such a person falls into the favoured rather than the unfavoured category. The Government appear to be saying that, to avoid that happening, they will treat anyone under the normal pension age—whether retired or not—as being in the 90 per cent. category.

The point that I put to the Minister in my intervention—I have to say that I was not convinced by his response—was that the provision amounted to a sledgehammer. I am not sure whether sledgehammers can catch rotten apples, but this one appears to be trying to catch the odd rotten apple, while at the same time hitting many deserving people. Leaving aside ill health—it is dealt with in a separate part of the Bill—it might affect people who, for perfectly good and proper reasons, have taken early retirement at an actuarially reduced level. They then find that that level of pension, already below the norm, is reduced by a further 10 per cent. As I understand it, that is what the Government's proposals will do. The people affected are living on pensions that are already fairly modest, perhaps because they have been drawn early on account of family circumstances.

Let me provide an example to explain why such people are important. Someone could take an early retirement pension to look after a spouse and become a carer. They need money to live on and they cannot wait until they are 65. They have to stop working so they draw an early retirement pension at, say, 62. If the firm goes to the wall, they may believe that the PPF into which their employer had paid PPF levies will provide them with insurance, effectively replacing the pension. However, the PPF may come along, under which they can be paid only 90 per cent., not 100 per cent. The critical point is that that will not apply just for one year, but for ever—an issue that has not emerged from our debate so far.

Malcolm Wicks: The hon. Gentleman seems to make no allowance for the fact that, where a company pension scheme goes bu and there are relatively few assets, people could be faced with receiving only 20 per cent. of their pension rights. Does the hon. Gentleman not agree that, if such people could receive 90 per cent. under the PPF, they might be rather pleased that we legislated to set it up?

Mr. Webb: I wonder whether the Minister has misunderstood me. My illustrative people are a man in his early 60s or a woman in her late 50s who give up work to become carers. When the firm goes to the wall, such people are, under the present regime with the present wind-up rules, in the privileged category that gets first call on the fund. The problem is that those people might get 100 per cent. and the workers next to nothing. If there is absolutely no money in the fund whatever, of course the Minister is right. Generally, however, those people will receive privileged treatment.

My key point is that the Government are using the rule pertaining to people below normal pension age as an anti-moral hazard point, thereby catching many deserving good people.

In all other parts of the Bill, the Government have introduced screeds of new clauses to deal with moral hazard. Instead of tarring everyone with the same brush, they have thought about how people might abuse the system, and defined very specifically what will not be allowed. For example, the Bill does not allow a person to set up a company with no assets to run a pension scheme, and then let that company become insolvent. The Bill explicitly prohibits that sort of moral hazard.

Why do the Government not deal with the rotten apples by inserting a clause to prevent people from retiring the day before a company goes bust? That would be my strategy, and it would not have the damaging effect on carers that the Government's strategy will.

Amendment No. 27 would protect the pension rights of what I imagine is a relatively small number of people, and is therefore desirable, but accepting it would mean that another anti-moral hazard provision would be needed. Perhaps the hon. Member for Eastbourne has something in mind: history shows that some people have abused the system by using their inside knowledge to put themselves in a favourable position just before a pension fund is wound up.

That outrage is clearly unacceptable, and a further anti-moral hazard provision is needed to prevent it. However, the Government's proposal is much too broad, because it includes many worthy and deserving people.

Mr. Waterson: Before the Bill even appeared, many industry experts told me that the key would be the anti-avoidance provisions that it contained. However, they have appeared only at the end of the Bill's passage through the House, and many have not been subject to proper consideration, either in Committee or on Report. Surely the right way to go about this matter is to consult the experts who might advise people how to get around the so-called moral hazard provisions. That would be preferable to the scatter-gun approach adopted by the Government.

Mr. Webb: That is an interesting question. Ironically, the Bill originally contained only one anti-moral hazard provision—the one that we are discussing now, which will catch many innocent people. All the other

provisions were introduced at the last minute and, although I am sure that they are not merely an afterthought, their late appearance is rather worrying. But I do not want to go too far down that route.

I shall be interested to hear the Minister's response to this debate. I was a member of the Standing Committee, which did not consider this matter in any depth, and I do not think that I am repeating debates that have been held already on this point. There are deserving people in the middle group—the pre-pension age retired, not workers or retired people over pension age—who would benefit from amendment No. 27. At present, they are being harshly treated, and I am sympathetic to the amendment for that reason.

My main observations will concentrate on amendment No. 31, but I want to say a few words about amendment No. 28, which would replace the proposed 2.5 per cent. indexation level with a level of 5 per cent. The Minister said that that would not be possible as the Bill was premised on 2.5 per cent. indexation, but in fact it already contains a 5 per cent. indexation level in connection with revaluation. The Government seem to have forgotten to change that bit. They cannot argue that amendment No. 28 would not work because it is out of kilter with the rest of the Bill, or because inflation will be 2.5 per cent. always and for ever. The weakness of that argument is revealed by the fact that a figure of 5 per cent. already appears in the Bill.

Funnily enough—and I made this point in an earlier intervention on the hon. Member for Eastbourne—an argument for taking 5 per cent. down to 2.5 per cent. could be made on the basis that the Bill places a burden on final salary schemes, in the form of the PPF levy. The flip side of that is that it will reduce the burden on such schemes through retirement benefits and indexation. The implication of amendment No. 28 is that the schemes would have to bear that burden but that they would not get the relief from it.

The Secretary of State asked whether it would not be better to accept a trade off and have safe company pensions—albeit with more limited indexation through the PPF—rather than unsafe ones, and that is quite a strong argument. However, the hon. Member for Eastbourne needs to explain how, if he wants 5 per cent. indexation, he would reconcile that with his other amendments that try to reduce the burden on the scheme.

6.45 pm

My main concern is amendment No. 31, which is based on an amendment that we tabled in Committee. The hon. Member for Tatton (Mr. Osborne) made fun of the fact that we did not table very many amendments, but we tabled this one because we feel strongly about the issue. Amendment No. 31 would remove the Government's ability to undermine the PPF. Otherwise, it would not really be an insurance scheme, because the Government would be able to say, when the going got tough, that the benefits would be cut.

This point only dawned on me during the recent exchanges—I had thought that the only way in which the Government could undermine the PPF was through the draconian and extreme process of affirmative resolutions in both Houses of Parliament to cut the 100 per cent. and 90 per cent. benefits: I had forgotten that before we got to that stage, the Government could have undermined the PPF in other ways. That is why amendment No. 31 is necessary.

When times get hard, the PPF could put the levy up. It could also cut the indexation or the revalorisation, and that would mean a real cut in people's entitlements. I had thought, charitably, that the PPF was a strong guarantee of benefits, because although 100 per cent. did not quite mean 100 per cent. and 90 per cent. did not quite mean 90 per cent., only in extremis would the Government undermine the value of benefits. However, I had forgotten that the PPF, without recourse to this House, could cut indexation benefits. Why does that matter?

The cut might be only 2.5 per cent. and we might think that we could live with that. However, people—especially women—might typically be retired for 20 to 25 years and if the non-indexation were to take place over several years, pensions could be cut by 10 or 15 per cent. Indeed, if the fund were not restored, that reduction in benefits could continue for the rest of the recipients' lives.

When the Minister responds, I hope that he will tell us whether the PPF will be under any onus to restore lost indexation. Amendment No. 31 is about what will happen when times get tough and the indexation is knocked off. When times are good again, will the PPF be under an obligation to restore the indexation? People who pay the PPF levy through their employers will want to know what they can expect. Will the literature for the members of PPF schemes say that not only does 100 per cent. not actually mean 100 per cent., but the inflation protection may be undermined and never restored? If it does not say that, there is a danger that scheme members will be misled.

What should be the appropriate response from the PPF when things get tough? The first step would be to put up the levy. We have already discussed the cap on increases in the levy and that could put a financial pressure on the fund that it might have to respond to in other ways. The Minister said that paragraph 29 of schedule 7, which the amendment would delete, is necessary because the levy could rise "exponentially". But there is a cap, so there is a limit on how much the PPF board can respond to adverse circumstances by raising the levy.

If raising the levy does not deal with the financial shortfall, what would happen? In that case, the indexation or revalorisation would stop, and people would not have inflation protection. In other words, their pensions would be cut in real terms.

At that stage the Government say that the next thing that the board can do is to borrow money on the market. In Committee, we discussed whether that was a good idea and it struck me as absurd that because of their obsession with privatisation the Government would prefer the PPF board to borrow money from the private market, with all the associated risk premiums and profit margins, yet the Government could raise the money more cheaply so that the taxpayer obtained better value.

We would not necessarily want the PPF board constantly to have to come back to the Government, so it could perhaps borrow money for cash flow. I accept the arguments about the need for the board to be at arm's length from the Government, so we could allow it

[Mr. Webb]

some day-to-day flexibility. However, it would be bad economics if, in the event of a serious financial crisis, such as a big steel company or a big airline going to the wall and making a large claim on the fund, the board responded by huge borrowing on the commercial markets. It would be bad public spending and the National Audit Office would probably have something to say about it.

None the less, the Government say that the board can borrow on those markets and having done so it will have recourse to paragraph 29 of schedule 7. When the Minister responds, will he tell us whether there will be a limit on the PPF's borrowing powers? Why does it need such powers? If the Government think that it should be able to borrow money, it should be able to borrow as much as it needs. Why are the Government allowing the PPF to cut back further on the 100 per cent. or the 90 per cent? If the Government accept the principle that the PPF can borrow, what limits do they have in mind?

Perhaps the Treasury view is that the debts of the PPF would be on the Government's balance sheet. Can the Minister tell us whether the Chancellor is worried that if the PPF borrows—because there is a financial mess—its debts will be on the public sector balance sheet and will feature in his borrowing figures? I presume that is why PPF borrowing is to be capped. If so, what would happen?

Let us suppose that all avenues have been tried: we have cut indexation; we have borrowed money; we have increased the levy up to the cap and there is still not enough. What would happen then? There are two options. The first is in the Bill; it would be to ask the House and the other place to approve a cut in the pay-out—to reduce the 100 per cent. to 90 per cent. or the 90 per cent. to 80 per cent., or whatever the figure happens to be.

People have been told not to worry because their pensions will be insured. The Secretary of State has told us that just as we can insure our holidays or our cars so, too, we can insure our pensions. But what sort of insurance company would say when someone made a claim, "Sorry, we're having a bad year and we're not going to pay you"? That would be outrageous and probably actionable. It would be wholly unacceptable for Direct Line to tell me, in response to a claim on my car insurance: "We're having a tough time. The roads have been icy lately so there have been a lot of claims. We can't increase premiums so we can pay you only 80 per cent. of the value of your car, not the 100 per cent. you were expecting." It would presumably be illegal to do that in the private sector, so why do the Government want such a power in the Bill?

What is the alternative? What should have been in the Bill? The Government should act as lender of last resort. They would not make a grant, nor would they bail out the PPF in the sense of handing over public money from the taxpayer, but would stand ready to lend. That is what happens in terrorism reinsurance. The Government want there to be a market, but as insurers would be subject to calamitous risks if they offered insurance against terrorism, the Government say, "Don't worry. You offer the insurance and we'll stand behind it. If necessary, we will lend money to make the market work." That is precisely what the Government should do in this case.

When things get difficult for the PPF, which may happen not in year one, but decades down the line, the Government should be there to say, "You've tried putting up the levy as much as you can", perhaps to the ceiling, "You've got rid of indexation"—although I have some reservations about cutting benefits at all, because even cutting indexation benefits is the same as ringing up Direct Line to be told that it will not pay out, so I am more worried about that provision than when I started considering these proposals—"You've done all those things. You may even have done some borrowing, but things are still tough. Right, we can borrow money more cheaply than you can. We will lend to the fund to tide it over, but the money will be repaid."

I stress that the money would be repaid. It is not a public spending commitment, but a cash flow issue. Something calamitous could happen to the scheme. That happened in America, where big airlines and big steel companies became insolvent. We have been talking about steel companies today, so this is not far fetched. Such things can happen. We could experience a sectoral recession that hits an industry, causing a rush of claims on the fund. It would then be wrong to jack up the levy excessively on the firms that survive or to slash the pensions in payment to retired people.

The right thing for the Government to do would be to tide over the PPF. That would not be expensive; the Government would get back their money, because steel firms or airlines will not go to the wall every year. There will be good years and bad years, and the Government would see the PPF through the bad years. I simply cannot understand the point of paragraph 29 of schedule 7, unless the Chancellor is behind it, and I presume that he is because he does not want the borrowing to appear on his balance sheet. We fundamentally believe that this will not be a proper insurance scheme unless the Government stand behind it as lender of last resort.

To draw those threads together, we moved a similar amendment in Committee because we believe passionately that the Bill is fatally flawed: it will set up not a proper insurance scheme, but an insurance scheme with a hole in it. If people make a claim on the scheme in a good year, everything will be fine; but if they make a claim in a bad year, the insurer may turn round and say, "Sorry, we're not going to pay out." Given that we have discussed restoring confidence in pensions and that the PPF and the special financial assistance scheme are supposed to restore confidence, what will paragraph 29 of schedule 7 do? It will undermine confidence in pensions. It says, "You thought you were insured, but you weren't."

The history of pensions is that people are given promises and Governments tell them things, but when they go back to the Government, they are told, "We didn't mean it," "We meant something else," "We forgot to tell you," or "There's something in the small print." That is a dreadful basis on which to set up a shiny new scheme. Paragraph 29 of schedule 7 does not belong in the Bill. A better way forward would be for the Government to lend the money when things get difficult. That is why amendment No. 31 deserves the support of the House.

Malcolm Wicks: The hon. Member for Northavon (Mr. Webb), who has spoken for about half an hour, has a certain style. His style is to seek to rubbish any decent, progressive and positive social reform that this Labour Government bring. With pension credit, he says that it is about stigma and complexity and, as a result, some of his own constituents will be put off claiming it. With the PPF, he pours circumstance on circumstance and absurd eventuality on eventuality to say that we will not be able to pay proper benefits. Of course, he was equally cynical about the assistance scheme that we introduced this afternoon. As I said, he has a certain style. It is cynical, pessimistic, negative and sneering; it is about seeking to achieve the triumph of fear over hope. But we have seen through him and will not let him get away with it.

We have carefully costed the pension protection fund. We are determined that those of pensionable age will have 100 per cent. of pension rights. We are determined that the workers will get 90 per cent. We are determined that those who have to retire on ill-health grounds will get 100 per cent. We know how we will pay for it. We have learned the lessons from the Pension Benefit Guaranty Corporation—

It being Seven o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

SITTINGS IN WESTMINSTER HALL

Ordered,

That, on Thursday 10th June, there shall be no sitting in Westminster Hall.—*[Mr. Heppell.]*

PETITION

Children's Hospices

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I wish to present a petition on behalf of my constituent, Mr. Peter Finnegan, and several thousand residents from my constituency and throughout South Yorkshire to protest at what is perceived to be the iniquitous level of national health service funding being allocated to children's hospices when compared with that allocated to adult hospices.

The petition states:—

To the House of Commons

The petition of Mr. Peter Finnegan and residents of South Yorkshire

Declares that while adult hospices receive 37 per cent. of their funds from statutory sources, children's hospices receive only 4.17 per cent. of their funds in this way. Children with life-threatening illnesses and their parents need adequate hospice facilities, and the gap between the funding allocations to adult hospice facilities and to services for children is unfair to children and their parents.

The petitioners therefore request that the House of Commons urge the Secretary of State for Health to review hospice services for children. The petitioners further request that the House of Commons pass legislation to rectify the imbalance in funding allocations to children's and adult hospices.

And the petitioners remain, etc.

To lie upon the Table.

Travellers' Sites (West Leeds)

Motion made, and Question proposed, That this House do now adjourn.—*[Paul Clark.]*

7.2 pm

Mr. John Battle (Leeds, West) (Lab): In recent times, there have been several attempts, through early-day motions and private Members' Bills, to address issues to do with Travellers and the law, and those have received helpful and encouraging responses from Ministers. However, we need legislative action now to break the Gordian knot of local conflict.

In the Minister for Housing and Planning's opening remarks on the Housing Bill last week, he reminded us of its overall aim and purpose, which is to help to build sustainable communities and to tackle the most pressing problems of homelessness and unfit conditions, but I submit that that will be unachievable unless the persistent conflict between residents and Travellers in our neighbourhoods is addressed. The Government have some responsibility, as do local authorities, to resolve the conflicts.

Supported by the Commission for Racial Equality, Shelter, the Local Government Association, the local chief police officer, the Children's Society and the Travellers law reform coalition, I tabled amendments to the Housing Bill. They attempted to reinforce that aim of sustainable communities in practice by changing the law so that we could tackle the conflict that has been raging unresolved for years in our neighbourhoods and communities between the settled population and the Travellers and Gypsies who are camped on inappropriate illegal sites.

The Government have a responsibility not to push the problem on to local councils, which then push the conflict into the surrounding neighbourhoods, while hoping that it is somehow magically resolved. We need to come up with a solution from which both Travellers and local residents benefit. We need to give Travellers accommodation, which means proper sites, with the same status as housing, so that it is assessed and delivered in the same way. That could be twin-tracked with a statutory duty to provide and facilitate more site provision. There should be a proper obligation on local authorities to provide and facilitate sites, and we should allow Housing Corporation money to be used for the purpose of constructing new sites, as my amendments suggested. In the words of the Traveller law reform coalition, we need to work for

"a win-win situation from which Travellers and non-Travellers will benefit."

We cannot toughen up the law to move Travellers on if there is nowhere for them to go. Recently, in the neighbourhood of Wortley in my constituency, 12 caravans were parked on the Oldfield Road football pitches, which were moved off. They moved to Farnley park over the Easter weekend, making local football and cricket impossible. They were evicted and moved down to Hunslet, where they were evicted again and moved to another public park, Western Flats, in Wortley. They have been driven off the Western Flats and are now at Wortley recreational ground. They have received a notice to move on Friday.

Those 12 caravans belong to one family, who have lived in Leeds for generations. The family group includes an elderly man with Alzheimer's, a young child

[Mr. John Battle]

with pneumonia, a two-month-old baby who has never received appropriate medical attention because of the constant movement of the family, and a mother who recently collapsed and was in hospital for two days. Some of the children go to local schools in my constituency and are taken there every day by the Travellers education support unit. Since January, the caravans have been moved 50 times, so the children do not know where they are going home to after school. That is quite apart from the fact that the caravans are on sites without water or toilets, and are thus insanitary and quite inappropriate for families.

The endless round of court notices and eviction enforcements mean that families are pushed from pillar to post. Everybody, from settled neighbours to Travellers and their families becomes totally exasperated, and council officials and the local police are caught in the middle of many angry conflicts. The cause of the problem is the shortage of sites or pitches on which the caravans can stop. In practice, 30 per cent. of Travellers in Britain are hounded from one unauthorised place to another, with all the associated problems of unofficial camping, clean-up costs and no chance of proper education for the children. Furthermore, poor living conditions have a detrimental impact on the health of Traveller families, who have the lowest life expectancy and the highest child mortality rates of any group in Britain.

Ironically, the only permanent site for Travellers in Leeds is in the very Wortley ward where that family is being moved around. It is located at Cottingley Springs and has 41 plots. The Caravan Sites Act 1968, backed up after 1980 by 100 per cent. Government grants, was designed to provide sites. The unauthorised encampment figure went down from 80 per cent. to 30 per cent., but the measure was repealed by the Conservative Government in 1994 and the duty on local authorities to provide sites ended. The Conservative Government suggested that the onus in future should be on Travellers and Gypsies to provide their own private sites. In practice, as everyone knows, when Travellers buy private land they can hardly ever get planning permission to have a site on it. Following the repeal of the duty on local authorities to provide sites, the number of sites has declined, and some have been shut down altogether. Bradford, for example, has a site of 30 plots; Wakefield, 40 plots; and Leeds, 41 plots, all at Cottingley Springs, which was built in 1969. In Leeds in January 2004, however, there were 51 unauthorised encampments, an increase from 34 the previous January. In Leeds, if my figures are right, there are some 1,500 Travellers, including 500 children of school age. About 50 to 70 Traveller families now live in ordinary housing. The real problem, for which Leeds city council should take some responsibility, is that there are no transit sites. There is a permanent site, but no transit sites.

A briefing paper from Leeds city council race equality advisory forum that was sent to the council's scrutiny board states:

"The primary concern of Leeds Travellers is inadequate site provision."

It acknowledges the existence of Cottingley Springs, but goes on to say:

"There are no official transit sites in Leeds."

The Travellers' view is, "You want to evict us, but where can we go?" There is nowhere that can be suggested. Every week an average of 10 Traveller families—80 to 90 people in 30 caravans—are living on unauthorised sites with no sanitation, no utilities and no refuse collection. There are an average of three evictions a week that cost about £2,500 a time, excluding police costs, staff costs and possible legal costs.

There are no vacancies at the Cottingley Springs site. Families are doubling up and there is a large waiting list—60 families, I understand. In Yorkshire, there are no local authority sites at all in Castleford, Pontefract, Huddersfield, Dewsbury or Halifax. There are no sites in the Kirklees area, none in Calderdale and none in the whole of north Yorkshire. There is only one site in Wakefield, one in Leeds and one in Bradford.

The Conservative Calderdale council, for example, which takes a hard line, evicts Travellers from unauthorised sites and escorts them to the Sheffield roundabout, directing them to head for Leeds or Bradford. That is unacceptable. It does not resolve the problem, but merely passes the buck and is a recipe for continued local conflict.

In a debate such as this we need a sense of perspective and a sense of proportion. The problem is not infinite. The Traveller community in the whole of England and Wales is made up of 90,000 to 120,000 nomadic or mobile Travellers, with an estimated further 200,000 of Traveller ancestry living in settled housing. In the last national count of Travellers' caravans published by the Office of the Deputy Prime Minister in January, there were 14,309 caravans, 3,571 or 25 per cent. of which were on unauthorised encampments. There were 5,848 caravans on authorised council sites and another 4,890 on authorised private sites.

There are some 320 council-owned sites in England, providing some 5,000 pitches. I know that research carried out by the Office of the Deputy Prime Minister in 2002 showed that by 2005 a further 3,000 to 4,500 additional permanent and transit pitches would be needed to resolve a future crisis. The Gypsy Council believes that that is an underestimate of the real need. I believe we need 1,000 to 2,000 additional residential pitches and between 2,000 and 2,500 transit pitches in England and Wales. Surely we can go some way to making that provision and resolving the problem.

We need to broaden our definitions of accommodation and include the accommodation needs of Travellers and Gypsies under the definition of housing need. That would enable them to be considered as in housing need, rather than telling them that by law they must move on to some undefined place. That would alleviate pressure on site provision. It would enable local authorities and the Government to access housing association resources to provide new sites with decent provisions on a scale that we have not managed to achieve since the efforts of 1969. It would allow social landlords to register as site providers. That in itself could open up flexibility in provision.

I do not believe that there are no practical measures that could be taken to resolve the problem. Including Travellers in the provision of accommodation should be

part of social cohesion and sustainability strategies, not forcing them to live in permanent housing, but to allow sufficient capacity of permanent and temporary sites to enable them to move around and retain their traditional way of life. A little joined-up working between local authorities is needed to stop Travellers being passed backwards and forwards across local authority boundaries to councils that have sites from councils that do not have sites. The Traveller law reform coalition has introduced proposals to underpin the mainstream approach to site provision. It works with local authorities, the Children's Society, Shelter and the Commission for Racial Equality to press for an effective accommodation policy.

The Government have promised a review, and that point was reinforced by a helpful reply from my right hon. Friend the Minister for Housing and Planning on Third Reading of the Housing Bill on 11 May, in which he said that the Government were looking to bring the review forward and to take some action.

In 2002, the hon. Member for Bournemouth, East (Mr. Atkinson) attempted to introduce the Traveller Law Reform Bill, based on work by the Traveller law research unit of Cardiff university and the Joseph Rowntree housing trust, so the attempts to resolve the problem are underpinned by hard-headed research. Sites are not provided on the basis of guidance to local authorities alone—we have seen that that does not work—so sites must be treated like other forms of accommodation.

Sites should be assessed alongside housing needs, which are fed into the regional housing strategy, the regional spatial strategy and plans at the local level. That will enable us to ensure that sufficient provision exists to resolve the problem sensibly and practically. We need new measures to increase the level of Traveller site provision to break out of the vicious circle of unauthorised stops, complaints, evictions, moves on, unauthorised stops, complaints, aggravation and moves on. Residents and Travellers should not be forced into that cycle for ever.

The new Housing Bill provides a good opportunity for the Government to break through that vicious circle. We must move the agenda forward and resolve the challenge as a matter of urgency. The Housing Bill now moves to the other place, so I plead with the Minister not to miss this parliamentary opportunity to do something positive about a long-standing conflict that affects many constituencies, urban as well as rural. Positive action will benefit both local residents and Traveller and Gypsy families alike. The challenge can be met and the problems can be resolved, but it will take determined action by the Government and local authorities to play their full part.

7.17 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): I congratulate my hon. Friend the Member for Leeds, West (Mr. Battle) on securing the debate and on raising an important issue.

My hon. Friend addressed the issue in a balanced, thoughtful way by describing his constituency experience and the impact of the shortage of sites both on Gypsy and Traveller groups and on the settled community. He is right that the issues can cause extreme stress and distress for both the settled community and people who are struggling to find somewhere to stay put.

My hon. Friend rightly identifies that the heart of the problem is that not enough sites are currently available to meet demand. That can lead to unauthorised encampments, which can cause great distress to the local community, especially where damage is done to local areas. That can also lead to unauthorised development, where Gypsies and Travellers buy up sites for which planning permission is not given, which causes all sorts of frictions both within the planning system and, again, with local communities. Unauthorised development has increased significantly over the past few years.

My hon. Friend set out that Gypsy and Traveller communities often have below-average health and educational outcomes and life expectancy, above-average infant mortality, and that their children achieve poor results in school. Social exclusion is also a serious consequence, which may be exacerbated when families move from place to place over a short period of time. There can also be serious consequences in terms of social tensions between different groups and communities. Given our strong desire to promote social cohesion and sustainable communities, we need to take those issues seriously. We should recognise that in many areas, sites have been responsibly managed and Gypsy and Traveller groups can live amicably alongside local settled communities. However, my hon. Friend is right to say that all sorts of tensions can arise where matters are badly handled and there are problems with site provision.

There are wide variations in the approach taken by local authorities in terms of their attitude to planning applications, the efficiency of their planning enforcement systems and the number of sites that they provide. My hon. Friend described the position in parts of Yorkshire. Other parts of the country, too, show very wide variations. It is disappointing that some local authorities with significant problems with unauthorised encampments and developments do very little to provide appropriate sites. We are concerned about that.

We have launched a major Government review of Gypsy and Traveller accommodation. I believe that it is unprecedented for any Government to look in such detail at the accommodation requirements of Gypsy and Traveller groups and communities. In conducting that review, we are working closely with local authorities, Gypsy and Traveller groups, the all-party group on Traveller law reform, the Commission for Racial Equality and other groups. I have taken part in seminars to discuss the issues and possible options with a range of stakeholders. I have also met several MPs from all over the country to try to ensure that as wide a range of views as possible feeds into the review and that concerns from across the country are taken seriously.

The review is still under way, but I want to take this opportunity to highlight a few aspects on which we are already making progress. My hon. Friend referred particularly to publicly provided sites, but the issue of privately provided sites is increasingly significant. Interestingly, the level of unauthorised encampments over the past few years has stayed broadly stable, but the level of unauthorised developments has increased significantly. That can cause great conflict in the planning system. There are two problems with the

[Yvette Cooper]

planning system as it stands: first, planning guidance can make it difficult for Gypsies and Travellers to identify appropriate sites to buy or to get planning permission to move on to; and secondly, the local authority's enforcement process in respect of inappropriate sites can be ineffective or cumbersome. We need to deal with both sides of that problem at the same time.

That is why we are reviewing the planning guidance that is given to local planning authorities in relation to Gypsy and Traveller accommodation. We expect local authorities to provide more help and support for Gypsies and Travellers in identifying appropriate sites, because too many do not do so. We are considering how planning guidance should be revised to ensure that that happens. At the same time, we have introduced into the Planning and Compulsory Purchase Bill a new temporary stop notice that will allow local authorities to take swift action to prevent long-term damage to sites where development is inappropriate. Again, we intend to consult in more detail on how that should work and be implemented before it is introduced because it is important to maintain a balanced approach and ensure that we are fair, in a way that the current system is not, to Gypsy and Traveller groups and the settled community.

My hon. Friend is right that public site provision varies throughout the country. We are keen for Gypsy and Traveller accommodation needs to be tackled alongside those of everybody else. It should be part of mainstream consideration of accommodation and housing need in every local area. For the first time, therefore, we expect local authorities to consider and tackle the need for accommodation for Gypsies and Travellers in their assessment of local accommodation needs. We shall issue revised guidance next year on how to do that. Housing and site need assessments will feed into the regional spatial strategies and the regional planning system. We are considering in more detail exactly how that should work and whether other measures are required to overcome some of the unnecessary barriers to site provision.

The Gypsy site refurbishment grant is available and has been expanded and extended to improve the conditions on sites throughout the country and to provide new transit sites and stopping places. My hon. Friend mentioned the need for transit sites in his area. Local authorities can apply for the refurbishment grant to provide more transit sites. So far, 205 separate site improvement projects have been funded. They have already made substantial improvements to the quality of many residents' lives.

My hon. Friend also mentioned permissible purposes for Housing Corporation money. We plan to extend the permissible purposes of that money to allow local registered social landlords to provide Gypsy and Traveller sites.

We are still considering a series of other issues, as my right hon. Friend the Minister for Housing and Planning said. We have not yet made any decisions about legislation and believe that many of the changes will be possible without it. However, we have not concluded the process of considering different legislative options, as my right hon. Friend explained when he replied to the debate on the Housing Bill.

We recognise the importance of the issue and of a level playing field for local authorities so that they acknowledge and accept their responsibilities. Local authorities face different problems in different areas, and the need for sites and accommodation will be very different in different parts of the country; we would not expect to take a uniform approach. It is right that the authorities should recognise their responsibilities in this regard, as my hon. Friend said.

It is important for us to conduct the review in a thorough way, and to involve all those who have a stake in the process, so as to ensure that we get the right response. My hon. Friend's points have been very helpful in that regard. We also need to recognise that this is not simply an issue of site provision, important though that is. There are other issues involved, including those of antisocial behaviour and unauthorised encampments, which need to be addressed. That is why we are consulting, in conjunction with the Home Office, on guidance on the new powers against trespassing that were introduced in the Anti-social Behaviour Act 2003. In the longer term, we are keen to work with other Departments on other issues, particularly the Department of Health and the Department for Education and Skills, in regard to the health needs of Gypsy and Traveller groups and their educational attainment, given the lower levels of attainment for Gypsy and Roma groups in many of our schools.

As I have said, a wide range of social exclusion issues is raised by the circumstances that Gypsies and Travellers face. It is important that we take a fair approach across the country, taking into consideration the different circumstances of Gypsy and Traveller groups and the needs of the settled community in different areas. I will certainly keep in touch with my hon. Friend about these issues as they progress, and about the work that we are doing as part of the review. There are not as many easy or swift answers as we would like, but I can assure him that we are taking this issue very seriously and examining it thoroughly, so as to find long-term improvements to the problems that trouble many areas of the country and which should not be doing so. It ought to be possible to resolve those issues in the long term, but we will need local communities, Gypsy and Traveller groups and local authorities to work together to ensure that we find sustainable solutions that meet everyone's needs.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Eight o'clock.

House of Commons

Thursday 20 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

IPSWICH MARKET BILL

Considered; to be read the Third time.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Haskins Report

1. **Dr. Vincent Cable** (Twickenham) (LD): If she will make a statement on the progress her Department is making towards implementing the Haskins report. [174399]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): I intend to publish a refreshed rural strategy for England later in the spring. The strategy will include a full response to the recommendations coming out of Lord Haskins's rural delivery review. Good progress is being made with stakeholders to develop this response.

Dr. Cable: I thank the Secretary of State for the positive tone of her reply. How does she propose to reconcile the approach of Lord Haskins, which is to deal with inefficiency and overstaffing in DEFRA through decentralisation, with the approach set out in the Chancellor's Gershon process, which is to deal with overstaffing and inefficiency by centralising decision making?

Margaret Beckett: With respect, I think that the hon. Gentleman has misunderstood the impact of the Chancellor's proposals. There is no difference of view between us that the decentralisation of delivery processes would be highly desirable, and that is entirely consistent with reducing perhaps unnecessarily full core activities at the centre.

Mr. David Drew (Stroud) (Lab/Co-op): Does my right hon. Friend accept that, although Haskins has made many good recommendations, the true test is what is happening in rural areas? We must ensure that some of the good programmes that have been put in place by the Countryside Agency and others are allowed to continue. Does she agree that we need to ensure that that happens?

Margaret Beckett: I entirely agree that there are at least two important aspects to Lord Haskins's proposals, one of which is that we should have more effective organisation of the agencies and organisations that relate to DEFRA. The second, which is much more germane to the ordinary citizen in rural areas, is what happens to the plethora of rural funding streams; I believe that Lord Haskins identified between 70 and 100 of them. I have asked the Department to examine, as its first priority, how we can simplify this area to give better delivery of services to customers in rural areas.

Mr. Michael Jack (Fylde) (Con): The Secretary of State talks about her rural strategy, and she will be aware that there is a plethora of organisations involved in the provision of flexible labour in agriculture and horticulture, particularly related to the work of gangmasters. What steps will she take, in the light of the report of the Environment, Food and Rural Affairs Committee, to ensure that the Government at last appoint a Minister with the power to rationalise and make policy in this area effective?

Margaret Beckett: The right hon. Gentleman will know that the Select Committee report, which was published only yesterday, deals with a good number of the Committee's thoughts on that matter. I have not had a chance to study it, although I shall of course do so. The Government are conscious that this is an extremely difficult problem, with which successive Governments have grappled without success. We hope to be more successful.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Secretary of State will know that, as resources are moved from the Countryside Agency to local authorities and regional development agencies, concerns remain in rural areas that the money intended for improvements to the countryside might be swallowed by other budgets and that, instead of the delivery of projects, there might be delay or even destruction in some circumstances. What assurance can she give the House that that is unlikely to happen?

Margaret Beckett: Of course I understand that anxiety, and I seem to recall that great concern was expressed when the regional development agencies were first set up. However, it will be within my hon. Friend's memory—as it is within that of most of us—that, during the recent outbreak of foot and mouth disease, the RDAs were very helpful and supportive. Many of those anxieties have therefore not been realised. I can assure him that we shall monitor the situation carefully to ensure that the right support goes to rural areas. That will also be part of the remit of the new, slimmed-down Countryside Agency, which I am sure will be robust in its observations.

Fallen Stock

2. **Mr. David Rendel** (Newbury) (LD): When she expects to introduce a national collection scheme to assist livestock farmers in disposing of fallen stock. [174400]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): It is expected that an industry-led scheme backed by Government funding will be introduced in the autumn of this year.

Mr. Rendel: Obviously, the scheme should have been introduced before the regulation was introduced last July. We were promised then that it would be introduced by the new year. Is it not deeply depressing that we still have no definite date for the scheme—merely "the autumn of this year"? Will the Minister guarantee that any farmer who does not have an abattoir within easy reach of his or her farm will not be prosecuted if they do their best to dispose safely of their fallen stock on their own farm premises?

Mr. Bradshaw: Farmers are expected to comply with the regulation, although local authorities, which are responsible for enforcement, have been told to implement it with a light touch before the scheme is up and running. I share the hon. Gentleman's regrets about the length of time that it has taken, but this is quite a complex matter. It involves trying to get agreement across all the livestock and other sectors involved. We have now achieved that. It is an industry-run scheme, it has buy-in from the industry and those who run it are confident that it will be launched this autumn.

Ann Winterton (Congleton) (Con): Does the Minister recognise that any future ban on hunting with hounds would reduce the options available to farmers? Will he acknowledge that in 2003, 143 hunt kennels processed 500,000 carcases, free to local farmers? There will be further problems if that is not recognised and if there is a ban. Will he also tell the House whether the EU—

Mr. Speaker: Order.

Mr. Bradshaw: If the hon. Lady checks, she will find that the vast majority of hunt kennels charge for the service—they do not provide a free service. We acknowledge that hunt kennels play a role, but it is small in terms of the amount of stock they collect and dispose of, and it is sensible for them to develop this service as an alternative source of income. Those on the board who administer the scheme, and representatives of the collection and disposal industry, assure me that a hunting ban would have absolutely no effect on their ability to dispose of fallen stock. There is plenty of capacity available within the industry.

Mr. James Gray (North Wiltshire) (Con): The Minister says glibly that any ban on hunting would have no effect whatever on the fallen stock company that was set up this week. Why, then, did he announce that 146 of the registered collection centres will be hunt kennels, and that about 80 per cent. of the countryside of England will not be serviced by anybody apart from hunt kennels? Will he not pay some tribute to the valuable service that they have given to the countryside over many years? Will he acknowledge that whether or not hunts charge for collection—most of them do not—they collected 600,000 carcases last year, at a cost of £3.5 million? What would he do if hunting were to be banned?

Mr. Bradshaw: The hon. Gentleman was not listening to my answer. I quoted the chairman of the board of the National Fallen Stock Company, who assured me that a ban on hunting would have no impact whatever on the industry's capacity to dispose of fallen stock.

Andrew George (St. Ives) (LD): Will the Minister reassure the House that farmers in remoter rural areas will not be disadvantaged by excessive charges for the collection of their fallen stock compared with those in areas closer to collection centres? Given the Government's evidently mañana attitude to a regulation that should have been acted on more than a year ago, do they believe that it is an effective and worthwhile scheme that is making a significant impact on the biosecurity of livestock farms?

Mr. Bradshaw: I am not sure whether the hon. Gentleman is suggesting that we gold-plate all EU regulations, although perhaps that is the new Liberal Democrat approach to these matters. I take on board his concern about livestock farmers in remoter rural areas. I am aware, for example, of the concerns of the sheep industry in the remoter parts of Wales, although the National Sheep Association supports this scheme. One of the advantages of the new scheme is that it is a pay-as-you-go scheme, so it is likely to drive down prices. We already know that at least one collector in Wales has said that he will reduce his prices once the scheme is up and running.

Single Farm Payments

3. **Sir Nicholas Winterton** (Macclesfield) (Con): What discussions she has had on her proposals for single farm payments in respect of farmers in severely disadvantaged areas. [174401]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): I have had discussions with, and received representations from, a wide range of interests on this subject. As a result, I made a parliamentary written statement to the House on 22 April.

Sir Nicholas Winterton: As the Secretary of State knows, part of my Macclesfield constituency lies within the Peak District national park. Will she take seriously the views of my farmers, who are deeply concerned about the proposed single farm payments? Up to 200,000 cows are estimated to be on the 5,000 farms in severely disadvantaged areas, and the National Farmers Union believes that those farms will no longer be profitable and will go out of business in respect of livestock farming. Would not that be a disaster for farming, the upland environment and our rural economy?

Margaret Beckett: Of course I am aware of the concerns that exist. It is because of them that the

Government have agreed to phase in the move to area payment over some eight years. That gives farmers in every part of the United Kingdom plenty of opportunity to assess the position of their own businesses and make their own business decisions. Other payments are available, such as the hill farm allowance, which is paid under the rural development regulation. It will continue until the present period ends in 2006.

We believe that all farming interests will benefit from decoupling. We have sought to deal with the concerns, but the hon. Gentleman, who is also a staunch advocate of his manufacturing constituents' interests, will know that many businesses would like the degree of certainty that we seek to offer agriculture.

Lawrie Quinn (Scarborough and Whitby) (Lab): Many of my constituents in areas such as the North York moors will be affected by the proposals. Will my right hon. Friend consider holding a seminar for all Members representing such severely disadvantaged areas, so that we can talk to officials and perhaps, if necessary, bring along some of our staff? I am sure that we shall need to give a great deal of information to constituents facing the new arrangements. It would be helpful if that information were as good, as up to date and as factual as possible, so that we could cut through some of the confusion that currently exists.

Margaret Beckett: That is a wise suggestion, which echoes one made a while ago by the right hon. Member for Fylde (Mr. Jack), who chairs the Select Committee. We certainly have it in mind to offer special briefing to all interested colleagues, not least those representing moorland areas. We are well aware that although the moorland line has been fairly well established for a long time, when it was established there was no process of appeal, as there was in the case of the boundaries for special areas.

We are considering all the issues. Officials are currently tied up with detail, but I hope and expect that we shall be able to offer the support that my hon. Friend seeks in the not-too-distant future.

Mr. Patrick McLoughlin (West Derbyshire) (Con): The Secretary of State is familiar with my constituency in the Peak district. Although the change she has had to make since her original announcement has been welcomed, many farmers are asking why they are being treated differently from those farming perhaps only half a mile away but outside the area. Would it not be better to have only one distinction, between moorland and non-moorland farms?

Margaret Beckett: We thought about that carefully. One of the factors that led us to refine our decision—not reverse it, as the hon. Gentleman suggested, although he may not really have meant that—was the scale and unanimity of representations from a wide range of farming organisations. We believe that this is an improvement, because it mitigates the effects of the redistribution that would otherwise have occurred.

We looked carefully at the possibility of using the distinction suggested by the hon. Gentleman, but when people were forced to choose the balance was in favour of the proposals I announced a week or so ago.

Hunting

4. **Mrs. Helen Clark** (Peterborough) (Lab): What progress has been made towards a ban on hunting with dogs. [174402]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): A clear commitment has been given to the House that the issue of hunting with dogs will be dealt with during the life of this Parliament.

Mrs. Clark: The Minister is of course aware that three quarters of the British public think hunting with dogs should be banned. Over the past seven years, the House has repeatedly shown the same determination. Will the Government introduce a Bill to ban hunting with dogs in time for it to become law during this Session? I will accept a one-word answer—yes or no.

Alun Michael: My hon. Friend knows that I am not going to give her a one-word answer. She also knows from the reaction of Opposition Members that there is a knee-jerk reaction in some quarters when the issue of hunting is mentioned. I have made it clear that a commitment has been given to the House by the Prime Minister, the Leader of the House and me that the issue will be dealt with during the life of this Parliament.

Sir Patrick Cormack (South Staffordshire) (Con): What possible case is there for criminalising a large section of the most law-abiding members of the rural community?

Alun Michael: In view of the hon. Gentleman's long experience in the House, I should have thought that he would know that the House of Commons—the Houses of Parliament—frequently passes new laws, as a result of which certain actions become illegal. It is not a question of criminalising people; those who offend against laws passed by Parliament are offenders. Therefore, the hon. Gentleman should put his question in a rather more neutral manner.

Mr. Peter Pike (Burnley) (Lab): I know that my right hon. Friend gave his answer in good faith, and I am sure that he intends to deliver on it, but does he accept that many people who are currently writing to many MPs believe that this House has overwhelmingly voted in favour of the banning of hunting on many occasions and that it is wrong for the other House to block that? They want to see that ban as soon as possible.

Alun Michael: I understand the strength of view that is shared by a large number of right hon. and hon. Members. I should say gently to my hon. Friend that much concern is often expressed before things happen, and then silence when the Government deliver on what they have promised, as they have on so many issues.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the right hon. Gentleman understand that such a Bill would be widely regarded as an unwarranted attack on the civil liberties of minorities, and would tend to bring parliamentary government into widespread disrepute?

Alun Michael: The right hon. and learned Gentleman voices an opinion that is shared by a narrow group of

people. It is only fair to say that opinion on this issue is divided passionately among rural people, just as it is divided among urban dwellers. It is one of those issues on which there is a deep divide between those who hold strong and opposing views. I have tried to encourage people on both sides of that divide to listen to those on the other side, and I would encourage the right hon. and learned Gentleman to take that approach.

Mr. Dennis Skinner (Bolsover) (Lab): Does the Minister recall that in the course of the past two or three weeks the Tories have laid claim to the notion that when we have introduced some decent legislation, they thought of it first? This is something that they have not thought of first. If the Minister wants to wipe that oily grin off the Tory party leader's face, this is the one thing that he should do—and do in this Session of Parliament.

Alun Michael: My hon. Friend makes his points in his usual, vigorous manner. I am not sure whether many of those claims to have thought of things first are justified, but I recall some of the things that the current leader of the Opposition thought of first when he was Home Secretary. I do not recall that he was very effective then in bearing down on crime and disorder in the way that this Government have been, but I hear what my hon. Friend says.

Gregory Barker (Bexhill and Battle) (Con): In order to demonstrate that this is not a piece of malignant legislation left over from the old Labour class-war politics, will the Minister inform the House what the scientific basis is for introducing such a Bill? What scientific research has he seen that informs him that hunting with dogs has a greater adverse effect on the welfare of the fox than shooting, trapping, snaring or poisoning foxes, which will remain perfectly legal under his proposals?

Alun Michael: The hon. Gentleman always gives the impression that he has wandered in from some sort of parallel universe. I would urge him to do what both sides in the debate urged us to do: to start with the Burns report. That interesting, revealing report was produced with independence and great engagement from all sides. He should also carefully consider the hearings that took place in Portcullis House in September 2002. They were very interesting, because we looked at the facts and the science and gave everyone the opportunity to question those who gave evidence. I suggest that the hon. Gentleman stay in our universe for a few minutes, and do some reading and some homework.

Cormorant Predation

5. **Mr. Martin Salter** (Reading, West) (Lab): What plans the Government have to allow fishery owners and angling clubs to protect inland waterways from the effects of cormorant predation. [174403]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): Following representations from my hon. Friend the Member for Reading, West (Mr. Salter), I am actively considering extra measures that could help fishery owners and angling clubs to deal with the increasing problem of predation by cormorants.

Mr. Salter: I thank the Minister for his reply, which will be welcomed by the 3.5 million anglers in this country. He is well aware of the serious environmental damage being caused to many inland fisheries in Britain as a result of the massive increase in cormorant numbers in the past 10 years. He is also aware that many European countries are relaxing their rules and granting themselves derogation from the EU birds directive. Is it not about time that Britain followed suit?

Mr. Bradshaw: I am not sure that we would be prepared to go that far. If my hon. Friend studies the experience of France, which has granted such derogation and has killed many cormorants, he will see that the evidence of a beneficial effect is at best patchy. I accept the concern that he expresses on anglers' behalf that serious localised problems exist, particularly in some of our inland fisheries, and I will re-examine this issue to see whether more can be done.

Mr. David Heathcoat-Amory (Wells) (Con): The Government have a declared policy of equal rights, yet the hon. Gentleman's Department is here defending and promoting the interests of those who like dragging fish around in the water and pulling them out by sharp hooks before putting them back, while at the same time wishing to ban hunting with dogs. What are the Government and his Department doing to stamp out hypocrisy on these issues, both inside and outside this House?

Mr. Bradshaw: I am not sure what that has to do with cormorants, but the right hon. Gentleman is right: any Government have to strike a balance between the rights of fish and the rights of cormorants, and we are indeed trying to strike that balance.

Mr. Tony Banks (West Ham) (Lab): Why has there been such a large increase in the cormorant population?

Mr. Bradshaw: As with many of these very interesting questions, there is no conclusive scientific evidence, but one reason might well be that because our streams and rivers are cleaner than they have been for generations—thanks to the environmental improvements undertaken by this Government—fish populations in inland waterways are much higher, and cormorants that used not to live inland have migrated there in recent years.

State Veterinary Service

6. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): If she will make a statement on the future of the state veterinary service. [174404]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The Government believe that the state

veterinary service should become an Executive agency from 1 April 2005. A consultation exercise will be launched soon.

Mr. Williams: I thank the Minister for that reply. The announcement was made last October, and it seems that the Minister has already made his mind up, given that the advertisement for the post of chief executive of the next steps executive agency has already appeared. Surely the Minister should have consulted first. Has he consulted the British Veterinary Association, the National Farmers Union or—in particular, so far as I am concerned—the National Assembly for Wales?

Mr. Bradshaw: We have had discussions with those bodies. Indeed, the former president of the British Veterinary Association said on the wireless this morning—on the "Farming Today" programme—that in his view the separation of delivery and policy was a good idea. However, we have not made up our minds. This is a genuine consultation process, and if the results are overwhelmingly hostile we will think again. The advertisement had to be placed then in view of the need to stick to the deadline and of the time it will take to appoint somebody. No firm decisions have been taken, which is why full consultation will take place.

Mr. Owen Paterson (North Shropshire) (Con): Is the state veterinary service sufficiently organised to cope with the annual 20 per cent. increase in bovine tuberculosis predicted by the Government?

Mr. Bradshaw: Yes, it is, and the hon. Gentleman might be interested in the following figures. Currently, there are the equivalent of 1,445 full-time members of staff in the state veterinary service, compared with only 1,100 in 1995—a 31 per cent. increase since the Conservatives were in government. Moreover, the amount spent on the state veterinary service increased in the same period by 60 per cent.

Large Combustion Plant Directive

7. **Paddy Tipping** (Sherwood) (Lab): If she will make a statement on how she intends to implement the large combustion plant directive. [174408]

The Minister for the Environment and Agri-environment (Mr. Elliot Morley): We have yet to make a final decision on the mode of implementation of the revised large combustion plant directive. We will make an announcement as soon as possible.

Paddy Tipping: Will the Minister confirm and publish the Mott MacDonald study commissioned by his Department, and will he confirm that his noble and ministerial Friend Lord Whitty visited one of the midlands pits only a few days ago? In the light of both those events, is it not true that if a national plan approach were taken half the coal collieries in this country would close within the next five to six years?

Mr. Morley: It is true that if the national plan approach were implemented in its currently discussed format, it would have an impact on the coal sector. There are no two ways about that. Similarly, if the alternative approach on emission limits were put in place, that would also have an impact on manufacturing. It is a complicated issue, as my hon. Friend knows. We want to put as much information as possible in the public domain. Our objective is to meet desirable environmental standards, but to do so with the minimal impact on the relevant sectors. That is what we are currently trying to do.

Miss Anne McIntosh (Vale of York) (Con): As the Minister rightly says, this is a complicated issue. He would accept that existing plants are in danger of breaking all the Government's emission targets. When will the Government make an announcement to confirm that existing plants will be included as part of the national plan, and what will be the costs to the industry of meeting the regulatory impact goals?

Mr. Morley: On the latter point, some figures have been made available on the costs of the regulatory impact, but we need to be aware that there are also health benefits to wider society from lower emissions. That reduces costs on the NHS, for example, so there are positives and negatives to the approach. I repeat that we want implementation to produce environmental gain with the minimum impact on the sectors concerned. That could mean some delay as we assess the various models and talk to the different sectors about implementation. I believe that it is better to have some delay in order to get it right and minimise the impact.

Mr. Bill O'Brien (Normanton) (Lab): I join my hon. Friend the Member for Sherwood (Paddy Tipping) in appealing to the Minister to have regard to the impact of the national plan on the electricity generating industry and the coal industry. I accept that the aluminium industry, with its single unit, has to be taken into account. Will the Minister impress on the European Commission the need for some variation in the application of the plan, which is what the French are doing in their submission to the EEC by seeking to variate in order to protect their businesses and industries?

Mr. Morley: I can assure my hon. Friend that we examining the French proposals, but he will be aware that there are complexities surrounding legal interpretation. I repeat my general point. In respect of the Commission, there should be elements of flexibility in the regulations that are designed to bring about the desirable environmental outcomes. We want those outcomes to be achieved in a way that recognises the impacts on industry and does not have a disproportionate effect. We want the outcomes, but with the minimal effect in respect of the economic impact.

Sugar Beet

8. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When she next expects to meet sugar beet growers to discuss reforms of the EU sugar beet regime. [174409]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): Ministers frequently

meet the National Farmers Union and other farming organisations to discuss a range of topical subjects, including sugar reform.

Mr. Bellingham: I am grateful to the Secretary of State for that reply, but is she aware of the vital importance of sugar beet to Norfolk's rural economy? In fact, Norfolk grows about half of the beet grown in this country. Has she had a chance to reflect on the recent remarks of the noble Lord Whitty given in evidence to the Select Committee on Environment, Food and Rural Affairs? He seemed to say that he favours full liberalisation, but is that the Secretary of State's view. Does she agree that, if the Government are to opt for full—or, indeed, any—liberalisation, it is vital to put in place a well thought out bioethanol programme? That alone can offer hope to Norfolk's beet growers.

Margaret Beckett: First, I do know about some of the remarks of my noble Friend. His point was that he did not believe that any of the options currently on the table—including the status quo—were fully viable. He was speculating about what might finally emerge from the balance of potential options. I take the hon. Gentleman's point about bioethanol and the possibilities for the future, but I was under the impression that the Conservative party was in favour of liberalisation. I believe that it was on 1 March that the Leader of the Opposition said:

"Rich countries should act in accordance with what they know to be true: free trade spreads prosperity, protectionism does not."

Mr. Kelvin Hopkins (Luton, North) (Lab): Will my right hon. Friend confirm that the common agricultural policy damages the third world most of all through what it does to the sugar trade? Does that not make a powerful case for the eventual abolition of the CAP? Should not sugar policy be repatriated to member states so that they can choose what they do with their sugar producers? Should we not aim to create a world in which we do not damage third-world producers?

Margaret Beckett: I certainly agree that it is important to try to make sure that we do not damage third-world producers, and any proposals that are made ultimately will have to be judged in part against that criterion. However, I am afraid that I do not share my hon. Friend's view that there should not be a common policy on agriculture. The Opposition took us into the European Community and passed the Single European Act, and one requirement of a single market is that there is some sort of co-operative marketing structure.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Does the Secretary of State accept that, unlike other European producers, the UK produces only half of what it consumes, with the rest being imported from third-world countries? Does she agree, therefore, that any reform should take account of that fact, and that the EU might do well to look at the British model—that is, opening up its market to third-world countries while at the same time preserving a domestic sugar industry? Does she also agree that, as part of reform, the Government must help sugar growers to find new markets, of which the bioethanol market is certainly one?

Margaret Beckett: Certainly, any implications of new proposals would have to be examined carefully. However, although sugar producers, refiners and so on can make a very strong case, the sugar regime has remained basically unchanged for something like 35 years while every other regime has been reformed around it. It seems to me that a regime that demands a price for sugar that is twice the world price is not sustainable in the long term.

Wind Turbines

9. **Mr. Eric Forth** (Bromley and Chislehurst) (Con): What discussions she has had with the Department of Trade and Industry on the environmental impact of wind turbines. [174410]

10. **Bob Spink** (Castle Point) (Con): What discussions she has had with the Department of Trade and Industry on the environmental impact of wind turbines. [174411]

The Minister for the Environment and Agri-environment (Mr. Elliot Morley): Lead responsibility for wind energy lies with the DTI, although the Department for Environment, Food and Rural Affairs is also a regulator for offshore wind farms. My right hon. Friend the Secretary of State regularly meets with my right hon. Friend the Secretary of State for Trade and Industry to discuss matters of mutual interest.

Mr. Forth: The Minister for Energy, E-Commerce and Postal Services at the DTI is a well-known wind enthusiast. Indeed, I think that he has said that 80 per cent. of renewable energy should come from wind. Will the Minister say where the thousands of wind turbines needed to achieve that target will be located? What account has he or his Department taken of the effect on birds, aircraft and local communities? Has he discussed that with the DTI? How on earth is the Minister's wind going to provide reliable energy?

Mr. Morley: We must put the matter into perspective. The objective is to get 10 per cent.—rising to 15 per cent.—of our energy from renewables, of which wind is but one part. We are encouraging and supporting other technologies, and it is likely that the sector will develop in due course. However, there is no getting away from the fact that wind is a cheap and reliable option in the renewables sector. It is important that we increase the amount of energy taken from renewable sources in this country, but the impact on the environment and landscape cannot be ignored.

The potential impact on birds is a serious issue that we take into account in our studies of offshore farms. In the constituency of my hon. Friend the Member for Brigg and Goole (Mr. Cawsey), for example, very large applications for wind farms have been made. He and other hon. Members have represented very strongly the reasonable case put by local people about the potential impact. We take that case seriously, and take it into account.

Bob Spink: The hon. Gentleman is generally an excellent Minister, but he is a little unsound on this subject. He will be aware that a wind farm is mooted for the Thames estuary that would have serious implications for navigation and the environment. In addition, some people say that the noise of such a farm

would adversely affect surrounding residential areas. Before any steps are taken in respect of the Thames estuary wind farm, will he ensure that the people of Castle Point—and of Canvey island, in particular—are fully consulted, so that their interests can be taken into account?

Mr. Morley: I want to make it clear that many of these matters are for the DTI, while others, such as navigation, are for the Department for Transport. A co-ordinated approach is therefore required, but I can assure the hon. Gentleman that this Department takes very seriously those aspects of the environmental impact of wind farms that are our responsibility. They tend to be offshore, as we have a role in offshore consents. I assure him that we insist on environmental impact assessments: for example, we support the research into offshore bird populations undertaken by the Joint Nature Conservation Committee. We also insist on long-term monitoring of those effects. All those issues can be taken into account. If we are serious about tackling climate change, we must increase the amount of renewable energy used, and wind is an important part of that.

Mr. Ian Cawsey (Brigg and Goole) (Lab): When my hon. Friend considers the environmental impact of wind turbines, will he include the gold-digging syndrome that is seen when one company comes into an area and does a study to see if it is suitable, and then many other companies come in on the back of that study? In no time, an area is bogged down with application after application for wind turbines. My hon. Friend will know, from his knowledge of my area, that in North Axholme and Goole Fields many companies are now considering applications. The people of Crowle are not anti-renewable energy and they can see that wind might have a role to play, but they are sick and tired of the scale of what is proposed. It is too much for one small part of the country.

Mr. Morley: I understand the point that my hon. Friend makes, and he arranged a meeting with the local action groups in his constituency, which I attended to listen to their views. I have great sympathy with many of the points that were made. People oppose wind farms for many reasons, not always because of their environmental impact. People have valid concerns and we take those into account in our environmental assessments. I know that the scale of the applications is taken into account by the DTI in its scoping studies, and I will certainly speak to my colleagues in that Department about my hon. Friend's concerns.

Mr. David Chaytor (Bury, North) (Lab): Has my hon. Friend the Minister seen the press reports this week about the first school in the UK to construct a wind turbine on its roof? Is not it the case that the new generation of compact wind turbines will enable every school, factory, hospital and even private house in the UK to generate its own electricity? When my hon. Friend next discusses the issues with his colleagues in the DTI, will he also involve my right hon. Friend the Secretary of State for Education and Skills in discussing the potential for more schools to generate their own electricity through wind turbines?

Mr. Morley: My hon. Friend makes a very good point. We have been discussing issues such as sustainability with the Green Ministers group and I know that the DFES is very interested. The House should also recognise that this country is developing industries that are leaders in new energy technologies. The roof-based wind turbines are produced by a British company based in Scotland, and the export market for their products has enormous potential. The new technology will provide environmental benefits, as well as gains for our wider economy.

Norman Baker (Lewes) (LD): Has the Minister noticed that those who are keen to rubbish wind power are often the same people who advocate a new generation of nuclear power stations? Has he discussed with the Secretary of State for Trade and Industry the full lifecycle costs of wind power as against nuclear power, given the £48 billion decommissioning costs—£8,000 per person in this country—of the latter? Does the Minister agree with the Secretary of State that it would therefore be wrong to set out on a new generation of nuclear power?

Mr. Morley: There are no proposals in the energy White Paper for new nuclear power stations. The hon. Gentleman makes the point about the choices that have to be made about energy generation. Renewables must be part of that balance, and we must increase the proportion they provide. People have various motivations for opposing applications for wind farms, including some members of the hon. Gentleman's party in their constituencies. I hope that he will speak to them about that.

Richard Ottaway (Croydon, South) (Con): The Minister and the DTI are swamping the country with wind farms in pursuit of his failing policy on climate change. Is he aware that CO_2 emissions went up last year? Instead of putting all his eggs into the wind farm basket, he should focus on wave and tidal power, solar energy, photovoltaics, biomass and hydrogen, and introduce a proper diversified renewables policy that might actually see CO_2 emissions going down, instead of up.

Mr. Morley: What blatant opportunism! It comes from the party that tabled a Prayer to try to block emissions trading in the European Union and that made no progress in addressing climate change when it had the opportunity to do so. The energy White Paper is universally recognised as a world leader in global strategies for dealing with climate change. It addresses all the issues, including tidal energy, solar power and gas. That is all part of the research and development that we have put in, but which the previous Conservative Government cut.

Milk Prices

11. **Mr. Andrew Turner** (Isle of Wight) (Con): If she will make a statement on milk prices. [174412]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): The most recent available figure shows that the average UK farm-gate price for milk delivered in March was 18.51p per litre, which is 1.14p per litre higher than last year. That is the highest figure for milk delivered in March since 1999.

Mr. Turner: I thank the Minister for his reply. Farmers in my constituency strive to get 10p a pint for milk, but the housewife in the supermarket has to pay 37p. How successful have the Government been in dealing with rip-off supermarkets and their oligopoly?

Alun Michael: We welcome the Office of Fair Trading decision to undertake a compliance audit of the supermarket code of practice to establish evidence for any further action. Furthermore, the work that has been done demonstrates that changes in farm-gate prices and supermarket prices are reflected one on the other. There was thought to be dissonance between the two, but that does not appear to be the case.

Mr. Lindsay Hoyle (Chorley) (Lab): I am sure that my right hon. Friend is aware that some milk processors are going out of business at present. The supermarkets' cartel is putting on pressure, so farmers struggle to find someone to buy their milk and are then forced into selling it at a reduced price against the premium that they always had in the past. That is a worry and we need to look into it. The matter is urgent for dairy farmers, especially as they have nowhere else to turn if they produce milk alone.

Alun Michael: I understand my hon. Friend's concern, but we are trying to move to a situation where farmers produce what the market requires. In my initial reply, I referred to the work of the OFT, which is considering whether anything needs to be done to ensure that there is a level playing field. I encourage my hon. Friend to look at the available information, especially from the KPMG study on prices and profitability in the British dairy chain, which contains a number of lessons for us to learn in looking at the future of the dairy industry.

Mr. David Heath (Somerton and Frome) (LD): Is it not still the case that the entire dairy chain is distorted from beginning to end, so that primary producers and processors are constantly squeezed to the point that there are unsustainable milk prices, which mean that many of them are going out of business? Do we not need if not a stronger code of conduct, one that is properly implemented and properly enforced so that supermarkets do not simply make profits while our dairy industry is being exported?

Alun Michael: I encourage the hon. Gentleman, too, to look at the detailed information about the industry. We have gone to some trouble to ensure that it is available—for example, on fluctuations, a 1p increase in the farm-gate price resulted in an increase of only 0.6p in the retail price of liquid milk, whereas a 1p decrease in farm-gate prices reduced the retail price by 0.7p. Clearly, there are fluctuations in the market and there are pressures, and supermarkets do things in order to try to keep their prices down. That is why the examination by the OFT, which is based on facts, not fears—although the fears are understandable—is the right way to approach the issue.

Hunting With Dogs

12. **Mr. Bob Blizzard** (Waveney) (Lab): When she will be in a position to bring forward legislation to ban hunting with dogs. [174413]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I can only repeat the assurances, which the Government have given consistently and repeatedly, that the issue will be dealt with in the present Parliament.

It must be remembered that the Government did bring forward legislation during the last Session, which was amended in the House of Commons, and that the House of Lords failed to complete its consideration of the Bill.

Mr. Blizzard: I thank my right hon. Friend for that answer.

There have been inquiries and endless debates on whether hunting is an essential tool of countryside management, but is not the key to be found on the placards that huntsmen hold up when they go on their demonstrations? The placards say, "Leave country sports alone". Hunting is a sport. It is a cruel sport. It is an unnecessary sport. It is a sport that the people of this country want banned. It is a sport that the House wants banned. May we have a Bill as soon as possible so that we can do just that?

Alun Michael: My hon. Friend is right to point to the revealing nature of the messages on some of the placards. I do not think that such messages did any favour to those who tried to make a case for hunting having a role in, for instance, the control of vermin and so on. I would only point him to the conclusions that I reached and brought before the House as a result of exhaustive inquiries and listening to all sides of the debate. The evidence deserves better attention than the sort of placard to which he refers.

Mr. Peter Luff (Mid-Worcestershire) (Con): The Minister again referred to the evidence during his answer to the hon. Member for Waveney (Mr. Blizzard), and the Minister often professes a great attachment to scientific objectivity and curiosity in matters that relate to hunting with dogs, although his body language and rhetoric sometimes suggest something rather different. I suspect that that criticism could be made of me, of course. The peer group review will be completed soon into the middle way group study into the welfare effects of shooting foxes. May I ask the Minister to pay very careful attention to that peer group review, whatever it says? It may or may not support our study, but may I ask him for an assurance that he will at least look at the peer group review before introducing any further legislation in the House?

Alun Michael: As for body language, the hon. Gentleman is sometimes referred to as enthusiastic and perhaps as over-excited. I think that he will

acknowledge that I have always looked at any evidence that he, the middle way group or, indeed, other organisations have produced, and I have tried to do so objectively and to listen with care where they have evidence that should be treated as a serious contribution to the debate. So, of course I will look at anything that he and his group produce.

Mr. Gordon Prentice (Pendle) (Lab): Would it shock and surprise my right hon. Friend if I were to tell him that I no longer believe that this Government will ban hunting with dogs? May I remind him—this is why he is being pressed by Labour colleagues—that the Parliament Acts can be used only if a Bill is brought back in this Session? If a Bill is not brought back in this Session, we will not ban hunting with dogs. So why does he not forget about being so delphic and just give us a straight answer to a straight question?

Alun Michael: Nothing that my hon. Friend contributes in the Chamber could shock or dismay me. I assure him that he lost all capacity to have that sort of impact a long time ago. I have given a straight answer to a straight question: the matter will be dealt with in this Parliament. If he wishes to extrapolate from that into the mechanics, I can assure him that I have looked at the implications of the procedures as well, and with great care.

Statutory Management Requirements

14. **Mr. James Plaskitt** (Warwick and Leamington) (Lab): What representations she has received in respect of the inspection regime to oversee statutory management requirements. [174415]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): Officials continue to work closely with stakeholders and enforcement bodies to evaluate the current inspection regimes. Stakeholders have been engaged throughout by involvement in bilateral meetings, workshops and the current public consultation on cross-compliance.

Mr. Plaskitt: I thank my right hon. Friend for that answer, but will she confirm whether the new regime, when it is introduced, will be made fully consistent with all the other inspection regimes that are already in place? Will there be full data sharing between them?

Margaret Beckett: My hon. Friend makes a very important point. That is exactly the kind of issue that we are discussing with stakeholders. We are conscious of the fact that, as he will appreciate, the statutory regimes are already the subject of current inspection, but we are anxious to simplify and streamline inspection processes as much as is practicable. We are certainly very mindful of the point that he makes about the need in the future for greater data sharing and greater efficiency. That is something that we are considering in general, with a view to all our regulation, but in particular, of course, in this new field.

Tony Baldry (Banbury) (Con): What mechanisms exist in the Secretary of State's Department to ensure that that regime, or any other inspection regime or regulatory burden, does not weigh down harder on British business than similar regulatory regimes do in other EU member states?

Margaret Beckett: Quite simply, there are Commission requirements, and they are binding on every member state and apply in particular to that section of the cross-compliance regime. We believe that the changes that we are making will make ours a more efficient and effective regime than perhaps those in some of the other member states.

Waste Disposal

15. **Andrew Selous** (South-West Bedfordshire) (Con): If she will make a statement on her policy on fly-tipping and waste disposal. [174416]

The Minister for the Environment and Agri-environment (Mr. Elliot Morley): The Government are determined to tackle fly-tipping. We issued a wide-ranging strategy for consultation in February. The consultation period closed on 14 May and responses are currently being collated. The Government's policy on waste disposal is set out in "Waste Strategy 2000". A number of actions are also being taken forward as a result of recommendations in the 2002 strategy unit report, "Waste Not, Want not".

Andrew Selous: Does the Minister recognise that there is a fundamental contradiction between his waste disposal policy and his anti-fly-tipping policy? In particular, should not small building or garden maintenance firms be allowed to take their waste to tidy tips? If we cannot differentiate between an ICI and a small business, we have got the policy wrong. In addition, will not limiting householders to a permit for one item per month significantly increase fly-tipping throughout the country?

Mr. Morley: I think that the hon. Gentleman's point relates to a decision by his local authority in respect of its disposal sites. It is entirely up to local authorities to decide what to do in respect of their own sites and how to apply such decisions. If local authorities feel that there is an issue of trade waste, it is not unreasonable to have a charge in that respect. The matters of strategy that the hon. Gentleman raises are for local councils to decide.

Sue Doughty (Guildford) (LD): The ban on co-disposal of hazardous waste in landfill sites becomes operational this year. The industry says that few facilities will be available to deal with that waste. What will the Government do to prevent fly-tipping resulting from their inability to implement effective solutions in response to legislation that was in place in 1999?

Mr. Morley: Let me update the hon. Lady. There are about 30 applications for separate cells for the disposal of hazardous waste, and that number does not include in-house sites. We take fly-tipping seriously, which is why we have given local authorities new powers, for example, to stop, search and confiscate vehicles. We are also considering the way in which the legislation works and how to disseminate information. We are prepared

to bring in further measures and to examine the level of fines, if there is a case for doing so. We are not complacent—we are dealing with these issues on a wide front, in relation to our overall waste strategies.

Animal Welfare

16. **Mr. Richard Bacon** (South Norfolk) (Con): If she will make a statement on the animal welfare rules governing (a) domestic and (b) imported pig rearing. [174418]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The vast majority of imports of pork and pork products into the UK are from other member states. All member states have to implement and comply with minimum welfare standards for pigs, as agreed by the European Union.

Mr. Bacon: The British Pig Executive estimates that 70 per cent. of the 767,000 tonnes of pigmeat imported into this country is produced to standards that would be unlawful in the UK. Given that 92 per cent. of consumers want imported meat to be produced to animal welfare standards equivalent to those in the UK, is it not time at least to have clear and unambiguous country of origin labelling, so that consumers can make an informed choice? To that end, will the Minister give his full support to the magnificent Bill of which I am the promoter, which is to receive its Second Reading on 16 July, and which would give effect to clear food labelling?

Mr. Bradshaw: We are looking at the subject of labelling. I always urge all British consumers to buy British pork. One of the reasons for the figures that the hon. Gentleman quotes is the unilateral ban on sow stalls and tethering that was passed by the Conservative Government—a move that we supported and implemented in 1999. It was the Labour Government who, in 2001, managed to extend the ban to the rest of the European Union, thus ensuring a level playing field for our pig producers.

Waste Incinerators

17. **Bob Russell** (Colchester) (LD): How many waste incinerators have been built in (a) London and (b) Kent since 1997; and how many others have been approved in (i) London and (ii) Kent since 1997. [174419]

The Minister for the Environment and Agri-environment (Mr. Elliot Morley): No waste incinerators have been built in London or Kent since 1997. At Allington, near Maidstone in Kent, an operating permit was granted in September 2003, and planning permission has been obtained for an incinerator. An application for a proposed incinerator at Bexley, south London, was granted a permit in September 2003.

Bob Russell: I wonder whether the Minister will therefore kindly instruct local authorities in Kent and London to stop dumping their rubbish in Essex. If they want to incinerate their waste, why do those local authorities not build the incinerators in their area, instead of transporting the waste 60 miles into Essex?

Mr. Morley: That might well be something that authorities consider. There is a strong case for local authorities coming together to provide a strategic approach to waste disposal, which can require consideration of a range of options of which incineration is but one.

Vital Villages Grant Scheme

18. **Norman Lamb** (North Norfolk) (LD): If she will make a statement on the termination of the Countryside Agency's vital villages grant scheme. [174420]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): Vital villages was established in 2001 as a three-year programme, so it should come as no surprise that the Countryside Agency has announced that the scheme is closed to new applicants. All existing grant commitments will be met, and some £14.2 million will be spent in 2004–05 supporting action by and in rural communities.

Norman Lamb: I thank the Minister for his response. The vital villages scheme has provided funding for some valuable schemes in north Norfolk, including the revitalisation of village shops. Many people who have applied for grants are frustrated by the plethora of different routes that they have to take to get money, which often means that it is the most informed communities—the ones that know how to play the system—that get hold of the money. Is there not a case for rationalisation—making sure that money is available and goes to the communities that need it most?

Alun Michael: I thank the hon. Gentleman for making an excellent point. He is absolutely right to be concerned about the plethora of funding streams, which is why my right hon. Friend established the inquiry that was undertaken by Lord Haskins and why some of the emphasis of her forthcoming statement on the refreshed rural strategy is about simplification of funding streams. Since DEFRA was set up, we have been keen to get better evidence about where disadvantage lies in rural communities rather than, as he suggested, merely allowing those who are best informed get to the source of finance first—I nearly said get to the trough first, but that was the previous question. The publication of work by the Rural Research Centre in January will be the start of our having the quality of information to help rural communities that we have been able to take for granted in urban regeneration for many years. I am glad that the hon. Gentleman clearly welcomes that.

Business of the House

12.31 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Mr. Peter Hain): Mr. Speaker, you are responsible for security within the House, but I thought that it would be helpful to update Members on my discussions with the Security Service this morning in advance of announcing the business. It is advising on what action needs to be taken following the incident yesterday. This will be considered by the joint committee on security on Monday and the House of Commons Commission on Tuesday. As the House will be aware, there has been a wider Security Service review, which will report in the summer. It is my intention that, once the final report is considered, the executive summary will be published and will be followed by a debate on the Floor of the House.

I want to reassure the House that we need to strike a proper balance between proper security and the right of public access to Parliament and its Members. Voters should, and will, continue to have the right to come to Parliament, but in conditions that are secure for them and for Members and their staff.

The business for next week will be as follows:

MONDAY 24 MAY—Remaining stages of the Civil Contingencies Bill

TUESDAY 25 MAY—Remaining stages of the Gender Recognition Bill *[Lords]*.

WEDNESDAY 26 MAY—Opposition Day [12th Allotted Day]. There will be a debate entitled "Financial Burdens on Local Authorities by Central Government", followed by a debate entitled "Town Planning and Urban Sprawl". Both debates arise on an Opposition motion.

THURSDAY 27 MAY—Motion on the Whitsun recess Adjournment.

FRIDAY 28 MAY—The House will not be sitting.

The provisional business for the week after the Whitsun recess will be:

MONDAY 7 JUNE—Second Reading of the Patents Bill *[Lords]* followed by a motion to amend the Standing Orders in relation to the nomination of Select Committees.

TUESDAY 8 JUNE—Remaining stages of the Age-Related Payments Bill, followed by a debate on the future of air transport White Paper on a motion for the Adjournment of the House.

WEDNESDAY 9 JUNE—A debate on veterans' affairs on a motion for the Adjournment of the House.

THURSDAY 10 JUNE—A debate on disability on a motion for the Adjournment of the House.

FRIDAY 11 JUNE—The House will not be sitting.

I should also like to inform the House that the business in Westminster Hall for June will be:

THURSDAY 17 JUNE—Debate on the report from the Work and Pensions Committee on the European social fund.

THURSDAY 24 JUNE—Debate on the report from the Science and Technology Committee on Government investment in nanotechnology.

Mr. Heald: I thank the Leader of the House for the business, particularly the debate on the air transport White Paper, for which we have been calling.

There is widespread concern about the incident yesterday during Prime Minister's questions. Does the Leader of the House accept that he has my support for sensible measures to improve security, while always remembering that the public must have access to their Parliament? There are clearly lessons to be learned, which the Commission will consider next week.

Turning to another policing issue, about a week ago it looked as though the long-standing demonstration on Parliament square that involves so much police time might be over. Yesterday, my right hon. Friend the Member for North-West Hampshire (Sir George Young) opened a debate in Westminster Hall on the Sessional Orders. What progress can the Leader of the House report concerning the Sessional Orders?

The right hon. Gentleman will know how anxious we are to have the debate foreshadowed by the Foreign Secretary about Iraq. This morning the Leader of the House criticised the Leader of the Opposition as "opportunistic" for telling the Prime Minister to stand up to President Bush when he disagrees with him, and not just to tag along. What would he say about these remarks:

"A future in which the UK tags along behind a unilateralist United States would reap a bitter harvest"?

Those were his words last October, reported in *The Sun* under the heading, "The Hate of Hain". So who is the opportunist now?

Then there is the Deputy Prime Minister, who was telling us this week that "Tony" was consistently trying "to channel America" towards UN action, but that

"we might lose . . . influence if we start having a go at the Americans".

Is it not time that the Prime Minister took a lesson from Baroness Thatcher when she was Prime Minister and was a frank and straightforward friend of the United States of America?

Turning to our Olympic bid, it seems that it depends on the completion of the London Crossrail project. The Leader of the House will have heard the concern expressed by business leaders about the Government's failure to implement it. Can he confirm that as soon as the period of election purdah is over, there will be a statement about its future?

Finally, now that the Chancellor has been forced to concede the failures of the new deal, will the Leader of the House arrange an oral statement so that the Chancellor can apologise for wasting billions of pounds providing help to those who would have found a job anyway and doing precious little for those with real problems finding a job, such as the over-50s, those on incapacity benefit through stress or disability and the lone parents with children at secondary school—all of them let down by Labour?

Mr. Hain: The local election campaigns really do seem to have started, do they not, Mr. Speaker?

[Mr. Hain]

On the hon. Gentleman's last point, I find it extraordinary that when 210 people in his constituency have had the opportunity of getting a job with extra training and skills, he wants to send them back to the dole queue, where they were under the Conservatives. Nearly 1 million people have had the chance for skills training, extra opportunities and jobs under the new deal, including very many disabled people in my constituency. The hon. Gentleman should be supporting them, not seeking to consign them to the scrap heap, as they were under the Conservatives.

I am grateful for the hon. Gentleman's support for what he calls sensible measures to improve security in the House and I agree that lessons—some hard lessons—need to be learned about what happened yesterday. There will be, as I described, recommendations coming from the Security Service, which we will be able to consider early next week. It is extremely important that the old-fashioned culture of security in the House is modernised and that we update our procedures and protect the House against terrorist attacks or any other security breaches.

As regards Parliament square, the Home Office will undertake a consultation exercise on developing police powers and ensuring that the police are empowered to act effectively and proportionately, including using their existing powers. The paper will be issued shortly and there will be a three-month consultation period. I am well aware of the Adjournment debate yesterday in the name of the right hon. Member for North-West Hampshire (Sir George Young), the Chairman of the Standards and Privileges Committee. I am also aware of the long delay on the matter, which I greatly regret, but the debate yesterday may have accelerated the outcome, to the general benefit of the House.

On Iraq, which the hon. Member for North-East Hertfordshire (Mr. Heald) raised in a contentious fashion, it is extraordinary that Conservative Members should seek to split our soldiers and American soldiers by separating those armed forces' leaders in Washington and London when the situation is at its most dangerous in the field. I wonder whether the shadow Defence Secretary agrees that we should distance ourselves, when our soldiers and American soldiers are battling together side by side against terrorists and jointly working to hand over power to Iraqis at the end of June.

On the Olympics and transport, the relevant Ministers and authorities are addressing the issues. I should have thought that the hon. Member for North-East Hertfordshire would welcome London's being on the shortlist and pay tribute to the Government's drive in securing that position.

Mr. Heald: You had to bring Seb in.

Mr. Hain: The Government were prepared to put in extra resources to win the Olympics for London, and the hon. Gentleman should back that.

Sir Stuart Bell (Middlesbrough) (Lab): The House is grateful for the confirmation by the Leader of the House that the Speaker has sole responsibility for security in the House. Can the Leader of the House confirm that the House supported the Speaker's decision to raise the screen? Can he also confirm that after the review to which he referred and the meetings of the joint committee on security on Monday and of the House of Commons Commission on Tuesday, any recommendations that the Speaker makes to the House should be fully supported, rather than receiving a majority of seven, which we saw in the last vote?

Mr. Hain: I agree with everything that my hon. Friend said. You, Mr. Speaker, are indeed responsible for security in the House. Everybody in the House of Commons Commission, including my hon. Friend, the shadow Leader of the House and me, backed your decision to the hilt. Our position was united, and we intend to maintain it. Following recommendations from the security services, we will move forward together to ensure that the House is properly protected, while always ensuring that we do not shut ourselves off to influence and pressure from members of the public who are properly here to lobby us.

Mr. Paul Tyler (North Cornwall) (LD): May I assure the Leader of the House that my hon. Friends and I support his new approach on the security of the House? May I ask him to re-examine the debate on the security screen on 22 April, to which other hon. Members have already referred, and particularly column 478 of *Hansard*? He will recall that in that debate several senior hon. Members and I expressed the precise concerns that have now become so important. For example, I said that it was important to make certain that the new screen did not divert attention from the wider interest of the security of the whole House, and that we should review the positioning of the screen in the light of the assessment to which he referred.

Will the Leader of the House now accept that the perimeter of Parliament is the critical issue? Although nearly 13,000 security passes have been issued, hundreds of them have gone astray. What steps are being taken urgently to review that point? I have asked him that question on two previous occasions, but I have not received an answer on either the number of passes that have gone astray or the steps that might be taken.

We all accept that it is difficult for the Leader of the House or anyone else to give details on a public occasion such as this, but will he assure us that this summer's executive report will be by the professionals, who should be given an opportunity comprehensively to examine the whole House, including all the buildings and all the people who come here, rather than just this Chamber? Although every democrat wants to resist this building becoming a fortress—we must maintain a balance—it is important to ensure that, rather than simply putting this Chamber in a glass box, we are making Parliament a safe place for all our constituents to meet us and hear what is undertaken on their behalf.

The issue is extremely important and I understand the point that the Leader of the House made about getting the right professional advice, which is difficult to bring to the Floor of the House, but he must accept that the issue concerns not only security, but this House's important role as the cockpit of the nation's debates.

Mr. Hain: If that was support for my proposals, I would like to know what opposition is. As the shadow

Leader of the House indicated, it is important that we move together on a united basis with the Serjeant at Arms and the Speaker in order to maintain security.

If hon. Members—possibly even the hon. Gentleman himself—wish to consult *Hansard* to look at what was actually said in that debate on 22 April, they will realise that there is a certain amount of humble pie to be eaten by those who voted against the erection of the security screen. If it was possible for a guest sponsored by a Member of the House of Lords to do what was done yesterday, imagine what might have happened if someone had come in, apparently innocently, with anthrax or ricin and lobbed it into the Chamber at the Prime Minister. What is important now is that we should examine the access arrangements for sponsored visitors to ensure that the whole Palace is properly secure. That is being done.

I very much agree with the hon. Member for North Cornwall (Mr. Tyler) that it is a question of protecting not only Members in the Chamber, but our constituents who visit this place and the staff of the House of Commons. We must consider the security arrangements for the whole of the Palace. That is precisely why, a few months ago, the House of Commons Commission, under the leadership of the Speaker and with the support of the shadow Leader of the House and other members of the Commission, embarked on the wider security review. There will be an interim report from that security review next month. The final report will be published later in the summer and thereafter proper consideration can be given to it.

I agree with the hon. Member for North Cornwall that there is no intention to make this place into a fortress and lock ourselves away from our constituents, who are entitled to come here to press us and to make their representations. That will of course continue, but in conditions of greater safety for them as well as us.

Mr. Alan Meale (Mansfield) (Lab): Will the Leader of the House give time in the coming weeks to a debate on press intrusion into ordinary people's lives? I raise that issue because in the past couple of weeks much public and press attention has been given to the case in my constituency of a 14-year-old girl who was pregnant and subsequently had an abortion. Money has changed hands and photographs and the names and addresses of all the children involved have been made public. That is despicable and should not be allowed in British society today.

Mr. Hain: I share my hon. Friend's concern about the most unfortunate circumstances surrounding that story. It is very important that everybody learns serious lessons from it.

Mr. Andrew Mackay (Bracknell) (Con): Just why have we still not had the debate on Zimbabwe that has been promised by the Leader of the House and by Foreign Office Ministers? Given that the business for the week after the recess is incredibly light because of the local elections, surely the Leader of the House is running out of excuses.

Mr. Hain: The right hon. Gentleman and I share a common position on what is happening in Zimbabwe. Interestingly, I was notified earlier about an Opposition application for a debate on Zimbabwe that was withdrawn at very short notice.

Anne Picking (East Lothian) (Lab): May I draw my right hon. Friend's attention to this week's edition of "All-Party and Associate Parliamentary Group Notices", which said that postal services from this House are to be changed from special delivery to first class? That once again disadvantages MPs who have only constituency-based staff members. London-based MPs will not be affected by that, but those who are as far-flung as I am will be. Will the Leader of the House please look at that urgently?

Mr. Hain: That is primarily a matter for the Administration Committee, but my hon. Friend raises a serious point. I am frankly surprised and concerned to hear what she says, and I hope that the necessary authorities will take action to remedy the problem.

Mr. Humfrey Malins (Woking) (Con): While I appreciate that in March we had a general debate about the Post Office service, can the Leader of the House tell me whether it will be possible in the next few weeks to have a specific debate on village post offices and their importance to the community? I mention that because the village post office of Pyrford in my constituency is threatened with closure, as are many others. Village post offices provide a vital service. Is not that issue of sufficient importance across the country to have a debate on it in Government time?

Mr. Hain: I appreciate the hon. Gentleman's point about the effect on his constituency. As he knows, £400 million has gone into supporting local post offices. He has the opportunity to apply for a debate but, given the number of questions that have been asked on the matter at business questions in recent months, I shall consider his request.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): Will the Leader of the House take the opportunity to read a letter, a copy of which I have, to the leader of the Liberal Democrats? It is written by Mr. Sean Doherty, Liberal Democrat membership No. 8056293, an erstwhile candidate in the local elections in Liverpool. He wrote to the right hon. Gentleman to complain about what he described as the "disgusting and unbelievable practices" of the Liberal Democrats in Liverpool. He implies racism among Liberal Democrat councillors. Will my right hon. Friend consider finding time to give the right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) a chance to come here to confirm or deny the veracity of the charges of his former candidate? That might also give the right hon. Gentleman an opportunity to clean up the act of his councillors in Liverpool.

Mr. Hain: I am concerned to hear my hon. Friend's remarks and I am sure that the people of Liverpool will be even more concerned.

Mr. Adrian Sanders (Torbay) (LD): Will there be an opportunity to debate an issue that has affected my constituency and will affect many others? It is the

[Mr. Adrian Sanders]

removal of manufacturing jobs from this country to China. My constituency lost 600 jobs yesterday in Bookham Technologies on top of the 4,300 non-seasonal manufacturing jobs that we have lost in the past three years. That is a serious matter, which has hit the south Devon economy especially hard. However, there is a wider issue about the movement of assembly jobs to the far east.

Mr. Hain: The hon. Gentleman is absolutely right that we are affected by global economic pressures and he is right to identify the vulnerability of assembly-level manufacturing jobs. Last month, during the Easter recess, I was in China as Secretary of State for Wales. I discovered that engineering wages there are 60p an hour, but that is only one side of the picture that threatens our competitiveness. The other is that last year China produced 2.1 million new graduates—two thirds of them in science, IT and engineering. I am advised that this year it will produce 2.8 million new graduates. There is therefore a massive increase in China's capability at graduate level. We beat that competition not by seeking to defend ourselves against all global pressures—that is impossible—but by being the best, investing in skills, infrastructure, science and communications so that jobs in Devon and elsewhere can be safeguarded and improved. However, one does not achieve that by cutting spending on education, science and skills but by investing more and more. The Government are doing that.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): I hear what my right hon. Friend said about security, but does he accept that many of us were surprised that the Chamber was evacuated yesterday when the event occurred? All the advice that we received from the Select Committee on Science and Technology about substances such as anthrax and ricin was that hon. Members should either have stayed in the Chamber or been contained in immediate outside areas, such as the Lobbies. I should be grateful if my right hon. Friend would give urgent attention to providing hon. Members with instructions about what to do if yesterday's events are repeated.

Mr. Hain: That is, of course, a matter for you, Mr. Speaker, and for the Serjeant. We can all learn some hard lessons from what happened yesterday and it is important that we do that. That is exactly why I announced that the House of Commons Commission and the joint committee on security would meet to receive urgent recommendations from the Security Service. The subjects covered will include the way in which House arrangements are affected in the circumstances to which my hon. Friend referred.

Sir George Young (North-West Hampshire) (Con): The Leader of the House has announced provisional business for 10 June. Does he acknowledge that attendance on that day may be thinner than it is today because the whole country will vote in the European elections and many parts of the country have local elections? Would it not be better if the important debate that has been announced for that day were held on another day so that all hon. Members were free to be in their constituencies, reawakening interest in democratic institutions?

Mr. Hain: I shall certainly consider the right hon. Gentleman's request, but I do not propose to adjourn the House on that Thursday and I am sure that he would not propose that either. The business is a motion on the Adjournment but if his point relates to the fact that the subject is disability issues rather than others on which there could sensibly be such a motion—the previous Government would have tabled a motion on the Adjournment in the same circumstances—I can consider the matter. However, I am sure that he would not want a three-liner on 10 June.

Mr. John Lyons (Strathkelvin and Bearsden) (Lab): Yesterday, most of us believed that there was a lack of clarity about what we should do in the circumstances that we faced. I agree with the point that my hon. Friend the Member for Hemel Hempstead (Mr. McWalter) made. In my right hon. Friend's review of security, I recommend a paper from the Royal Society on chemical and biological attack. Its main theme and central point is the need for greater co-ordination between the front-line services and sometimes with business, which has to supply the chemicals and equipment to help deal with the attack.

Mr. Hain: I am sure that you, Mr. Speaker, would not wish me to go into a great deal of operational detail, but my hon. Friend makes serious points, which the House authorities will note and take into account.

David Burnside (South Antrim) (UUP): The Leader of the House may have seen a new series, which started this week on BBC 3, called "Underworld Rich List". It named Thomas "Slab" Murphy from south Armagh as having amassed a personal fortune of £35 million in his role as chief of staff of the Provisional IRA. May we have an urgent debate about why Mr. Murphy and his two colleagues on the army council—Gerry Adams, the president of Sinn Fein, and Martin McGuinness, the chief negotiator—are not under investigation by the Police Service of Northern Ireland for their continuing involvement in major international criminal activity?

Mr. Hain: That is not a matter for me, but the hon. Gentleman has the right to apply for a debate, if he wishes.

Mr. Michael Connarty (Falkirk, East) (Lab): I agree with the earlier points about security. I was shocked to see hon. Members running around like headless chickens yesterday. Last night, some told me that they did not know what to do but they knew that they were not doing what they should be doing. In April, I tabled a question to the House of Commons Commission that was not called. I subsequently spoke to a senior Government Whip and the Chairman of the House of Commons Commission. I wrote to him on 20 April, asking when Members of Parliament would be briefed in the same way as BP workers, who deal with chemicals every day, are briefed about what to do in the case of major incidents. I received a reply on 28 April, saying that letters would be sent to heads of department in the

following week, that briefings would commence with members of staff of the House and that Members of Parliament and their staff would be included in the briefings. What has happened to that promise by the Chairman of the House of Commons Commission?

Mr. Speaker: Order. I am the Chairman of the House of Commons Commission. Is the hon. Gentleman referring to my writing to him?

Mr. Connarty: The person to whom I wrote and who replied to me was the right hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood).

Mr. Speaker: He is not the Chairman of the House of Commons Commission.

Mr. Hain: Mr. Speaker, I think that you have dealt with that matter, but the point behind my hon. Friend's question is that hon. Members and members of staff are entitled and ought to know exactly what the procedures are. That is one of the many hard-learned lessons from yesterday's incident.

Mr. Alex Salmond (Banff and Buchan) (SNP): Will not people find it inexplicable that a statement or debate has not been scheduled on civilian deaths in Palestine? As the Leader of the House must know, in the Islamic world the events in Gaza get even more publicity than the disastrous events in Iraq. Is there not a need for clarity in the Government's approach, given that yesterday they rightly signed and supported the United Nations Security Council resolution condemning civilian deaths but only a few weeks ago, they abstained from the Security Council resolution that condemned extra-judicial killings of Palestinian leaders? For clarity and to reassure many of our fellow citizens that we are worried about those events, is not there a need for an urgent statement and debate on the massacres in Gaza?

Mr. Hain: I shall bear in mind the hon. Gentleman's comments about the need for a debate. However let me be clear: the British Government were in the lead in obtaining the Security Council resolution, which condemned the actions in Rafah and the appalling destruction of Palestinian homes. Such action escalates the conflict rather than producing circumstances in which a negotiated settlement could occur, resulting in a secure Israel, secure from terrorists and suicide terrorist attacks, and an independent Palestinian state, which can move forward in justice and freedom. That is imperative, as the Prime Minister has made clear throughout. It is important that Members remember that the Prime Minister insisted that the road map was part of the processof negotiation alongside the decisions about interventiot in Iraq. I am absolutely at one with the hon. Member for Banff and Buchan (Mr. Salmond) in condemning the appalling acts and the predicament of the Palestinians, but I am sure that he would join me in saying that the tit-for-tat violence and killing has to stop on both sidesand that Israelis are just as entitled to be free from suicide attacks.

Mrs. Alice Mahon (Halifax) (Lab): The Leader of the House will be aware that yesterday more than 40 Iraqis were killed by American troops in Iraq, adding to the thousands of civilians who have already been killed by the coalition. There is huge concern outside the House about what is going on in Iraq, yet we are not having debates on the matter in Government time. It is a bit like "Fawlty Towers" in here: "Don't mention the war!" Will the Leader of the House assure us that we will have at least a one-day debate on what is going on, and an update on the number of civilians who have been killed?

Mr. Hain: I am certainly ready to discuss with my colleagues the scope and opportunity for a debate on Iraq when the time is right, and I shall note what my hon. Friend has said. It is important, however, to get into perspective the events that she has described, which often follow terrorist attacks on Iraqi civilians as well as on the coalition. We should also bear it in mind that there are 20,000 reconstruction projects going on in Iraq, supported by our Government, which are providing hundreds of thousands of jobs. The Baghdad to Mosul train service has been reopened, almost 33,000 Iraqi teachers underwent training in the February school holidays, and so on. My hon. Friend the Member for Cynon Valley (Ann Clwyd) has reported regularly—and again recently—that, whatever the Iraqis' legitimate concerns about the security predicament in which they find themselves, they want us to continue to enable them to take control of their own lives, as we are determined to do by handing over control to the new Iraqi interim authority at the end of next month.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): There is growing discontent and disbelief among prison and probation officers, the voluntary sector and, now, politicians in the House about the way in which the Government are implementing the National Offender Management Service, which is the successor to the Prison Service and the probation service. It is probably the largest ever change in the justice system, yet there has been no debate in the House on a motion to discuss NOMS. The implementation date is 1 June, but the problems involved are so great that it is rumoured that that is to be pushed back to 1 September. There was a large lobby of the House the week before last by prison and probation officers, but still the appropriate Minister has not given us the detail that we need.

Will the Leader of the House consider having an urgent debate in Government time on this serious subject, so that the Minister can give us more details and let us know whether legislation is necessary to ensure that public protection is not jeopardised by the terrible way in which the Government are implementing the changes?

Mr. Hain: The hon. Lady has the right to apply for a debate in the normal way, and the Home Secretary will obviously have noted the points that she has made. I am sure that she will want to support the Government in resolving any teething troubles that might become apparent, in order to bring together the services to create an integrated service for dealing with offenders. That is surely something that she would welcome.

Rob Marris (Wolverhampton, South-West) (Lab): In replying to an earlier question, the Leader of the House referred to the need to invest in education and science. He might not be aware that the university of Cambridge

[Rob Marris]

gets four times as much money per student as the university of Wolverhampton, which is headquartered in my constituency. Conversely, the university of Cambridge is one of the least accessible to working-class students—indeed, it got worse last year—while the university of Wolverhampton is the most accessible mainstream university in the country. Another contrast between them is that, whereas the university of Wolverhampton allows students to work, the university of Cambridge tells prospective students that they will be "sent down", to use its archaic language, if they get a job. That is hardly doing much to encourage accessibility for working-class students. Can we have an early debate on the matter?

Mr. Dennis Skinner (Bolsover) (Lab): Vote Labour in Wolverhampton!

Mr. Hain: Indeed; vote Labour in Wolverhampton and right across the country.

I am concerned to hear what my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) says. Obviously, Wolverhampton is lighting a path for opportunities for students from working-class and low-income backgrounds, and that example should be followed right across the university sector. That is precisely why, as a result of the Government's new legislation, more and more opportunities will be provided for low-income students, and more obligations will be placed on universities such as Cambridge to ensure that those students can take advantage of them.

Sir Sydney Chapman (Chipping Barnet) (Con): Further to the issue raised by my hon. Friend the shadow Leader of the House and the hon. Member for Halifax (Mrs. Mahon), I believe that my constituents will think it very strange if we do not have a debate on the question of strategy in Iraq post-30 June. Will the Leader of the House give us some indication that the Government will have a debate on the issue well before the end of next month? To have such a debate would in no way undermine the valiant duties being performed now by the British forces in Iraq.

Mr. Hain: I accept the hon. Gentleman's point and, as I have said, I am open-minded about such a debate and its timing. That is not to suggest—I am sure that he is not doing so—that there have not been many opportunities to debate Iraq. Defence debates in recent times—including one only last week—have been dominated by the subject, and the Prime Minister made a statement on Iraq very recently, in which hon. Members were able to question him. If and when it is the right time to have a debate on Iraq, the hon. Gentleman can be assured that the Government will call one.

Lynne Jones (Birmingham, Selly Oak) (Lab): May I draw my right hon. Friend's attention to early-day motion 1173?

[That this House notes that the monitoring evidence collected by the International Baby Food Action Network (IBFAN), a network of more than 200 groups in over 100 countries, demonstrates that companies continue to market baby food products in breach of the World Health Assembly International Code of Marketing of Breastmilk Substitutes and subsequent relevant resolutions; also notes that where there is malpractice it is systematic and institutionalised and that, globally, 1.5 million infants die every year because they are not breastfed, and that even in industrialised countries with universal access to health care, there are significant negative effects of artificial infant feeding, including increased risk of diabetes and obesity; is concerned that UK law only implements some provisions of the Code, limiting these to infant formula, not all breastmilk substitutes, and that follow-on formula, with similar packaging and the same name as the infant formula, is widely advertised, that bottles and teat marketing is totally unregulated, and that while the Code bans direct contact with the mother, UK companies have baby clubs and carelines; therefore calls on the Government to support independently monitored and enforced legislation fully implementing the Code and resolutions at UK, EU and international level and additional WHA resolutions to strengthen protection of appropriate infant feeding practices, to address emerging aggressive baby milk food marketing, to make appropriate policy changes in response to scientific developments, and to take action to ensure that EU Council Resolution 92/C172/01 on the marketing of breastmilk substitutes in third countries by community-based manufacturers functions effectively.]

The motion was tabled in national breast-feeding awareness week, and draws attention to the violations of the international code on the marketing of breast milk substitutes by the manufacturers of baby food products, and the consequential harmful effect that that is having on infant mortality across the world, and even on public health in this country. The Under-Secretary of State for Health, my hon. Friend the Member for Welwyn Hatfield (Miss Johnson), has accepted that the 1995 regulations on infant formula are not fully in compliance with the code. Will my right hon. Friend make time available so that the Government can implement the recommendation of the committee on the rights of the child that the UK should adopt the international code in full?

Mr. Hain: All parents will be grateful to my hon. Friend for raising that matter. As she says, the Government are well aware of the differences between United Kingdom legislation and the international code, and we are exploring, with the Food Standards Agency, ways in which our regulations could be better aligned to the code.

Richard Younger-Ross (Teignbridge) (LD): There are two things that we learned from yesterday. One is that those on the Treasury Bench and the Prime Minister did not flinch under fire, and they should be applauded for that. The other is that the House does not have an evacuation plan. Will the Leader of the House tell us whether the review that is being undertaken will take a holistic approach to incidents that occur both at this end of the Palace and at the other end, where other people are responsible for security? We have concrete barriers outside at the moment, which are unsightly and have been there for a long time. We need to do things that are

not so intimidatory or obvious, but which will make us secure. Other procedures for evacuation need to be put in place. It is not a matter of just sitting here and waiting.

Mr. Alex Salmond (Banff and Buchan) (SNP): Or running away.

Richard Younger-Ross: Or running away. We will need walk-through showering facilities, for example. I hope that that will be taken into account in the review, without going into detail.

Mr. Hain: May I express my gratitude for the hon. Gentleman's steadfast praise for the Prime Minister? "Holistic" is more of a Liberal Democrat word than a Labour word, but I take his point. It is not sufficient to look at just one aspect of security, such as the screen in front of the Strangers Gallery. Every aspect of the issue must be looked at in the round, which is precisely why the Speaker and the House of Commons Commission have ordered this widespread review by the Security Service and the Metropolitan Police Commissioner, and why we are determined, as a result of that review, to see big modifications in security and to learn the lessons of recent events. We are agreed on that, and we intend to take it forward—in a holistic way, by all means.

Jim Sheridan (West Renfrewshire) (Lab): My right hon. Friend will be well aware of the genuine concern surrounding the future of British manufacturing. Can he begin to understand the frustration felt by British workers, including those employed at Fergusons shipyard in my constituency, who tender for British contracts, are denied, and see the contract awarded to foreign competitors? More worryingly, such decisions are taken by faceless bureaucrats, with little or no ministerial responsibility or accountability. Will he therefore use his good offices to ensure that the Government's procurement policy takes account of the potential job losses when British Government contracts are awarded to foreign competitors?

Mr. Hain: My hon. Friend makes a persuasive point, and I am sure that the Secretary of State for Trade and Industry will want to listen carefully to his comments. I am sure that if my hon. Friend had had more time or had been in order to do so, he would have wanted to acknowledge the Government's very good record on job creation, having been responsible for running an economy in which since we came to power nearly 2 million more jobs have been created in the past seven years, and in which unemployment is lower in every constituency in the land, including my hon. Friend's.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Can time be found for a series of statements from Departments on what steps they are taking to improve their woeful record on the answering of written parliamentary questions and the quality of the answers given? Statistics that I have obtained show that the worst offenders in answering written questions are the Foreign Office, which in the previous Session took 102 working days to answer one question; the Department of Health, which took 127 working days; the Department for Work and Pensions, which took 130 days; and the Department for Culture, Media and Sport, which took 132 working days. Other Departments either cannot or will not answer the question on how long it has taken them. The Home Office took nearly three months to answer my question by saying that it could not give the figures that I was seeking.

Even when answers are given, they are frequently inadequate. I have been waiting since 2 March for a letter that was promised to me regarding greenbelt erosion in metropolitan areas, and on 4 May, the Minister for Lifelong Learning, Further and Higher Education told me that the figures that I had requested were "not to hand", but that he would send them to me when they were—apparently, they are still not to hand. It is simply unacceptable. Members of Parliament cannot get on with their jobs if the Government will not give us the information that we request. Can we have some statements on what will be done about it?

Mr. Hain: I have ensured that everybody in government is aware of the need to answer Members' questions as appropriately and as quickly as possible. Every effort is being made to do that. In some circumstances, the basis for the answers takes time to collect. Obviously, our intention is to meet the House's requests and to meet our obligations, and we continue to strive towards that.

Llew Smith (Blaenau Gwent) (Lab): The Leader of the House will be aware that last week I requested that time be found to debate the future—or lack of it—of further education in Wales, and particularly in Gwent. As he will be aware, in some of the poorest communities in Wales, such as mine, colleges are facing redundancies, closure of departments and transfer of departments to other parts of the county, which are almost impossible to get to. He will also be aware of the importance of maintaining those departments in an area of high deprivation, with some of the highest levels of unemployment.

Can we have a debate on the discussions that the Leader of the House has had in the past with Coleg Gwent—perhaps he can share with the House his experience of dealing with its management—and with Education and Learning Wales and the Welsh Assembly? Would he be willing, with the First Minister of the Welsh Assembly, to conduct an investigation into the management of that institution, because we are now faced with a new principal, who will be in post within the next few weeks but who, we are told, still supports the plans to carry out those redundancies and department closures?

Mr. Hain: I share my hon. Friend's concern about what has happened, as I have said publicly previously, and as I repeat now. I still find it baffling that, given all the huge resources that have gone into education funding right across Wales—including further education funding, which is getting more resources under our Labour Government than ever before—this situation should have arisen. That is why I have raised it with the First Minister. As my hon. Friend will know, the Education Minister made a statement in the

[Mr. Hain]

National Assembly this week saying that she wanted to get to the bottom of the affair, so his representations are being closely listened to and followed.

Mr. John Wilkinson (Ruislip-Northwood) (Con): May I, too, warmly welcome the debate on the civil aviation White Paper, which is to take place on 8 June, especially as it is on the Adjournment and not on a substantive motion? Will the right hon. Gentleman assure the House that soon after that debate the Secretary of State for Transport will come to the House and give his conclusions on the precise policy that Her Majesty's Government are to follow, since air transport operators, airport operators and communities around airports need to have blight lifted and to have some certainty about the future?

Mr. Hain: I am grateful for the hon. Gentleman's welcome of the debate. He is one of the Members who has in recent weeks been pressing on me the need for such a debate. I am well aware of the situation that he is properly looking after at Northolt and of course at Heathrow, near to his constituency. I will certainly bear in mind what he has said.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Is my right hon. Friend aware that deaths from exposure to asbestos have now reached epidemic proportions? For example, last year, there were 2,000 deaths from mesothelioma cancer alone, and it is forecast that by 2015 those deaths will be beyond 6,000 per year, and that over the next 40 years, there will be 185,000 such deaths. Will he therefore consider a debate in Government time to discuss how we might develop a strategy—a health, prevention, benefit and care strategy—for sufferers of exposure to asbestos?

Mr. Hain: I congratulate my hon. Friend on his tireless, lifelong work, especially in the House, to expose this problem and to work to solve it. I know that the Secretary of State for Health is aware of that, and is conscious of the representations that he is making. My right hon. Friend will certainly be aware now of my hon. Friend's passionate feelings about the need to tackle the matter.

Tony Baldry (Banbury) (Con): Shortly after the invasion of Afghanistan, we were having a sensible debate on post-conflict reconstruction, nation building, and international donor conferences. Notwithstanding the fairly sizeable chunk of the Department for International Development's budget that is now going to Iraq, we simply have not had that sort of debate in relation to Iraq. Today, the *Financial Times* reports a poll finding that, even in northern Iraq, nine out of 10 Iraqis now see the coalition as occupiers rather than liberators. The House must work out how we are going to win the peace and the humanitarian campaign. Please can we start to debate those issues on the Floor of the House?

Mr. Hain: I very much take the hon. Gentleman's point on conflict resolution and conflict prevention, particularly given his position on the Select Committee on International Development. It is essential to maintain the focus that the Government have had on these matters through the Department for International Development—working with the Foreign Office and the Ministry of Defence—and the special conflict prevention fund, which was established through pooling those Departments' resources, which I am sure the hon. Gentleman will welcome.

I note the hon. Gentleman's point about the opinion reported in the *Financial Times*, but the other reports that we are getting are that people in Iraq—while being very worried about the situation and having many criticisms of one kind or another about the security situation and even the performance of the coalition—do not want us just to walk out on them. It is important that he acknowledges that, given the Leader of the Opposition's statement overnight that he also acknowledges it.

Mr. Lindsay Hoyle (Chorley) (Lab): Does my right hon. Friend agree that time should be allowed for a debate on those people who loyally give up valuable time by volunteering to become magistrates? There is a great danger in Lancashire and in the Chorley constituency, where there are no magistrates under the age of 40 and the age profile is much older, that they will all retire together. What will the future hold for magistrates courts if we do not get young people involved and volunteering?

Mr. Hain: I could not agree more with my hon. Friend. It is not simply a question of filling vacant seats on the bench but of getting and maintaining a bench that is representative of the community, as I am sure that he agrees. I am sure that his points will have been carefully noted.

Mr. Andrew Turner (Isle of Wight) (Con): May I gently counsel the Leader of the House against using the term "old-fashioned" as an all-purpose term of deprecation, as in "old-fashioned security measures"? The way in which we refer to each other here is old-fashioned, but it makes for a good and effective form of debate. The security staff, the policeman, the Badge Messengers, the men in tails and the men in tights respond to us with great but old-fashioned courtesy, which is very effective in the context of the security measures that they implement on our behalf.

Mr. Hain: I join the hon. Gentleman in paying tribute to all staff of the House for the support that they give us, in terms of security and in other ways, which enables us to do our jobs as Members of Parliament. We are all very grateful for that. I am sure that the hon. Gentleman will agree, however, that an old-fashioned security approach was dealing with an old-fashioned security situation 20, 30 and 40 years ago, when we did not face the risk of suicide terrorist attack and did not experience the breaches of security that we have seen in the last few months—protesters climbing up the Big Ben tower, or what happened yesterday. In 2004—in the age of the suicide terrorist, which is an entirely new development—we need a House of Commons that is

properly protected. Surely the hon. Gentleman agrees that that is a modern, not an old-fashioned approach to security.

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): May we have an early debate on the uses of neighbourhood renewal funding? I was shocked to learn that £40,000 of money earmarked for my constituents had been spent by local Tory councillors on consultancies for a project that probably would not go ahead, and is not even in my constituency. At a time when my constituents' priorities are better street lighting and action to deal with graffiti, litter and antisocial behaviour, is it not outrageous that these people can short-change them in such a fashion?

Mr. Hain: On the basis of that account, I find it outrageous as well. I am sure that my hon. Friend's constituents, and voters in the coming weeks, will bear in mind what he has said.

Mr. Harry Barnes (North-East Derbyshire) (Lab): Will my right hon. Friend re-examine the way in which we deal with Northern Ireland business? On Tuesday, during our debate on the Pensions Bill, there was a discussion about the problem of matters having to be dealt with by Order-in-Council rather than being written into the Bill. It is a general problem with Northern Ireland legislation.

Why does the Northern Ireland Grand Committee, which will meet in about an hour, never visit Northern Ireland? The Northern Ireland people might be interested to meet Grand Committee members from the mainland, and convey their interests and concerns as they do to members of the Select Committee on Northern Ireland Affairs.

Mr. Hain: The meeting arrangements for the Northern Ireland Grand Committee are not a matter for me, but my hon. Friend's points have been noted and will also be noted by the Secretary of State for Northern Ireland.

Mr. David Chaytor (Bury, North) (Lab): I support the earlier call by the shadow Leader of the House for a debate on the new deal and employment policy. In my constituency, more people are in work than ever before. There is a job for everyone who wants one, and there are more opportunities for the over-50s, disabled people and single parents to return to the labour market. Given that the Tories have expressed concern about the topics of debates taking place during the week beginning 7 June, would it not be appropriate for us to have a debate on the new deal on one of the days leading up to 10 June?

Mr. Hain: I am very tempted to consider that. Many hundreds of thousands of people, including those with disabilities—

Mr. Heald *indicated dissent.*

Mr. Hain: The shadow Leader of the House shakes his head. I repeat that many hundreds of thousands of people, including those with disabilities, lone parents, and youngsters and long-term unemployed people—including some in my constituency—whose prospects were hopeless under the Conservatives are now being given opportunities to upskill and start work. I have met many people—I am sure that we all have; if we have not, we are not doing our jobs as Members of Parliament—who have benefited from the new deal, and would be horrified if they realised that the Conservatives planned to abolish it.

David Taylor (North-West Leicestershire) (Lab/Co-op): I thank the Leader of the House for his announcement about a debate on the aviation White Paper after the recess. Next time we have the opportunity of a full day's debate on a motion for the Adjournment, will he agree that it is about time we discussed public health? As he is one of the best-briefed Cabinet Ministers, it will not have escaped his attention that in recent weeks the Royal College of Nursing, the British Medical Association and the Government's own chief medical officer have called for action to ban smoking in public places, that a Mintel survey showed this week that most British adults were in favour of a ban, and that an Imperial college study showed that hundreds of people die every year in this country from the effects of second-hand tobacco smoke. As chair of the all-party group on smoking and health, may I urge my right hon. Friend to ensure that the Government's programme includes further action on that important area of public health before the end of this Parliament?

Mr. Hain: I am very sympathetic to my hon. Friend's policy points on smoking. As a non-smoker myself, I am well aware of its impact on the health of smokers, and indeed of the danger of passive smoking. That is why the Secretary of State for Health has embarked on a consultation exercise, and why the issue is being debated up and down the country in the big conversation. The idea is to discuss how policies on smoking can make progress in the future.

Points of Order

1.26 pm

Mr. Michael Connarty (Falkirk, East) (Lab): On a point of order, Mr. Speaker. May I apologise to you unreservedly for confusing the role of the hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood)—who speaks on behalf of the House of Commons Commission—with your role as Chairman? My question to the Commission spokesman was not starred for inclusion on the Order Paper. Having spoken to the hon. Gentleman, I am sure he did not intend to mislead me, but assumed that I knew his role. He asked me to write to him, in his capacity as the Commission's representative. I have furnished you with the letter, Mr. Speaker, to which he replied on 28 April.

I hope you will accept my apology, Mr. Speaker, and that the promise of briefings for Members and their staff will be kept so that Members know what to do in times of crisis.

Mr. Speaker: The hon. Gentleman need not apologise. It is just that I have a good memory, and I always remember when I have written to him.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. Given that only 6,000 of the 1 million disabled people who want jobs have been helped in any way by the new deal, is it in order for the Leader of the House to pretend that the Conservatives want to wind down help for the disabled? In fact we want to increase it, rather than wasting money on people who would have had a job anyway.

Mr. Speaker: The hon. Gentleman has some privileges, but they do not include a second go at business questions.

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Mr. Speaker. In the last hour I have received an extremely unusual and very disturbing e-mail from Zimbabwe. It was sent by Sekai Holland, the former Secretary for International Relations to the Movement for Democratic Change, and states

"The unfolding story is that . . . zanu/pf thugs are being bussed into Harare . . . to then find their way to Parliament where they are saying that they want to kill MP Roy Bennet . . . and then they will bomb the MDC . . . headquarters . . . please pass this to parliamentarians all over the world now."

Is there anything that this Parliament can do to support the remnants of parliamentary democracy that are left in Zimbabwe, or is there any way of sending a message to the Government—who have acted well over this—perhaps via the Leader of the House?

Mr. Speaker: As the hon. Gentleman will know, that is not a matter for me, but many Back Benchers on both sides of the House are doing what they can to raise the case of Zimbabwe.

Mr. Alex Salmond (Banff and Buchan) (SNP): On a point of order, Mr. Speaker. I have here a printout from the website of the Conservative party, which has launched an attack on me for withdrawing the Fisheries Jurisdiction Bill. That comes as something of a surprise to me. In fact, this excellent Bill is due to be debated further on Friday 16 July instead of tomorrow, which I think would have been inauspicious in terms of its chances of further progress.

Another curious aspect is the fact that the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan), who is named on the website, did not manage to sign early-day motion 937, in which 42 Members on both sides of the House demand parliamentary time for my excellent Bill.

Is there anything you can do, Mr. Speaker, to protect the House from misleading websites that report our proceedings—or, for that matter, from the blundering incompetence of novice Conservative Members who do not read the parliamentary monitor?

Mr. Speaker: The hon. Gentleman has broad shoulders, and I am quite sure that he can take criticism. From time to time, he has had criticism from me, but that was at another time and on another day.

Richard Burden (Birmingham, Northfield) (Lab): On a point of order, Mr. Speaker. I seek your advice on a point of order of which I have given you notice. As you know, robust debate is in the nature of politics and no one, least of all you, would want to inhibit that. However, I hope that you agree with me that there is an important distinction to be made between matters of argument and the deliberate misreporting outside this place of proceedings within it, including the doctoring of quotes from *Hansard* and the invention of votes by hon. Members on motions that were never moved.

My point of order, Mr. Speaker, is to say that that is what has been happening in Birmingham, where a Conservative councillor, Peter Douglas Osborn, distributed a leaflet misreporting a *Hansard* quote from the Minister for E-Commerce, Energy and Postal Services in respect of the Post Office urban reinvention programme. You will also be aware that Councillor Douglas Osborn, together with Liberal Democrat Councillor Holtom, has written to a third party alleging that I voted against a motion that did not exist regarding a post office in my constituency. Those documents follow allegations made by the leader of the Liberal Democrats on the city council in leaflets distributed in my constituency, also alleging that I and other Labour colleagues voted for a number of propositions concerning local post offices that were never put to this House.

May I therefore seek your advice, Mr. Speaker, on what can be done to protect the integrity of the parliamentary record and to safeguard the reputations of hon. Members of all parties against those who seek to falsify them?

Mr. Speaker: I am grateful to the hon. Gentleman for giving me advance notice of his point of order. He has raised a significant matter, which should be of concern to the whole House.

On 16 July 1971, the House resolved not to entertain any complaint of contempt or breach of privilege in respect of the publication of its debates or proceedings, but that resolution in no way removed the constraints

on those who, for whatever reason, choose to misrepresent the proceedings of the House or to publish false or misleading reports of our debates.

As "Erskine May" makes clear, since at least 1699 the House has regarded the misrepresentation of its proceedings not only as a contempt, but as

"destructive of the freedom of Parliament".

Nothing in the 1971 resolution alters that view.

I can therefore advise the hon. Gentleman and the House that the deliberate or reckless misrepresentation of the debates and proceedings of the House is potentially a contempt of the House, against which the House may wish to proceed. Moreover, those who act in this way are unlikely to be protected in the courts by the unqualified privilege which normally attaches to the reporting of our proceedings.

I am sure the that House will take a serious view of the situation if the conduct which the hon. Gentleman has described continues.

Mr. Andrew Turner (Isle of Wight) (Con): On a point of order, Mr. Speaker. I am grateful to you for responding in that way to the point of order raised by the hon. Member for Birmingham, Northfield (Richard Burden). It certainly illuminates a number of remarks that might be made about any of us, at any time. However, is it not the case that many Labour Members voted for the network reinvention scheme on 15 October 2002, and that it is under that scheme that many urban post offices are threatened?

Mr. Speaker: That has nothing to do with the point that I made regarding the point of order of the hon. Member for Birmingham, Northfield (Richard Burden).

Orders of the Day

Pensions Bill

3RD ALLOTTED DAY

As amended in the Standing Committee, further considered.

Clause 125

PAYMENT OF SCHEME BENEFITS

Amendment proposed [19 May]: Government amendment No. 101, in page 84, line 7, leave out 'for that period'.—*[Malcolm Wicks.]*

1.34 pm

Question again proposed, That the amendment be made.

Mr. Speaker: I remind the House that with this we are discussing the following: Government amendments Nos. 102 and 103,

Amendment No. 26, in page 232, line 15, Schedule 7, leave out from 'means' to end of line 17 and insert '90 per cent.'.

Amendment No. 27, in page 232, line 24, leave out sub-paragraph (7).

Government amendment No. 144,

Amendment No. 28, in page 247, line 42, leave out '2.5 %' and insert '5 %'.

Amendment No. 31, in page 249, line 19, leave out paragraph 29.

The Minister for Pensions (Malcolm Wicks): We were yesterday in the middle of an important debate on aspects of the pension protection fund. As I recall, as proceedings came to a halt I was gently advising the hon. Member for Northavon (Mr. Webb), in relation to important social reforms, that he should perhaps try to adopt a less pessimistic and cynical approach to what I regard as proper social advances. Although there are always difficult questions to ask and proper scrutiny is needed, we should not be in the business of trying to undermine confidence in important measures such as the pension protection fund.

In the course of yesterday's discussion, various detailed issues were raised, and I should like to reply to them in a little detail, notwithstanding the pressures on time this afternoon. I feel that some of the issues around the 100 per cent. compensation, as opposed to 90 per cent., were discussed in great detail in Committee, but I shall try to summarise some of the issues.

Hon. Members made various suggestions about changing the levels of compensation to be paid to those over and under a scheme's normal pension age. There were some calls for compensation to be increased to 100 per cent. of the PPF benefits for non-pensioners, and questions about levelling down to 90 per cent. for all. Before I begin a detailed response to the points made, I shall first remind Members why we are setting up the PPF. It is to guard against a situation in future where employers go bust, leaving pension schemes desperately underfunded and pension scheme members receiving

[Malcolm Wicks]

only a small fraction of the pension that they were promised. From time to time, one or two hon. Members forget that important fact. We can argue about the respective merits of 100 per cent. and 90 per cent., or something in between, but many people, who after years of paying contributions would otherwise be left receiving only 20 or 30 per cent., will be grateful that Parliament has done its work to provide at least the 90 per cent. That is sometimes forgotten.

All things being equal, we would of course prefer to pay 100 per cent. to all, but some reduction in compensation is necessary to guard against the moral hazard of companies' taking advantage of PPF compensation and, of course, to control costs. By providing 90 per cent. compensation for those under a scheme's normal pension age, we are incentivising those who have the greatest influence over funding levels—such as high-paid directors—to keep the scheme out of PPF. That is an important element of the range of moral hazard provisions that the Bill now contains.

In designing the pension protection fund we have learned lessons from the Pension Benefit Guaranty Corporation in the United States. Yesterday, we discussed the admissible rules and the disregarding of rule changes in the previous three years, which are learned directly from the US experience. Like the US PBGC, the PPF will apply a benefit cap—in our case £25,000 for those below normal pension age. The 90 per cent. compensation level for those below normal pension age, too, builds on the US experience, where no such moral hazard provision exists, and where all scheme members are guaranteed 100 per cent. We do not want to take money away from people above normal pension age who are receiving their pension. Under our scheme, those who enter the PPF who are already above normal pension age and receiving their pension will receive 100 per cent. compensation and will not suddenly be left with a drop in their income. Surely that is sensible.

I should emphasise that, in designing the PPF, we have worked hard to balance the need to provide meaningful protection for scheme members with the need to ensure that the fund will be affordable. Hon. Members have suggested equalising compensation to 100 per cent. for all, but that would add an estimated £100 million to the levy each year. As I said to hon. Members yesterday—again, gently—they were not very forthcoming about the cost implications of their amendments, and it was not at all clear whether those costs would be met by increasing the levy or by the taxpayer.

Mr. Steve Webb (Northavon) (LD): Perhaps, then, the Minister can assist the House by assessing the cost implication of a proposed reform. He says that the extra would be £100 million if everyone under normal pension age were to receive 100 per cent., but I made the distinction in my contribution yesterday between workers below pension age and retired people below pension age. Does he know how much of that £100 million relates to retired people—people who are drawing pensions below pension age? I imagine that that is a small fraction of the figure. My key point was that the anti-moral hazard measures will hit carers and others who have retired early for good reasons. There might be a better way of dealing with the moral hazard issue.

Malcolm Wicks: From memory, the figure is approximately £10 million, but if I have it badly wrong I shall write to the hon. Gentleman.

The hon. Gentleman asked about early retirees and whether the PPF compensation levels were unfair. We recognise that with any scheme such as this there will be aspects of rough justice, but we have taken the view that early retirees will be more likely than those over the normal pension age to be able to top up their income—for example, through part-time work. We recognise that that will not be true for those who retire early on grounds of ill health, so such people will receive 100 per cent. compensation if the board considers that the trustees made the ill-health award correctly.

If we did not apply the 90 per cent. figure to early retirees, new questions of moral hazard would be opened up. If early retirees also received 100 per cent., individuals could start taking early retirement with the sole intention of maximising their entitlement to PPF compensation. It would be hugely difficult to prevent this, as early retirement is not awarded in the same way as an ill health pension, so it would be more difficult for the PPF to police. Furthermore, there is also a cost implication in paying early retirees 100 per cent. compensation. Notwithstanding the moral hazard risk that I have described, we estimate that such a payment would require PPF levies to be increased by £10 million per annum.

On the power to vary compensation and levels of benefit, the hon. Member for Northavon—he features in our debates and in our thoughts—asked what extreme circumstances might lead to the board's making a recommendation to the Secretary of State. He inferred that as soon as a big scheme came into the PPF, compensation levels would immediately be reduced. We expect that the circumstances in which that might happen would be extraordinary rather than extreme. It is important to emphasise that if two or three big FTSE 100 companies go bust—in case any City editors are half-listening, I should repeat that this is an extraordinary, in extremis scenario—the PPF will take control of the pension assets. In the short to medium term, the PPF will therefore be very cash rich, so the circumstance described in which the PPF might "fall over" is simply not right. In such a scenario, the board will have no problem in paying benefits, but it will obviously want to consider the requirements of the long-term funding situation in order to reduce any deficit between assets and liabilities. In other words, the PPF is likely to be able to cope, even in the in extremis situation of two or three very large companies going bust.

In the very unlikely event that the board wanted to vary the level of compensation, it would have to consider raising the levy. Before a recommendation was made to the Secretary of State, the board would have to reduce indexation and revaluation to zero, which would significantly reduce liabilities. The board would also be required to consult. Any changes to the compensation percentages would of course be subject to the affirmative procedure. There is no need, therefore, for the Government to be a lender of last resort. If a large pension scheme comes into the PPF, this will not create

a liquidity problem, as the assets of the scheme will be taken into the PPF. The scheme will of course be underfunded to some extent, and the PPF levy will ensure that, over time, the PPF is financed adequately to pay all its liabilities.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): My neighbour the hon. Member for Stroud (Mr. Drew) has drawn the Minister's attention to the problems associated with the Lister-Petter pension scheme, and the Minister is indeed meeting the hon. Gentleman and some members of that scheme. The subsidiary went bust and the main company is still trading, yet pensioners in the subsidiary scheme seem not to be covered. Can the Minister clarify what is happening? If he cannot do so now, perhaps he will write to me if I first supply him with more details of that scheme.

Malcolm Wicks: It would be wrong of me to comment on a particular scheme because I do not know the circumstances, but if the hon. Gentleman sends me the information I shall consider it carefully and write to him. We have considered various moral hazard provisions, and we are fully aware of the danger that sophisticated company structures—involving parent companies and many subsidiaries—can lead to the dumping of pensions in one scheme, while the parent or subsidiary companies remain solvent. We are dealing with this issue in general terms, but I am grateful to the hon. Gentleman for raising it. We will deal with it in the way that we discussed.

1.45 pm

Mr. Webb: The Minister is being very generous in giving way—he has clearly had a good night's sleep. No one is arguing that it is likely that the Government will have to be the lender of last resort, and he is right: if a large scheme goes down, a big pot of money goes into the PPF in the year in question, so there is no problem. However, the Government have included a "what if?" provision in schedule 7, with which amendment No. 31 deals, that creates a reserve power. My question is: what happens if the fund gets into a really difficult situation? The Minister says that that is not very likely, but he clearly concedes that it is possible; otherwise, such a power would not be included in the Bill. If such a situation is possible and that power could be exercised, surely it would be better for the Government to act as lender of last resort, rather than cutting benefits. So the question of the likelihood or otherwise of the scenario is not relevant; the Government have included the "what if?" provision in the Bill, so would not the alternative strategy be preferable?

Malcolm Wicks: As ever, I am in a generous mood, so I shall not point out that the hon. Gentleman is rather good at "what if?" scenarios. That can be helpful in testing things out, but occasionally it can prove somewhat absurd. It is right and proper that there should be no liability on the general taxpayer as regards the PPF, not least because many taxpayers are not in final salary pension schemes. We have therefore carefully costed likely liabilities to the PPF. Yes, we have built in certain provisions and safeguards, because it would be irresponsible to ask the House to support this Bill without building in an *in extremis* scenario.

Mr. Webb: A "what if?" scenario.

Malcolm Wicks: Yes. In terms of national emergencies—perhaps this is not a very good comparison—it is right and proper that we plan for the most extraordinary things that might happen to our various institutions, or to the country as a whole. However, so far as such events are concerned, we are not talking about their likelihood. We are convinced that raising the levy by 25 per cent. a year to a cap of 100 per cent., along with the requirement to consult the Secretary of State on crucial matters, provides the necessary flexibility.

We have learned the lesson of the need for such flexibility from the United States. In discussing the American war on poverty and its relationship to this country, the great Professor Halsey of Oxford once spoke of ideas drifting across the Atlantic, soggy on arrival and of dubious utility. However, as a proponent of the special relationship, I should point out that this situation is very different; we have learned proper lessons from across the Atlantic. The fact that the board itself, subject to certain provisions, can raise the levy without having to come to Parliament—in the United States, Congress has to be consulted—is a very important flexibility.

I emphasise the point about assets because in this debate and the dubious comments occasionally made about the American Pension Benefit Guaranty Corporation, it is sometimes forgotten that the PBGC, despite the current financial difficulties, holds considerable assets. Notwithstanding anything else, those assets would enable it to meet its commitments for several decades. It is sometimes suggested that in an extreme scenario in which a particular company crashes, the PPF would be unable to operate, but in fact, considerable assets would go to the PPF. That point gets forgotten.

A recent Channel 4 documentary—the hon. Member for Northavon might have contributed to it—talked about the PBGC being on the verge of collapse. On watching that documentary, I thought that the merger of Channel 4 and Channel 5 had already taken place, such was the absurdity of the analysis offered by the young gentleman presenting it. He was riding a moped, and seemed to think that he was in a film with Sophia Loren.

May I move on to indexation? One of the amendments was designed to increase the cap on indexation to 5 per cent. As I have already explained, the Bill is designed to reduce the level of the indexation cap to 2.5 per cent. on all future accruals. By restricting the amount of indexation paid, the PPF is better able to predict its liabilities. It also means that the PPF will not end up paying more than some schemes are required to do. Furthermore, it avoids creating a further increase to the levy of around £100 million a year. If we add to that the proposal for 100 per cent. compensation for all, the amendments would effectively add an estimated £200 million to the levy each year.

Once again, I look to Conservative Front Benchers to intervene to explain their proposals. If they seriously believe in provisions that would add an extra

[Malcolm Wicks]

£200 million a year, we need to know whether it is a proper spending commitment. It sounds like one. Are they saying that the taxpayer should fund the proposals or that the levy should be substantially increased? Or is it that they are thrashing around as ever without being clear where they are going—one way or the other?

Mr. Nigel Waterson (Eastbourne) (Con): Given that the Minister provokes me and that the world's media are standing several deep in the Press Gallery, craning to hear our every word, let me make it clear that our probing amendments are designed to get the Minister to admit that what the Government are selling is not a total safety net. Indeed, the Minister just made the point—it will be interesting to read the *Hansard*—that the reason for making reductions in indexation is to ensure that the PPF has enough money to pay people out. It is yet another example of cheese-paring the benefits to be paid to pensioners in order to make the scheme work in the first place. That is the point, and it is important that the public end up with a clear impression of what they are and are not getting with the scheme.

Malcolm Wicks: If we are cheese paring, there should presumably be more cheese and it has to be paid for. The hon. Gentleman has not answered my point. Is he making a spending commitment—I think he is—of £200 million a year? Is he telling industry to pay much more on the levy or saying that the taxpayer should subsidise it? I would be happy to give way again. Answer came there none. We are not cheese paring. Unlike in Monty Python, this is a cheese shop with a whole variety of cheeses—ample for everyone and ample to cover the liabilities on pensions that we are predicting. A further point is the impact that such a measure might have on schemes. If schemes followed suit, it would increase scheme liabilities and contribution levels, as well as a bigger hit on schemes via the levy.

The hon. Member for Northavon also asked about the consistency of 2.5 per cent. indexation with a revaluation cap of 5 per cent. There is no inconsistency. Pension schemes are required to revalue in line with the retail prices index with a cumulative cap of 5 per cent. The PPF revaluation maximum rate of 5 per cent. therefore mirrors the maximum rate in the Pension Schemes Act 1993 and, as with the PPF indexation, it is in line with the requirements of the schemes.

The Government have taken account of the recommendations made in the Pickering report regarding indexation and revaluation. While that report recommends a reduction in indexation, it specifically recommends that revaluation should remain unchanged. We followed that advice.

Finally, I should like to clarify the position on borrowing. I hope that my distinction between the cash flow position of the PPF and its funding position has already dealt with the doomsday scenario of the hon. Member for Northavon. *[Interruption.]* My speech writer is beginning to understand my approach to these matters. I should clarify that borrowing will be needed only in extreme cases where there is an exceptional cash flow need. That is most likely to happen at the outset, but even there, the PPF will collect the levy at least a year in advance of the PPF having to start paying any pensions. There will also be a limit, set through regulations, on the amount that the PPF can borrow.

Mr. Webb: It is not me who puts the provisions in the Bill; it is the Minister—or somebody. It is the Bill, not me, that gives the PPF the power to borrow money. It is the Bill that says that those circumstances may arise and that provision needs to be made for them. At that point, why is it better value for money for the taxpayer for the PPF to borrow privately at a higher interest rate than the Government could provide?

Malcolm Wicks: We covered that in Committee. We believe that the normal rules of borrowing should apply. I urge the hon. Gentleman—gently, as ever—not to adopt a doomsday scenario on this front. Like many of us, I am sure he has insurance against fire risk in his house, but it is unlikely that his house or my house will burn down. It is perfectly proper for the most difficult scenarios to be taken into account in legislation and to make provision for them. The PPF is a well developed, well costed and evidence-based scheme, which we believe will stand the test of time. I hope that I have convinced the House that hon. Members should not press their amendments.

Amendment agreed to.

Amendments made: No. 102, in page 84, line 16, after 'pension' insert

'or payment of a member's lump sum'.

No. 103, in page 84, line 19, at end insert—

'(4A) For the purposes of subsection (4)—

(a) "normal pension age", in relation to an eligible scheme and any pension or other benefit under it, means the age specified in the scheme rules as the earliest age at which the pension or other benefit becomes payable without actuarial adjustment (disregarding any scheme rule making special provision as to early payment on the grounds of ill health), and

(b) where different ages are so specified in relation to different parts of a pension or other benefit—

(i) subsection (4) has effect as if those parts were separate pensions or, as the case may be, benefits, and

(ii) in relation to a part of a pension or other benefit, the reference in that subsection to normal pension age is to be read as a reference to the age specified in the scheme rules as the earliest age at which that part becomes so payable.

(4B) In subsection (4A) "scheme rules" has the meaning given by section 134(7).'.—*[Mr. Jim Murphy.]*

Clause 127

BOARD'S OBLIGATION TO OBTAIN VALUATION OF ASSETS AND PROTECTED LIABILITIES

Amendments made: No. 104, in page 85, line 13, leave out from second 'valuation' to end of line 15 and insert

'of the assets and protected liabilities of the scheme which—

(a) is in the prescribed form and contains the prescribed information, and

(b) is prepared and signed by a person with prescribed qualifications;'.

No. 105, in page 85, line 32, at end insert—

'( ) In a case where there are one or more reviewable ill health pensions (within the meaning of section [Reviewable ill health pensions]) under the scheme, nothing in subsection (2) requires the actuarial valuation to be obtained during the period mentioned in section [Effect of review](5)(b) (period during which Board may exercise its power to make a decision following a review) relating to any such pension.'.—*[Mr. Jim Murphy.]*

Clause 134

APPLICATION FOR RECONSIDERATION

Mr. Webb: I beg to move amendment No. 219, in page 90, leave out lines 14 to 16 and insert—

'(b) audited accounts covering the period from the date of the latest statutory annual accounts of the scheme to a date no later than three months prior to the day the application is made.'.

You will have noticed, Madam Deputy Speaker, that relatively few of the amendments tabled on Report—I do not mean the Government amendments—are signed by both Liberal Democrat and Conservative Members. This is one of those rare examples. We were simultaneously inspired by the need to change the audit and accounting arrangements in cases where trustees make an approach to the pension protection fund. We both received the same letter from the Institute of Chartered Accountants in England and Wales. It wrote to the hon. Member for Eastbourne (Mr. Waterson), who did not reply, so it asked me to table the amendments. The Conservatives then got round to it and may have been rather shocked to find their names on our amendment—but we will move on. In Committee, the hon. Member for Eastbourne generally got to speak first and read out the brief before I did; on this occasion—I am enjoying the moment—I can read it to him first.

The substance of the point is that, under clause 134, arrangements need to be made for trustees to approach the PPF to ask it to take over the assets of the scheme. There are two issues. First, the clause refers to

"an auditor's valuation of the scheme as at a date ("the reconsideration date") within the prescribed period ending with the day on which the application is made."

That is straightforward. The first question asked by the Institute of Chartered Accountants is about the concept of an auditor's valuation. Usually, there is a set of accounts and the role of the auditor is not to value the assets of the scheme, but to audit those accounts. It is the accountant who produces the account and the auditor who then certifies whether it has been done properly. The Institute of Chartered Accountants believes that it is not the job of the auditor to provide the valuation. Should the PPF be supplied with audited accounts, and is the auditor the right person to do the valuation? That is the first question.

That is why our amendment refers to "audited accounts" and not to an "auditor's valuation", as the Bill does.

2 pm

The second point has to do with timing. The concept of an auditor's valuation is difficult. We are talking about audited accounts, which have to be signed by trustees. However, the Bill provides that trustees relinquish responsibility when a scheme's assets are transferred to the PPF, in which case there would be no trustees to sign the audited accounts. If the Minister accepts that we need audited accounts and not an auditor's valuation, there needs to be a provision in the Bill to ensure that trustees are in place to sign the accounts. That implies that the date of valuation or of the audit of the accounts must come before the assets are handed over to the PPF, as otherwise there would be no trustees to sign the audited accounts.

The amendment provides that the period should extend from the final annual accounts to three months before the date when the application is made. The reasoning is that it will take three months to produce accounts, have them audited and passed to the PPF. The ICAEW reckons that three months will be just enough time for that. The trustees—who would remain until the assets were handed over—would be able to sign the accounts off, and the PPF board and its staff would be able to look at what happened to the assets in the three months after the audited accounts were signed off.

I freely admit that I am not an authority on the distinction between the roles of auditors and accountants, but not surprisingly, it is important to the ICAEW. The institute considers that the Bill is unclear when it refers to a

"prescribed period ending with the day on which the application is made."

It also believes that the clause confuses the role of the auditor with that of the accountant, as the latter prepares accounts to be audited. It is also concerned that audited accounts could not be signed off by trustees if the assets had already been handed over to the PPF, for the reason that I have given already.

I hope that I have done justice to the concerns that have been raised. I am delighted that the hon. Member for Eastbourne backs the amendment. I look forward to his contribution and to the Minister's response.

Mr. Waterson: There seems to have been a photo-finish at the Table Office when the amendment was submitted. All credit must go to the ICAEW for getting in just under the wire and ensuring, on the final possible date, that the amendment could be debated in the House. I hope that it will add some credibility to the amendment if I make it clear that it is backed by the official Opposition. I do not want it to be undermined by the fact that the names of Liberal Democrat Members appear at the top of the list of sponsors.

The hon. Member for Glasgow, Anniesland (John Robertson) has popped out of the Chamber for a moment. I am delighted about that, as the mere mention of any professional body incenses him and provokes him into an attack. Yesterday it was lawyers, and today it might have been the turn of accountants. I had better sit down before he reappears, so I will only say that we support the amendment and hope that the Government will accept it.

Malcolm Wicks: The support of Her Majesty's loyal Opposition of course adds enormously to the credibility of the amendment. It therefore pains me to suggest that it is unnecessary and might be withdrawn.

Clause 134 details the process by which the trustees or managers of a scheme may make an application to the board to reconsider a decision not to admit the scheme

[Malcolm Wicks]

into the PPF. Amendment No. 219 would require this application to be accompanied by audited accounts that cover the period between the date of the latest set of annual accounts and a date that must be no later than three months prior to the date of application.

Clause 134(4)(b) already requires an application to be accompanied by an auditor's valuation of the scheme. Because an auditor's valuation would have to take, as a starting point, the final set of statutory accounts, there is no substantive difference between an auditor's valuation and a set of audited accounts as described in the amendment.

The amendment would require the accounts to cover a specific period of time—the period between the latest set of annual accounts and a date that must be no later than three months prior to the date that the application is made. It is absolutely essential that the application for reconsideration be accompanied by an up-to-date set of accounts, as that will provide the basis for the board's decision. The amendment would effectively allow the accounts to be three months out of date, which is unlikely to be acceptable in all cases.

We will be consulting further with the pensions industry, wind-up specialists and trustees to ensure that the period prescribed is the right one. We will also consult all those who have made useful contributions to the debate.

Mr. Webb: The audit could take place 11 months after the accounts for the previous year have been completed. I do not understand how the auditor is supposed to do an evaluation when the available accounts are 11 months old. The amendment would mean that, at worst, the accounts would be only three months old. The ICAEW has said that the auditor's role is different from the accountant's, so how can the auditor provide an up-to-date valuation when the accounts are 11 months old? Is that not what accountants do, rather than auditors? Is not what the accountants produce validated by the auditors?

Malcolm Wicks: This is very detailed territory, and none of us is an expert. However, we are talking about an auditor's valuation, and that will clearly involve the auditor making a judgment about a scheme's finances. The final set of statutory accounts will be one of the building blocks in that, but I promise that my officials will reconsider the matter. I have said that we will consult on it in any case. We are not against the spirit of the amendment, but we do not think it necessary.

Given the reassurances that we will consult, I hope that the hon. Member for Northavon will withdraw the amendment.

Mr. Webb: I am grateful to the Minister for his constructive response to the amendment. My assumption is that auditors check what other people have done. Although it may be rather crude, that is the distinction that I am trying to draw. I do not want to demean large swathes of the profession, but it seems to me that auditors check someone else's sums and do not do the sums themselves. Accountants and auditors have different qualifications and expertise, which I do not want to understate.

The Minister has listened to the argument, however, and reflected on it, and he has promised to talk to people who can advise him on these matters. I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment made: No. 106, in page 91, line 4, leave out from 'as' to 'overrides' in line 6 and insert '—

(i) paragraph 3 of Schedule 5 to the Social Security Act 1989 (c. 24),

(ii) section 129 of the Pension Schemes Act 1993 (c. 48),

(iii) section 117 of the Pensions Act 1995 (c. 26),

(iv) section 31(4) of the Welfare Reform and Pensions Act 1999 (c. 30) (pension debits: reduction of benefit), or

(v) section 264 of this Act,'.—*[Derek Twigg.]*

Clause 138

TREATMENT OF CLOSED SCHEMES

Amendments made: No. 107, in page 95, line 1, at end insert—

'( ) section 37(5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section 35);'.

No. 108, in page 95, line 1,at end insert—

'( ) section 44(5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section 42);'.

No. 109, in page 95, line 1, at end insert—

'( ) section [Content and effect of a restoration order](5) and (6) (Board to act as creditor for debt due by virtue of a restoration order under section [Restoration orders where transactions at an undervalue]);'.

No. 110, in page 95, line 1, at end insert—

'( ) section [Content and effect of a section [Contribution notice where failure to comply with restoration order] contribution notice](5) and (6) (Board to act as creditor for debt due by virtue of a contribution notice under section [Contribution notice where failure to comply with restoration order]);'.—*[Derek Twigg.]*

Clause 145

THE PENSION COMPENSATION PROVISIONS

Amendment made: No. 111, in page 99, line 5, leave out second 'section' and insert

'sections [Reviewable ill health pensions] to [Interpretation of sections [Reviewable ill health pensions] and [Effect of review]] and'.—*[Derek Twigg.]*

Clause 156

PENSION PROTECTION FUND

Amendments made: No. 112, in page 104, line 15, at end insert—

'( ) any amount paid to the Board in respect of a debt due to the Board under section 37(7) by virtue of a contribution notice under section 35,'.

No. 113, in page 104, line 15, at end insert—

'( ) any property transferred or amounts paid to the Board as required by a restoration order under section [Restoration orders where transactions at an undervalue],'.

No. 114, in page 104, line 15, at end insert—

'( ) any amount paid to the Board in respect of a debt due to the Board under section [Content and effect of a section [Contribution notices where failure to comply with restoration order] contribution notice](7) by virtue of a contribution notice under section [Contribution notices where failure to comply with restoration order],'.

No. 115, in page 104, line 22, leave out 'payable' and insert

'to be paid or transferred'.

No. 116, in page 104, line 37, at end insert—

'( ) any sums required to meet any liabilities arising from obligations imposed on the Board by a restoration order under section [Restoration orders where transactions at an undervalue],'.

No. 117, in page 104, line 37, at end insert—

'( ) any property (other than sums) required to meet any liabilities—

(i) transferred to the Board as mentioned in paragraph (a) and arising from obligations imposed by a restoration order under section [Restoration orders where transactions at an undervalue], or

(ii) arising from obligations imposed on the Board by such an order,'.

No. 118, in page 104, line 42leave out 'payable' and insert

'to be paid or transferred'.

No. 119, in page 104, line 42, at end insert—

'( ) In subsection (1) (other than paragraph (d)) and subsection (3) (other than paragraph (c)) any reference to a provision of this Act is to be read as including a reference to any provision in force in Northern Ireland corresponding to that provision.'.—*[Derek Twigg.]*

Clause 157

INITIAL LEVY

Mr. Waterson: I beg to move amendment No. 33, in page 105, line 5, after 'regulations', insert

', which shall be no earlier than the day on which the basis for calculating the risk-based levy in the first financial year after the initial period has been published.'.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 34, in page 105, line 6, leave out '12' and insert '6'.

No. 35, in page 105, line 27,after 'liabilities', insert—

'(ia) the likelihood of an insolvency event occurring in relation to the employer in relation to a scheme,'.

No. 36, in page 105, line 33, leave out paragraph (a).

No. 37, in page 107, line 10, leave out '50%' and insert '75%'.

No. 38, in page 107, line 43, at end insert

'save that in the first year, the levy ceiling will be no higher than £600 million'.

No. 39, in page 109, line 31, leave out from 'means' to end of line 33 and insert

'a period of time no longer than two years after the initial period begins.'.

No. 40, in page 109, line 41,at end insert—

'( ) The trustees or managers of the scheme may charge a sum at least equivalent to the non-risked based amount of the levy to all scheme members.'.

Mr. Waterson: I shall be fairly brief as the amendments, almost without exception, echo equally important amendments that we moved in Committee—much good it did us then. They have to do with the nature of the levies, and especially the initial levy. The Government are moving, slowly, to a risk-based levy—and I shall say more about that on Third Reading—but they are opting for a flat-rate levy in the initial stages.

The amendments probe the matter from different directions. Amendment No. 33 would delay the start of the levy until the risk base had been established. Amendment No. 34 stipulates a shorter period for the initial levy. Amendments Nos. 35 and 36 deal with expanding the basis of the risk in the risk-based levy, and would give higher priority to the likelihood of an insolvency event relating to the sponsoring employer of a pension scheme.

Amendment No. 37 provides that the risk-based element of the levy, when it is finally sorted out, should be at least 75 per cent., rather than the 50 per cent. set out in the Bill. I think that the Minister said in Committee that that was Government's intention, but that he did not want to be tied down to it. We still think that it would be worth while to make it clear that far and away the greater proportion of the levy would be risk based.

Amendment No. 38 would place a cap on the initial levy of £600 million a year. Amendment No. 39 calls for a shorter period for the introduction of the risk-based levy. Its merits are fairly clear, and we debated the matter at length in Committee.

Amendment No. 40 raises the difficult issue of whether a sponsored scheme can pass on some or part of the levy to the members of that scheme. When we tabled the amendment in Committee, the Minister gave various reasons why it would not work, including that it would be difficult to administer. I understand that some schemes would face practical difficulties in finding the people to invoice. The Minister said that it could

"result in a reduction in the level of income for current pensioner members".—[*Official Report, Standing Committee B*, 1 April 2004; c. 597.]

He also thought that it might be unfair. I raised at length the situation of some companies that, for historical reasons, are now relatively small but have large numbers of pension members in their scheme. For example, Marconi, which has written to me on the issue, has 3,327 active members and 69,000 deferred and pension members, which is a ratio of more than 20:1. For a company like that, the levy will be a significant chunk off the bottom line.

In the debate, I also referred the Minister to the regulatory impact assessment on the Bill, which suggested—in the impenetrable language in which RIAs tend to be written—that it was envisaged that schemes would be able to pass on some or all of the levy to their members. However, the Minister was adamant that that was not the case. Imagine my surprise to read an answer

[Mr. Waterson]

given by Baroness Hollis in the other place in which she said that

"the requirement to pay the levy will fall on the trustees of the scheme, who will be left to judge how the levy charge could then be shared as they see fit among employers and employees as one of the overall pension costs."—[*Official Report, House of Lords*, 4 May 2004; Vol. 660, c. WA101.]

Obviously the Government were in "being nice to business" mode on that particular day. She also talked of minimising the burden on schemes. My question is: who was right—the Minister in Committee or Baroness Hollis?

Mr. Webb: This is an important group of amendments, because the basis of the PPF levy is central to the nature of the scheme. I know that my noble Friends in the other place attach great importance to the PPF being a genuine insurance scheme, and therefore think that the levy should be a risk-based levy, preferably in its entirety and from day one. I therefore have much sympathy with some of the amendments in the group, especially amendment No. 37, which would raise the proportion of the levy that would be risk based.

The worry about amendment No. 33 is that there might be a delay in getting the scheme going. I think that I understand the effect the amendment would have, but if I misrepresent it I hope that the hon. Member for Eastbourne (Mr. Waterson) will correct me. His point is that a risk-based levy would need some tough arithmetic, some data gathering and some research—in other words, it would not be easy to implement and industry should be warned about that—and all that would need to be done before the initial levy was introduced. I am beginning to think that "half-baked" was a generous assessment of the Bill, but I shall return to that point on Third Reading. We certainly want to start providing the assistance as soon as possible, especially given the meagre level of benefits provided by the financial assistance scheme introduced yesterday. Any delay in the introduction of the full PPF could mean that some pensioners get not the 90 per cent. payable under the PPF but the lower rate payable—perhaps 65 per cent.—under the financial assistance scheme. Therefore, timing matters. Amendment No. 33 might introduce delay and that would be a worry. Any significant delay would be a cause of anxiety, especially to members of pension schemes whose companies were not financially strong.

Amendment No. 34 is in the same spirit and would shorten the period over which the initial non-risk-based levy would apply from 12 months to six. My concern is the practicality of changing the rate of the levy half way through a financial year. It could be done, but it would not assist firms in their financial planning. It would perhaps be better to do away with the concept of an initial levy and introduce the full scheme as quickly as possible.

2.15 pm

I support amendment No. 35. The risk-based levy has to be based on the underfunding in the fund, but that is all that it must include. The Bill says that it may also include insolvency risk and other risks, but that is not a requirement. What is the basis for a claim on the PPF? The first requirement will be an insolvency event, so it is bizarre that the PPF will not be required to base the risk-based levy on the risk of the very event that would trigger a claim. It is like providing car insurance without assessing the risk of the insured person having a crash. It is right to take account of insolvency risk, and amendment No. 35 would achieve that.

Another factor that should be included is size of firm. The Bill does not require the risk-based premium to take any account of the size of the firm, and that seems strange. Can the Minister advise the House of why that does not appear as a consideration? The risk of insolvency should be included from day one, and the only objection I can think of to that is how one would measure it. It is one thing to examine a large, blue chip FTSE-100 company and look at its credit rating and accounts, and reach a judgment. A lot of information is available about such firms, but in the case of a small firm with a one or two-member scheme, such as Wiggins Widgets—a mythical firm that I have used as an example in these debates—the finances would not be well known, and it would be difficult for the PPF to assess its insolvency risk.

If we were to accept amendment No. 35, it would not require the PPF board to perform an insolvency risk assessment of every employer—there are some 100,000. The PPF board would simply say that it would take account of insolvency risk as far as it was able to measure, without having to go to silly lengths for very small firms that would not have a credit rating or other information that could be used. I hope that the Minister will confirm that interpretation; if so, I certainly agree with the spirit of amendment No. 35,

Amendment No. 37 provides that the minimum risk-based levy should be 75 per cent., rather than the 50 per cent. that is assumed. I recall in Committee that the Government suggested that that was the sort of number they were thinking of.

Do we leave the PPF board the flexibility to ignore the Government? After all, the Minister told us constantly in Committee that he wants the PPF to be at arm's length from the Department. It would thus have the flexibility not to go above 50 per cent. even though the Government want 75 per cent.

That is rather odd. Surely, Parliament should be giving a clear steer to arm's length organisations whose actions have implications for the economy, the health of business and the funding of pension schemes. It is not good enough for the Minister to say that the PPF board can make up its own mind; the House should give it a stronger steer. A risk-based levy of 75 per cent. might not be enough; perhaps the figure should be 100 per cent.

A recent example shows why a large risk-based element is important—I think the hon. Member for Eastbourne hinted at it when he raised the Marconi case. What about schemes where a large number of members have very small pensions? Because the premium is based partly on membership and not solely on risk, there might be a temptation to get such people to leave the scheme. If the levy is not wholly risk based, there could be behavioural consequences. Has the Minister given any thought to the consequences of a membership-based levy?

In a large pension scheme, a "legacy" could have built up of former workers, many of whom have only small entitlements—for example, because they worked for the company a long time ago, before indexation rules and when salaries were low. If the levy is not fully risk based, the employer has an incentive to get rid of people with very small pension rights. The firm will realise that it is incurring a membership-based liability for each such person, and the danger is that they could be offered a buy-out, such as a defined contribution asset—something that was actuarially equivalent at the time, but that would give them less security in the future. Scheme members would need advice about whether to accept such an offer. After consulting people who run pension funds, I understand that that could happen, so it is a serious, practical point and I hope that the Minister will give me a response.

The point might not be important if only a few people were likely to be affected, but there must be many large schemes with many members with fairly small pensions, so unless we accept the amendment and, indeed, go further and make the levy entirely risk based, we shall have to pay money for every person in the scheme for every year that they are in the scheme until they reach pension age, which would cost a lot of money. Of course, it would also cost money to get rid of those people by giving them cash equivalents. I shall not labour the point, but will the Minister tell us whether the Department has thought through the possible effects of a membership-based levy over a long period?

We should like the 50 per cent. to be increased. Parliament should give a strong steer to the PPF board. My noble Friends in another place attach great importance to the issue and they want the Government to consider it in the later stages of the Bill.

Amendment No. 38 would put a £600 million cap on the levy in the first year of the PPF. Although the figure seems rather arbitrary, one can see the point that is being made. As the figure relates only to the first year, it would not need uprating. However, I understood that in the first year the levy would raise only about £300 million, or even less, so I am puzzled by the cautiousness of the cap. As the Minister pointed out earlier, the PPF will not be paying out anything in the first year; no schemes will yet have gone into it so no liabilities will have been incurred. As there will be no pensions in payment, there are unlikely to be any nasty shocks in year one.

Amendment No. 39 relates to our earlier arguments about the transitional period. I accept that these are probing amendments so I shall not be unduly critical, but amendment No. 39 would allow a two-year transition, while under other Conservative amendments either the scheme would not start until there was a risk-based levy or there would be a six-month transition period. If the Conservatives were actually in government, which permutation would they choose? Do they have a view on which of their amendments they support? I suspect not. However, as they have done the House a service by tabling amendments on these important issues, it would be unfair to criticise them for the fact that all the provisions are mutually inconsistent.

Amendment No. 40 deals with passing on the levy to scheme members, but I am not sure why we need such provision. Surely, an employer running a scheme who has to pay a levy to the PPF can do what they like. They can make the extra payment and negotiate with their employees, so there is no need for a statutory basis for passing on the levy. Whether employers pass on the levy will depend on the relative negotiating strength of the parties involved.

I should not want employers to be able to wave a big stick and say, "Look, we've got a statutory power and we can force you to pay the money". I should prefer things to be on a negotiated basis. Pensions are a key industrial relations issue. Only today, we read that the rail unions are talking about taking strike action over pensions, so anything that would make the pensions negotiating climate more adversarial—as the amendment would do—would be regrettable.

Many of the amendments raise important points. I welcome those that would not delay the scheme but would introduce the risk-based premium earlier and at greater length. However, some of them are probably unnecessary.

Malcolm Wicks: Clauses 157 and 164 set out the provisions relating to the initial levy and the pension protection levies. The amendments are aimed at amending the structure of the current provisions and altering the factors that the PPF board may take into account when setting future pension protection levy rates and structures. For clarity, I will deal with each clause in turn setting out the proposed amendments relating to it.

Clause 157 provides for the Secretary of State to set the initial levy rate and structure, with the approval of the Treasury. The initial period is needed in order to get the PPF up and running. That is because the information required to set in place a risk-based pension protection levy from the outset is not available. Amendment No. 33 would prevent the setting up of the PPF until it is in a position to establish the basis for the risk-based pension protection levy.

The amendment could have several implications. The setting up of the PPF could be postponed, which in turn would delay the vital protection for scheme members the PPF will provide; it could require the PPF board to set in place a risk-based levy structure based on incomplete information; or it could require employers to conduct an out-of-cycle PPF-style valuation, placing additional financial burdens on sponsoring employers. Alternatively, it could result in no levy being collected in the initial period, which could have financial implications for the PPF in future. It is not clear to me which of those intentions lies behind amendment No. 33.

2.30 pm

Amendment No. 34 would reduce the length of time that the initial period could be extended from 12 to six months. If we put in place a provision that can increase the period of the initial levy to more than 12 months, we have built in a contingency. Restricting that flexibility may impact on the setting of the pension protection levies in the year that follows the initial period, because, as a result of that restriction, the board may need to implement a further, simplified levy structure for the whole year following the initial levy. In addition, allowing the initial levy to apply for a period other than one that coincides with the end of a financial year would have implications on the setting of future pension

[Malcolm Wicks]

protection levies, because the pension protection levies that immediately follow the initial levy operate in respect of financial years.

Clause 158 sets out the provisions that relate to the pension protection levies, including the factors that the board can take into account when calculating those levies. Amendment No. 35 would require the board to take account of the likelihood of an insolvency event occurring in relation to a scheme when it sets the risk-based pension protection levy. Amendment No. 36, if taken in isolation, would result in the board being unable to take account of the likelihood of an insolvency event occurring in relation to a scheme. However, we have assumed that that amendment was proposed in conjunction with and to complement amendment No. 35.

When setting the risk-based pension protection levy, the PPF board will be required to take account of the level of funding within a scheme, because we consider that underfunding is the most critical factor in determining whether a scheme may require PPF assistance. However, we recognise the importance of other risk factors, such as insolvency risk or investment strategy risk, when setting the pension protection levies, but it will be for the PPF board to determine if and how those other risks can be used. Officials in my Department are continuing to work with industry representatives to establish the most appropriate options available to the board in taking account of insolvency risk.

Mr. Webb: The Minister is generous in giving way. I have never heard him put it quite as starkly before that the Department considers that the underfunding level is the critical thing and that everything else is in a sense second order. That certainly mirrors the Bill's structure. However, for example, let us compare BT, which, on certain measures, has a socking great deficit but practically no chance of making a claim on the fund, with another scheme with a fairly small deficit but a really shaky company. It is the second company that will make a claim on the PPF, so why is the insolvency risk deemed to be second order?

Malcolm Wicks: I will not mention any company, but where a company is perfectly solid and judged by the board on different criteria, probably not just one, to be very solid—to use that non-technical description—it will do well out of the risk-based levy, so there should be no concern.

Kevin Brennan (Cardiff, West) (Lab): Is not a possible danger of incorporating an insolvency risk into the levy that the PPF itself would participate in disseminating commercial information that could damage the business concerned in the markets?

Malcolm Wicks: A key point is that the levy can influence the behaviour of scheme sponsors to ensure adequate funding. The PPF must try to do that in many respects. The other risk factors are obviously desirable in relation to the one that I mention, and we assume that the PPF will include them in the levy's structure. However, it would be wholly desirable if the fact that such information becomes public—I guess that it will in a sense—encourages a scheme to fund itself properly.

Mr. Bill Tynan (Hamilton, South) (Lab): It is obviously important that companies are not jeopardised because a levy is placed on them. Will my hon. Friend clarify the situation? Under the Bill, the PPF has to be mindful of the financial position, but it does not have to take that totally into account. Would it not be better if the PPF had to take account of a company's financial problems in a more structured way before it levied that company?

Malcolm Wicks: In those circumstances, the importance of the regulator will come into play. As my hon. Friend knows, as well as I do, from his service on the Standing Committee, we very much need to consider the PPF in tandem with the new regulator. The regulator's task is to act early where signs of risk arise and to try to ensure, using a range of powers from the relatively soft to the very tough, that company pension schemes come up to scratch. Obviously, in an ideal world, we would want as few companies as possible to pay the risk-based levy because we do not want too much risk to be placed on the PPF. If that came about, the levy for all companies could be relatively low, but that is probably an aspiration for the longer-term future.

Clause 160 sets out the provisions that relate to the amounts to be raised by the pension protection levies and the parameters within which the board may operate. Amendment No. 37 would require the PPF board to estimate that it would collect at least 75 per cent. of the pension protection levies via the risk-based levy. That would have an impact upon the PPF board's flexibility when setting and determining future pension protection levy rates and structures.

We consider that the Bill will restrict the PPF board adequately, while ensuring that the board has the freedom, flexibility and independence to set the most appropriate pension protection levy rates and structures in the future. However, we share with hon. Members a desire that the great majority of the levy in the transition period will be based on risk factors. As guidance to colleagues, we consider, after consulting stakeholders and other relevant bodies, that an appropriate split would be—this is a guideline—about 80:20 in favour of risk factors; but there will be flexibility and that will be a decision for the board, not for Ministers.

Mr. Webb: I shall endeavour not to intervene on the Minister again in the debate on this group of amendments, but I must have failed to make my point about what counts as risk, because the Minister's response was completely wrong. If the risk-based premium is based only on underfunding, a scheme such as BT's—a big, solid company but temporarily with a big deficit—will pay a socking great premium. He said that a solid company need have nothing to fear from a risk-based premium, but the Bill will allow the premium to be based only on underfunding risk, so such a company would be very heavily penalised.

Malcolm Wicks: I will not talk about any company in particular. When I used the word "solid", I was not

talking about any company, whether solid or a bit soggy. Of course, while underfunding is absolutely crucial, other factors can be taken into account by the board. That comes back to the discussion that the hon. Gentleman hinted at earlier, but we think it important that the new PPF is at considerable arm's length from the Government. Obviously, we are accountable ultimately to the House, through the Secretary of State, but we are establishing a board that will have much expertise. People willing to serve on the board should have the appropriate flexibility, and new members of the board will want to read the reports of the considerations of the House on such matters.

Clause 161 sets out the provisions that relate to the levy ceiling in connection with the pension protection levies. The levy ceiling will be set by the Secretary of State, with the approval of the Treasury, and will restrict the PPF board from increasing the pension protection levies beyond a set amount. Under amendment No. 38, the Bill would set the levy ceiling at no more than £600 million for the first financial year following the initial period. The amendment would not have the desired effect, for the reasons that I shall now set out.

During the transitional period and the first year thereafter, provisions have been put in place to lower the levy ceiling. That is to restrict the board when setting pension protection levies during the transitional period, when the 25 per cent. yearly increase rule does not apply. The levy ceiling is therefore likely to be significantly lower in the first year after the initial period than the £600 million suggested in the amendment. In addition, it would be unusual to state a figure such as the levy ceiling in primary legislation, especially given that the Secretary of State will be required to make an order every year specifying the amount of the levy ceiling and that the Bill already provides for further provisions to modify the levy ceiling. We are confident that the provisions that we have put in place for the setting of the levy ceiling and future pension protection levies are both appropriate and sufficient. It is important to balance the needs for the PPF board to have the necessary flexibility and for the costs relating to the pension protection levies to be managed effectively.

Clause 163 sets out the provisions relating to the pension protection levies during the transitional period. The transitional period is needed because some of the information that we need to set up a risk-based pension protection levy from the outset is not available. The transitional period will allow the board to take a balanced approach to determine what information it has available and what information is necessary to implement the risk-based approach effectively. Amendment No. 39 would restrict the transitional period to two years and would have implications for the setting of future pension protection levies, because the information that the board needs to implement a risk-based pension protection levy will not be fully available from the outset. The amendment could therefore result in the board being required by the provisions of the Bill to implement a very simplified or inaccurate risk-based approach based on incomplete or out-of-date data. Alternatively, if the board decided that it needed to base its decisions on more complete information, additional financial burdens could be placed on employers, which would have to provide an out-of-cycle valuation because the board would need a completed PPF-style valuation to be able to determine accurately comprehensive risk-based pension protection levies.

The calculation, collection and recovery provisions relating to the initial levy and the pension protection levies are contained in clause 164. Amendment No. 40 would amend the clause by providing scheme trustees and managers with the power to recoup from all scheme members, whether active, pensioner or deferred members, the cost of at least the scheme factors element of the initial levy and the pension protection levies. Although we understand the intention behind the amendment, we must consider the implications. It could, for example, result in a reduction in the income of current pensioner members, or have an impact on future pension entitlements where there is no current pension in payment. Alternatively, it could allow pension scheme trustees and managers to invoice active and deferred members directly to request a contribution in respect of the pension protection levies. I am not sure that the hon. Member for Eastbourne (Mr. Waterson) wants that, and there would be a practical problem with doing so, as many schemes do not have up-to-date contact details for many deferred members. In addition, the amendment does not set a limit on the amount that can be recovered from the scheme member. Giving scheme trustees or managers such a power could result in members paying towards the risk-based element of the pension protection levies, which would be unfair because scheme members cannot influence how the scheme invests its funds or its financial state.

Because of the various implications that the proposed amendments have for the setting of the initial levy and the pension protection levy, I urge that they be withdrawn. At present, schemes would be allowed to draw the costs of the levy from current members, but that would involve a higher contribution. The scheme can make that judgment if it wishes to. However, such flexibility is altogether different from allowing via the Bill a levy to be imposed in such a way on deferred or retired members of a scheme.

2.45 pm

The hon. Member for Northavon (Mr. Webb) presented another scenario, his argument being essentially that the company or pension scheme might try to shift members away from the scheme by giving them a transfer value—getting rid of them simply to avoid paying the levy. I think that that is a little far-fetched. The new full buy-out procedure for solvent employers means that no company could do that on the cheap. It would have to buy out fully the pension rights of the individuals' concerned, and, no doubt, incur many administrative and other costs in trying to do so. In addition, as we drive up standards of pensions literacy and as the trade unions continue to become more involved in pension issues, that scenario becomes even less likely to arise. None the less, we shall reflect on it.

I hope that in view of my assurances—perhaps explanations is a better word—the hon. Member for Eastbourne will withdraw his amendment.

Mr. Waterson: I am grateful to the Minister for his full explanations and for his confirmation that, in

[Mr. Waterson]

certain circumstances, schemes can recover some of the levy from active members. On that basis, I am happy to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 165

CASES WHERE FRAUD COMPENSATION PAYMENTS CAN BE MADE

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I beg to move amendment No. 120, in page 110, line 27, after 'not' insert

'a prescribed scheme or a scheme'.

Madam Deputy Speaker: With this it will be convenient to discuss Government amendment No. 122.

Mr. Pond: The amendments are technical, but important none the less. They amend clauses 165 and 172 to mirror the arrangements set out in clause 113, which is about eligible schemes. They enable certain schemes to be excluded from wider PPF coverage. Together, the clauses make it possible to exclude named—I emphasise, named—occupational schemes and general types of scheme from the pension protection fund and fraud compensation umbrellas. In other words, a more selective approach to exclusion will be possible. Although it is possible to exclude from compensation coverage schemes with fewer than two members, or ones that offer only death benefits, the clauses will now allow the exclusion of named schemes that are not considered to be suitable for PPF and fraud compensation coverage—typically, defined benefit schemes that will always be able to meet their liabilities to members due to credible guarantees provided by the employer. It would be wrong to include such schemes within the PPF and fraud compensation umbrellas, and unfair to require them to pay levies.

Kevin Brennan: Will my hon. Friend explain the difference between a prescribed scheme and a scheme of a prescribed description? The amendments appear to draw a distinction between the two.

Mr. Pond: That is one of the reasons why, although technical, the amendments are very important. I am not sure that the House wants me to delay our business by dealing with that specific point now—[HON. MEMBERS: "Oh, go on."] Perhaps if I meet my hon. Friend in the Tea Room after the debate, we can discuss the matter at some length, or I could set it out in writing, if that is acceptable to him. Perhaps he would prefer—*[Interruption.]* Oh, let us deal with it now, shall we? *[Laughter.]*

People will know that a prescribed scheme is, of course, a named scheme—I thought that that was obvious from what I said—whereas a scheme of a prescribed description could be a type of scheme. I hope that that clarifies the matter, but I shall happily go further in the Tea Room.

Mr. Webb: I shall not ask the Minister to go any further. However, to be serious, scheme members want their scheme to be protected against fraud. The Minister appears to be saying that a named scheme may be deemed not to be covered by fraud protection, because "credible guarantees" have been given by the sponsoring employer. However, credible assurances can be subject to fraud if someone reneges on them. Does that undermine the anti-fraud protection that the Bill is trying to provide?

Mr. Pond: No, I do not think that it does. I take these things particularly seriously because I am the Government's anti-fraud Minister. I am not, as some people have unkindly suggested, the Minister for fraud and error, both of which I am against. The measures are important, because they apply to schemes that are unlikely to require fraud compensation, as they have other forms of protection built into them. Later clauses deal with schemes with a partial Crown guarantee that are exempt from fraud and other levies as they have other back-up. For that reason, we do not expect there to be any circumstances in which the schemes would be vulnerable to fraud.

Schemes should have a collective responsibility to help to protect members from the loss of benefits resulting from fraud, which is why the Pensions Compensation Board currently imposes a levy on all schemes. It is reasonable, however, to spread the burden of the levy as widely as possible to minimise the impact. We expect the levy to be applied occasionally, as and when fraud compensation is needed.

Kali Mountford (Colne Valley) (Lab): On the issue of fairness and compensation, is my hon. Friend satisfied that it is reasonable to demand that schemes that have already been subject to fraud should continue to pay the levy?

Mr. Pond: My hon. Friend makes a fair point, which we have considered carefully. We envisage that the levy will be applied only occasionally, and in the seven years since the Pensions Compensation Board was created only four cases of fraud have been discovered and less than £600,000 has been paid out in compensation. We need to make sure both that the levy is applied proportionately and that it provides appropriate protection against fraud. By exempting certain schemes we can build in that proportionality and protection.

Mr. Webb: There is still a slight loophole, and I should be grateful if the Minister could reassure me that it will be closed. In an intervention, I asked about the type of schemes that will be exempt from the fraud component of the PPF levy. As a quid pro quo, scheme members would be exempt from payouts for fraud. As I suggested, we do not want scheme members to become vulnerable if everything looks kosher if I might use that phrase—I probably cannot, so I shall say if everything looks fine—but a few years later, perhaps after a personnel change in which a dishonest person is appointed, there is fraud. The Minister mentioned Crown guarantees, and we would all accept that in such cases there is no reason why there should be a levy to cover a fraud levy because that eventuality is covered anyway. However, his phraseology made me think that that was a specific instance, not an exhaustive list. There are other cases in which, to use his phrase, the employer gives "credible guarantees", only for the scheme to be taken over by a less reliable employer.

Once we say that schemes fall outside the scope of the anti-fraud measures we are at the top of a slippery slope. I should therefore be grateful for a little more reassurance. The amendments make provision, as we heard in the intervention of the hon. Member for Cardiff, West (Kevin Brennan), for prescribed or named schemes. Can the Minister tell us about the scope of the provision? Will the PPF prescribe the schemes, or will that be done by statutory instrument? Prescription is usually done through regulation, so I would be grateful for clarification. Will the PPF have a delegated power to prescribe schemes, or will that be done by Parliament? I would not be confident about prescribing schemes, but my key concern is that there may be a gaping hole. Is there a long list of schemes that do not get fraud protection? In future, will workers look at the seemingly technical amendments that were agreed in the House and say, "No, it should not have done so, because they drive a coach and horse through the fraud protection that everyone wants"? Or is it a matter of nit-picking, and it will be only the odd scheme that falls outside the scope of the pension fraud protection scheme? I should therefore be grateful for a little more reassurance on the record about the scope of the measures, as I am worried that we are opening up a bigger void. I am sure that that is not the intention, but I would like to register my concern. That is not so that I can say "I told you so" in 10 years' time, but so that our constituents never experience those unfortunate circumstances.

Mr. Pond: The hon. Gentleman is right to express his concerns, so that reassurances can be given on the Floor of the House and are on the record. We have been careful not to allow the gaping holes that he mentioned to appear in the safety net or even tiny chinks of light. The schemes that we are debating are guaranteed, so scheme members cannot lose out. The hon. Gentleman asked for an example—the Chatsworth House settlement scheme is a unique scheme that provides a guarantee. We cannot legislate in general terms to exempt such schemes, but it would be unfair to include them in the levy. By definition, they already offer a guarantee to their members. We must therefore make provision for named schemes. When I was introducing the amendments, I emphasised the need for the schemes to be listed by name.

Mr. Webb: The Minister raised the distinction between named schemes and a prescribed category. Would it not be simpler to describe a category of schemes, such as those with Crown guarantee, so that we do not need separate prescriptions or regulations? Either the House would have to consider such regulations, or the PPF would have to proceed case by case. That echoes the points that I made yesterday about adopting a set of principles that apply to every case rather than having to predict in advance everything that might crop up and deal with it. Could there not have been a more general approach to the issue?

Mr. Pond: Later clauses, as I said, deal with schemes covered by partial Crown guarantee that, as a category, will be exempt. In that case, we can use a category, but in this case, we need to name individual schemes and adopt a much more targeted approach, to make sure that we do not allow unfairness to slip into the overall process.

Kevin Brennan: My hon. Friend named a particular scheme that was guaranteed. Is it a guarantee against fraud or a guarantee that pensions will be paid? Surely, every scheme is guaranteed against fraud, which is an illegal act.

David Cairns (Greenock and Inverclyde) (Lab): The law is the guarantee against fraud.

Mr. Pond: As my hon. Friend the Member for Greenock and Inverclyde (David Cairns) said, the law should be a guarantee against fraud. The fraud compensation scheme was set up, because, although the effort to prevent fraud in the first place offers a guarantee, once fraud has been committed, resources are not necessarily available for cash compensation. Here we are talking about a guarantee also that the pension will be paid. That is built into the scheme, which I know is the sort of reassurance that my hon. Friend would want.In reply to the hon. Member for Northavon, I should say that it is the Government, not the PPF, who will prescribe which schemes are to be exempted in this way.

It being Three o'clock, MADAM DEPUTY SPEAKER *proceeded to put forthwith the Questions necessary for the disposal of business to be concluded at that hour, pursuant to Order [18 May].*

Amendment agreed to.

Clause 171

FRAUD COMPENSATION FUND

Amendment made: No. 121, in page 116, line 5, at end insert—

'( ) In subsection (1) (other than paragraphs (a) and (e)) and subsection (3) (other than paragraphs (a) and (e)) any reference to a provision of this Act is to be read as including a reference to any provision in force in Northern Ireland corresponding to that provision.'.—*[Malcolm Wicks.]*

Clause 172

FRAUD COMPENSATION LEVY

Amendment made: No. 122, in page 116, line 11, after 'is' insert 'prescribed or'.—*[Malcolm Wicks.]*

Clause 264

OVERRIDING REQUIREMENTS

Amendments made: No. 127, in page 191, line 11, at end insert—

'( ) any direction issued by the Regulator under section 38(4);'.

No. 128, in page 191, line 11, at end insert—

'( ) any direction issued by the Regulator under section 45(4);'.—*[Malcolm Wicks.]*

Clause 265

MODIFICATION OF THIS ACT IN RELATION TO HYBRID OR MULTI-EMPLOYER SCHEMES

Amendments made: No. 129, in page 192, line 3, at end insert—

'(2A) Regulations may also modify any of the provisions of Part 2 as it applies in relation to an eligible scheme in respect of which a relevant public authority has—

(a) given a guarantee in relation to any part of the scheme, any benefits payable under the scheme or any member of the scheme, or

(b) made any other arrangements for the purposes of securing that the assets of the scheme are sufficient to meet any part of its liabilities.'.

No. 130, in page 192, line 4, at end insert—

' "eligible scheme" has the meaning given in section 113;'.

No. 131, in page 192, line 12, at end insert—

' "relevant public authority" means—

(a) a Minister of the Crown (within the meaning of the Ministers of the Crown Act 1975 (c.26)),

(b) a government department (including any body or authority exercising statutory functions on behalf of the Crown), or

(c) the Scottish Ministers.'.—*[Malcolm Wicks.]*

Clause 275

GENERAL INTERPRETATION

Amendment made: No. 132, in page 197, line 27, leave out

'persons in the description or category of employment'

and insert

'people with service in employments of the description'.—*[Malcolm Wicks.]*

Schedule 1

THE PENSIONS REGULATOR

Amendments made: No. 133, in page 207, line 30, at end insert—

'( ) the power to issue a notice under section 41(1) approving the details of arrangements;'.

No. 61, in page 207, line 30, at end insert—

'( ) the power to grant or revoke authorisation under section (General authorisation to accept contributions from European employers);

( ) the power to grant or revoke approval under section (Approval in relation to particular European employer;

( ) the power to issue a notice under section (Functions of Regulator in relation to institutions administered in other member States)(5);'

No. 134, in page 207, line 38, at end insert—

'( ) the power to appoint an independent trustee under section 23 of that Act;'.—*[Malcolm Wicks.]*

Schedule 2

THE RESERVED REGULATORY FUNCTIONS

Amendments made: No. 135, in page 213, line 11, at end insert—

'. The power to make an order under section 67G(2) by virtue of which any modification of, or grant of rights under, an occupational pension scheme is void to any extent.

'. The power to make an order under section 67H(2) prohibiting, or specifying steps to be taken in relation to, the exercise of a power to modify an occupational pension scheme.'.

No. 136, in page 213, line 32, at end insert—

'. The power to issue a contribution notice under section 35.'.

No. 137, in page 213, line 32, at end insert—

'. The power to issue a direction under section 38(4) to the trustees or managers of an occupational pension scheme.'.

No. 138, in page 213, line 32, at end insert—

'. The power to issue a financial support direction under section 39.'.

No. 139, in page 213, line 32, at end insert—

'. The power to issue a contribution notice under section 42.'.

No. 140, in page 213, line 32, at end insert—

'. The power to issue a direction under section 45(4) to the trustees or managers of an occupational pension scheme.'.

No. 141, in page 213, line 32, at end insert—

'. The power to make a restoration order under section [Restoration orders where transactions at an undervalue].'.

No. 142, in page 213, line 32, at end insert—

'. The power to issue a contribution notice under section [Contribution notices where failure to comply with restoration order].'.—*[Malcolm Wicks.]*

Schedule 6

TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES TO THE BOARD

Amendment made: No. 143, in page 230, line 42, after 'employment', insert

'between the trustees or managers of the scheme and an individual'.—*[Malcolm Wicks.]*

Schedule 7

PENSION COMPENSATION PROVISIONS

Amendments made: No. 144, in page 239, line 36, after first 'that', insert '—

(a) in that paragraph the references to the pension are to be read as references to the scheme lump sum, and

(b)'.

No. 145, in page 250, line 8, at end insert—

' (1) The powers conferred by this paragraph are exercisable in relation to cases where—

(a) immediately before the assessment date, a person ("the pensioner") is entitled to present payment of a pension under the scheme rules ("the pre-assessment date pension"), but

(b) the case is one to which paragraph 31(4) applies and the effect of disregarding the recent rule changes is that the pensioner is not entitled to compensation under paragraph 3(2) by reason of the pension or a part of the pension.

(2) Regulations may provide—

(a) for the pensioner to be treated, for the purposes of the pension compensation provisions, as entitled, immediately before the assessment date, to present payment of a pension under the admissible rules, and

(b) for the compensation payable under paragraph 3 in respect of that pension to be determined in the prescribed manner and, for this purpose, for any provision of this Schedule to be applied with such modifications as may be prescribed.

(3) Regulations may also provide, in cases where—

(a) the pensioner is not treated as entitled to present payment of a pension by virtue of regulations under sub-paragraph (2), but

(b) he is or may become entitled to compensation in respect of the pre-assessment date pension otherwise than under paragraph 3,

for any provision of this Schedule to apply with such modifications as may be prescribed.'.

No. 146, in page 250, line 37, leave out from 'as' to 'overrides' in line 39 and insert '—

(i) paragraph 3 of Schedule 5 to the Social Security Act 1989 (c. 24),

(ii) section 129 of the Pension Schemes Act 1993 (c. 48),

(iii) section 117 of the Pensions Act 1995 (c. 26),

(iv) section 31(4) of the Welfare Reform and Pensions Act 1999 (c. 30) (pension debits: reduction of benefit), or

(v) section 264 of this Act,'.

No. 147, in page 253, line 18, leave out from first 'to' to end of line 20 and insert '—

(a) a transfer to the scheme of, or transfer payment to the trustees or managers of the scheme in respect of, any of his rights (which may include conditional rights and transfer credits allowed) under another scheme, other than pension credit rights, or

(b) a cash transfer sum paid under Chapter 5 of Part 4 of the Pension Schemes Act 1993 (c.48) (early leavers) in respect of him to the trustees or managers of the scheme.'—*[Malcolm Wicks.]*

Schedule 11

DEFERRAL OF RETIREMENT PENSIONS AND SHARED ADDITIONAL PENSIONS

Amendments made: No. 148, in page 263, leave out lines 14 and 15 and insert—

'R is—

(a) a percentage rate two per cent. higher than the Bank of England base rate, or

(b) if regulations so provide, such higher rate as may be prescribed.'.

No. 149, in page 263, line 15, at end insert—

'( ) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

(a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or

(b) if regulations so provide, at such other time as may be prescribed.'.

No. 150, in page 265, leave out lines 33 and 34 and insert—

'R is—

(a) a percentage rate two per cent. higher than the Bank of England base rate, or

(b) if regulations so provide, such higher rate as may be prescribed.'.

No. 151, in page 265, line 34, at end insert—

'( ) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

(a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or

(b) if regulations so provide, at such other time as may be prescribed.'.

No. 152, in page 267, line 44, leave out '1995'.

No. 153, in page 268, leave out lines 41 and 42 and insert—

'R is—

(a) a percentage rate two per cent. higher than the Bank of England base rate, or

(b) if a higher rate is prescribed for the purposes of paragraphs 3B and 7B of Schedule 5, that higher rate.'.

No. 154, in page 268, line 42, at end insert—

'( ) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

(a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or

(b) if regulations so provide, at such other time as may be prescribed.'.

No. 155, in page 269, line 9, after '6)', insert '—

(a) before the definition of "beneficiary" insert—

"Bank of England base rate" means—

(a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets, or

(b) where an order under section 19 of the Bank of England Act 1998 is in force, any equivalent rate determined by the Treasury under that section.",and

(b)'. —*[Malcolm Wicks.]*

Schedule 12

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: No. 156, in page 271, line 35, at end insert—

'. In section 56 (provision supplementary to provision relating to payment of state scheme premiums), in subsection (4) for the words from the beginning to "another scheme" substitute—

"(4) Where under the rules of the scheme, transfer credits have been allowed—

(a) in respect of the earner's rights under another scheme, or

(b) in respect of the earner by reference to the payment of a cash transfer sum (within the meaning of Chapter 5 of Part 4) to the trustees or managers of the scheme by the trustees or managers of another occupational pension scheme,".'.

No. 157, in page 271, line 35, at end insert—

'. In section 61 (deduction of contributions equivalent premium from refund of scheme contributions), after subsection (9) insert—

"(9A) Where under section 101AH the trustees or managers of an occupational pension scheme may pay a contribution refund to a member of the scheme, the member is to be treated for the purposes of this section as being entitled to the contribution refund.".'.

No. 158, in page 271, line 35, at end insert—

'. In section 94(2) (right to cash equivalent), for the definition of "the applicable rules" substitute—

""the applicable rules" means—

(a) the rules of the scheme, except so far as—

(i) paragraph 3 of Schedule 5 to the Social Security Act 1989,

(ii) section 129 of this Act,

(iii) section 117 of the Pensions Act 1995,

(iv) section 31(4) of the Welfare Reform and Pensions Act 1999 (pension debits: reduction of benefit), or

(v) section 264 of the Pensions Act 2004,

overrides them;

(b) any provision of any of those Acts which overrides or modifies any of the rules of the scheme by virtue of one of the provisions mentioned in paragraph (a); and

(c) any provision which the rules of the scheme do not contain but which the scheme must contain if it is to conform with Chapter 1 of Part 4 of this Act;".'.

No. 159, in page 272, line 6, at end insert—

' After section 113 insert—

"113A Disclosure of information about transfers etc

Regulations may provide that, where—

(a) a payment is made out of an occupational pension scheme to the trustees or managers of another occupational pension scheme, and

(b) transfer credits are allowed to a member of that other scheme in respect of the payment,

the trustees or managers of the first scheme must, in prescribed circumstances and in the prescribed manner, provide to the trustees or managers of the other scheme prescribed information relating to the payment.".'.

No. 160, in page 272, line 6, at end insert—

'. In section 129(1) (overriding requirements), for "and IV" substitute ", IV and V".'.

No. 161, in page 272, line 6, at end insert—

'. In section 130(b) (extra-statutory benefits), for "or IV" substitute ", IV or V".'.

No. 162, in page 272, line 37, at end insert—

'. (1) Section 179 (linked qualifying service) is amended as follows.

(2) In subsection (1)(a)—

(a) for "the rules of a scheme" substitute "Chapter 4 or 5 of Part 4 or under the rules of a scheme",

(b) for sub-paragraph (i) substitute—

"(i) there was made a transfer of his rights (which may include conditional rights or any transfer credits allowed) under that scheme, or a transfer payment in respect of those rights, to, or to the trustees or managers of, another scheme applying to him in the later period of service;",

(c) for "and" at the end of sub-paragraph (ii), substitute "or", and

(d) after that sub-paragraph insert—

"(iii) a cash equivalent (within the meaning of Chapter 4 of Part 4) or cash transfer sum (within the meaning of Chapter 5 of that Part) was paid in respect of him to the trustees or managers of another scheme applying to him in the later period of service; and".

(3) In subsection (1)(b), after "second scheme," insert ", or the payment to the trustees or managers of that scheme,".'.

No. 163, in page 272, line 37, at end insert—

'. In section 181(1) (general interpretation), in the definition of "transfer credits", for the words following "by reference to" substitute "—

(a) a transfer to the scheme of, or transfer payment to the trustees or managers of the scheme in respect of, any of his rights (which may include conditional rights and transfer credits allowed) under another scheme, other than rights attributable (directly or indirectly) to a pension credit, or

(b) a cash transfer sum paid under Chapter 5 of Part 4 in respect of him, to the trustees or managers of the scheme.".'.

No. 164, in page 272, line 37, at end insert—

'. In section 183(3) (sub-delegation), after "97(1)" insert ", 101AF(1)".'.

No. 165, in page 272, line 42, after '145A', insert '(except subsection (6)(b))'.

No. 166, in page 273, line 45, at end insert—

'. In section 34 (powers of investment and delegation) in subsection (1) after "subject to" insert "section 36(1) and to".

No. 167, in page 274, line 1, leave out paragraph 29.

No. 175, in page 274, line 3, leave out paragraph 30.

No. 176, in page 274, line 44, leave out paragraph 38 and insert—

'38 In section 69 (grounds for applying modifications)—

(a) in subsection (2) for "about the manner of dealing with applications under this section" substitute "requiring applications under this section to meet prescribed requirements",

(b) in subsection (3) omit paragraph (a),

(c) in subsection (4)(a) omit "(a) or", and

(d) in subsection (5)(a) omit "either of" and for "subsection (3)(a) or (b)" substitute "subsection (3)(b)".'.

No. 177, in page 275, line 31, leave out paragraph 44 and insert—

'44 In section 76 (excess assets on winding up)—

(a) in subsection (3), omit paragraph (c) (but not the word "and" immediately following it),

(b) omit subsection (5), and

(c) in subsection (6) for "sections 3 and 10 apply" substitute "section 10 applies".'.

No. 178, in page 275, line 33, leave out paragraph 45 and insert—

'45 In section 77 (excess assets remaining after winding up: power to distribute)—

(a) omit subsections (2) and (3),

(b) in subsection (4)—

(i) for the opening words substitute "Where this section applies—", and

(ii) in paragraph (a) for "those assets" substitute "the undistributed assets".

(c) in subsection (5) for "sections 3 and 10 apply" substitute "section 10 applies".'

No. 168, in page 275, line 39, leave out from 'schemes' to end of line 43 and insert ')—

(a) in subsection (1)(a)—

(i) for "sections 56 to 60" substitute "Part 3 of the Pensions Act 2004", and

(ii) for "those sections" substitute "that Part", and

(b) in subsection (2) omit "insolvency".'.

No. 169, in page 276, leave out lines 3 and 4 and insert—

' (1) Section 124 (interpretation of Part 1) is amended as follows.'.

No. 170, in page 276, line 4, at end insert—

'( ) In subsection (1), in the definition of "employer", for "persons in the description or category of employment" substitute "people with service in employments of the description".'.

No. 171, in page 276, line 4, at end insert—

' ( ) In that subsection, in the definition of "transfer credits", for the words following "by reference to" substitute "—

(a) a transfer to the scheme of, or transfer payment to the trustees or managers of the scheme in respect of, any of his rights (which may include conditional rights and transfer credits allowed) under another scheme, other than pension credit rights, or

(b) a cash transfer sum paid under Chapter 5 of Part 4 of the Pension Schemes Act 1993 (c.48) (early leavers) in respect of him, to the trustees or managers of the scheme.".'.

No. 172, in page 276, line 4, at end insert—

'( ) In subsection (3A) after "(3E)" insert "and to sections 25, 122 and 137 of the Pensions Act 2004".'.—*[Malcolm Wicks.]*

Schedule 13

REPEALS AND REVOCATIONS

Amendments made: No. 173, in page 278, line 44, at end insert—

'Section 36(2).'

No. 179, in page 278, line 54, at end insert—

In section 69—(a) in subsection (3), paragraph (a),(b) in subsection (4)(a), the words "(a) or", and(c) in subsection (5)(a), the words "either of".

No. 180, in page 279, line 8, at end insert—

In section 76—(a) in subsection (3), paragraph (c) (but not the word "and" immediately following it), and(b) subsection (5).

In section 77, subsections (2) and (3).

No. 174, in page 279, line 13, at end insert —

'In section 89(2), the word "insolvency".'.—*[Malcolm Wicks.]*

Order for Third Reading read.

3.1 pm

The Secretary of State for Work and Pensions (Mr. Andrew Smith): I beg to move, That the Bill be now read the Third time.

The Bill—and all it brings about—is a landmark in pensions reform. I start by thanking all those who have got us this far: officials who have worked long and hard and still have the other place to look forward to, the Employer Task Force on Pensions, everyone who took part in our extensive consultation, all members of the Standing Committee and all the hon. Members who have taken part in the debate on Report over the past two and a half days. I express particular thanks to my hon. Friend the Minister for Pensions, and the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Gravesham (Mr. Pond), for doing a first-rate job in steering the Bill through Committee and Report.

As I said, the Pensions Bill is a landmark Bill. With the amendments and new clauses added in Committee and on Report, it is an even better and more comprehensive Bill than it was on Second Reading. My hon. Friend the Member for Cardiff, West (Kevin Brennan) yesterday described it as

"among the most progressive pieces of legislation to pass through this House"—[*Official Report*, 19 May 2004; Vol. 421, c. 1015.]

It is a vital step forward for security and confidence in pensions. It will transform pensions security by setting up the pension protection fund—a major social reform—to give invaluable reassurance to both members and scheme providers. It will benefit at least 13 million members by giving them the peace of mind they need when they pay into their company scheme, knowing that a fund is in place to pick up the pieces if and when companies go bust.

Mr. Michael Fallon (Sevenoaks) (Con): Can the Secretary of State estimate how long the £400 million fund will last?

Mr. Smith: As was extensively debated yesterday, we have set the figure of £400 million on the basis that through the scheme, we will be able to provide significant help to those who have lost out. It is £400 million over 20 years. It is our judgment of the amount that is necessary to provide that help. I shall have more to say about that later in my speech.

Gregory Barker (Bexhill and Battle) (Con): Can the Secretary of State clarify that? How much does he expect that to be worth to each individual pensioner on a weekly or monthly basis? What are the minimum and the maximum that he is using in his calculations?

Mr. Smith: Obviously, that will depend on a number of factors. It will depend on any additional industry contribution that is made, on the number of applications to the scheme, on the balance of different sorts of members in the scheme and on the form that the scheme takes—for example, rolling forward assets, and the extent of those assets. It is not possible at this stage to make the calculation that the hon. Gentleman requests. It will depend on those factors as the scheme is put together, as we set out yesterday, in consultation with expert groups and all stakeholders.

David Taylor (North-West Leicestershire) (Lab/Co-op): Further to the previous question, can my right hon. Friend confirm that the valuable and much welcomed assistance that will be given will be skewed towards older members of former pension funds, who have less time to prepare for their retirement and to compensate for the losses they have incurred?

Mr. Smith: I recognise the force of my hon. Friend's point, but I will not be drawn into sketching out outlines of the details of the scheme before the consultations with stakeholders and expert groups. These are matters to be

[Mr. Smith]

determined. We are all mindful of the particular plight of those who paid into schemes for a long time, who are older and nearing retirement, and who have lost so much.

Gregory Barker: I am grateful for the Secretary of State's patience. If he is saying that he has done no calculations at all and has no idea how much the help will mean for individual pensioners, how can he assert that the figure is the right amount? Has it just been plucked out of the air? There must be some arithmetical basis for alighting on that specific figure; otherwise, it is pulled out of a hat.

Mr. Smith: I have already explained the basis on which we made our judgment. As we set out yesterday, before the end of June we will present a report to the House which will provide further details on the basis of the work that we have done.

Let me explain candidly to the hon. Gentleman and to the House why it would be sheer folly and would risk being misleading for me to give an estimate based on the information that I currently have. If I did that, it would be taken as a percentage guarantee. However I might seek to qualify and condition it, that is how it would be taken by many people. I have been concerned throughout to be absolutely straight with people. I would not want some idea of a level of guarantee to take root before and until we knew details of the sort I have enumerated, which must be the ultimate means of determining the level of payouts.

Mr. Waterson: The point that my hon. Friend the Member for Bexhill and Battle (Gregory Barker) was trying to make, I think, is that the Secretary of State has already decided what the end-point is: £400 million. He is rather like a restaurateur who says, "Here is the menu with a range of possible options, but you're not allowed to spend more than X pounds in the course of the evening." That is the reality.

Mr. Smith: The reality is that £400 million is a very substantial contribution indeed. The reason the Government are able to maintain economic stability, growth and fiscal prudence is that there are not blank cheques flying around out there. We are making £400 million available. As I said, that sum is based on our judgment not only of what is affordable, but of what will provide significant help to those who have lost out—

Mr. Jim Cunningham (Coventry, South) (Lab): Will my right hon. Friend give way?

Mr. Smith: I intended to deal with these matters later in my speech. If I may make a little more progress, I shall be happy to take further interventions later.

It is important that we recognise the step forward that the Bill represents in placing a proactive and tough pensions regulator in place, helping to ensure that tragedies of the sort that we have witnessed do not happen in future. The pensions regulator will have the powers needed to step in and tackle fraud and maladministration. As the House knows, the Bill represents a step forward in many other respects. It extends TUPE so that workers no longer lose all their pension rights just because their firm is taken over. It will ensure consultation before schemes are changed, which is long overdue.

Provisions in the Bill will put an end to the practice of requiring scheme members to purchase an annuity with small pension pots. That is called trivial commutation, but it is not a trivial matter for those affected. Measures in the Bill will more than double the limit, so that people can take all their pension as a lump sum up to £15,000. That will help thousands of people each year.

The Bill will also provide security for a more mobile work force by enabling people in short-stay jobs for the first time to take the full pension that they have built up with them to another scheme. Both of those measures will particularly affect women, and I am sure that the House welcomes our commitment, which was suggested by my hon. and learned Friend the Member for Redcar (Vera Baird), whom I am pleased to see in her place, to publish a report on women and pensions next year.

Alongside greater protection, it is essential that we take action to make it easier for employers to run schemes. We have taken a hard-headed look at whether pensions legislation is well targeted, proportionate and effective. The Bill will remove the barriers of the old section 67 provisions and free firms to recast benefits to suit them best.

On indexation, it was clear to me that regulation had become disproportionate. We were effectively forcing everybody providing a pension to buy a high level of inflation insurance, which was becoming so expensive that some providers were choosing to pull out of pension provision altogether. We have not ducked tough choices to keep pension provision affordable, and I have no doubt that the person in the street would sooner have a bit less inflation protection and a lot more confidence that they will get their pension in retirement.

The Bill will also drive forward a range of simplification measures to streamline the requirements on member-nominated trustees, dispute resolution procedures and reporting arrangements, particularly in relation to late payments, and remove the requirement for schemes to provide additional voluntary contributions. We are also replacing the one-size-fits-all approach of the minimum funding requirement with funding arrangements that will allow schemes to adopt funding strategies suited to their particular circumstances.

We are determined to put people in control of planning for their retirement. The Bill makes possible huge steps forward in retirement planning, with better information on pension options and workplace advice, and it provides for the development of the retirement planner. The roll-out of both combined pension forecasts and individual state forecasts, of which there will be about 15 million by 2006, will enable people to make better informed choices for their retirement. The Bill will also open up new choices for retirement, by giving a worthwhile return to those who defer taking their state pension. For the first time, lump sums will no longer be the preserve of those with good occupational pensions. The Pensions Bill is substantial. It will bolster security for scheme members while making things

easier, simpler and more flexible for pension providers, and it goes together with other important steps that the Government are taking.

By replacing the current eight taxation regimes with one, we are taking a radical simplification step to support saving. By enabling people to draw down their pension while carrying on in employment, we are eroding the cliff edge between work and retirement. By outlawing age discrimination and opening up training opportunities for older people—the Bill also contains improved pension deferral provisions—we are making it easier for those who choose to do so to carry on working, while keeping the state pensionable age at 65 so that no one is forced to do so. By spending an extra £10 billion each year on pensioners we are tackling pensioner poverty and rewarding those with modest savings.

Taken with all those measures, the Bill is another huge step forward. It will renew the pensions partnership in this country and will deliver real progress on simplicity, security and choice in pensions. What is more, this Bill will bring significant help and boost confidence in pensions, through the pre-PPF scheme we debated yesterday.

We have listened to all those workers, trade unionists and hon. Members who have been to see me and my ministerial colleagues to argue the compelling case for those who have lost pensions through no fault of their own when their firm went bust—such people often lose their job at the same time. I have said throughout that we were examining closely whether something could be done to alleviate their plight. Nobody could fail to be deeply moved by the personal histories of those who were initially compelled as a condition of employment to join their company scheme and were given a pension promise, only to lose it and their job at the same time when their company went bust.

I pay tribute to the campaigners, their trade unions and all those hon. Members who have put their cases in an energetic and constructive way. They have truly done justice to their cause.

Mr. Webb: Among those campaigners, whom the right hon. Gentleman rightly praises, are many workers who have lost their company pension rights but whose employers are solvent. When they heard Friday's announcement, they hoped that they were to obtain justice. Yesterday, the Minister for Pensions said that if the employer is solvent it is the employer's problem, but that is not the case in law. Those people have lost out and have no redress. How many of the 60,000 people—the Secretary of State said in the House that 60,000 is about the right number—were employed by solvent employers and will get nothing from the scheme?

Mr. Smith: We have also acted on cases in which employers are solvent. On 11 June, I stated that full buy-out would be required after that date, which not only improved protection for the future but addressed the Maersk workers' cases. The Maersk workers were not covered because their cases predated the statement, but the company came into line with the spirit of the Government's intention, and other companies would be right to do the same.

When we set up the scheme, most of the arguments for it concerned companies that had gone bust, which the scheme is intended to cover.

Richard Burden (Birmingham, Northfield) (Lab): Yesterday, the Minister for Pensions gave me heart when he emphasised that the principle of fairness will underlie how the details are drawn up:

"we are not about using technicalities or legalese to define people out of a proper assistance programme."—[*Official Report*, 19 May 2004; Vol. 421, c. 1034.]

I ask my right hon. Friend the Secretary of State to bear in mind that a number of the pension funds and firms involved have been passed like a parcel from owner to owner, and the precise point at which they are solvent or insolvent is not an exact science. My constituents at Kalamazoo, as well as Cheney, Warwick and Debenholt pensioners, will be looking for that kind of fairness and flexibility.

Mr. Smith: I listened to my hon. Friend carefully and pay tribute to him—I am sure that his constituents also do so—for his energetic representation of the Kalamazoo workers in his constituency, whose case he has put vigorously to Ministers. I am happy to repeat the criteria set out by my hon. Friend the Minister for Pensions. The House will have noted carefully that the terms of the amendment were open, with questions of eligibility and periods of coverage yet to be prescribed. Throughout this process, however, I have been careful not to raise false hope, and I will not start now. We will examine the matter carefully, and all stakeholders, including workers and hon. Members, will have an opportunity to feed their views into the process by which we collectively determine how the scheme will operate. As my hon. Friend the Minister for Pensions said yesterday, we will pay clear regard to principles of fairness.

Mr. Jim Cunningham (Coventry, South) (Lab): I appreciate that my right hon. Friend has listened to all kinds of organisations on the pensions problem. I welcome the Bill, which I know has its limits. Will he tell us more about the consultation and the criteria that will be used? Does he hope to develop the criteria during the consultation?

Mr. Smith: I pay tribute to my hon. Friend, who has also been to see me more than once in campaigning on behalf of his constituents. We will, of course, take account of representations as we develop the criteria through the consultation process.

Mr. Tynan: I have listened intently to the Minister for Pensions. Many people who have lost their pensions will read with interest yesterday's contributions. It would be a tragedy if individuals were left out of gaining payment in lieu of their lost pensions, which could become a focal point for disquiet. I hope that my right hon. Friend accepts that we must carefully consider all 60,000 people who have lost their pensions.

Mr. Smith: I thank my hon. Friend for his remarks and pay tribute to his service on the Committee. He has made a great contribution. Yes, of course we will look very carefully at that issue in the spirit in which

[Mr. Smith]

he raises it. I have to say, however, that when the case was being made to me and to the Government that a scheme was required and action was imperative, hon. Members accepted that one of the difficulties was that whatever that action might be, there will always be the problem of where to draw the boundary. Wherever it is drawn, there is a risk that someone, possibly with a case deserving of sympathy, will fall on the wrong side of it. I have gone through this process with my eyes open, as, I hope, have other hon. Members. We look at every case carefully, but we cannot give an unlimited undertaking, whatever the circumstances, to anybody who has been hard done by in terms of the way that their pension has turned out.

As I have said all along, I have been very conscious of the need to look workers in the eye and the need for them to know that I have been straight with them all the way through. We have been straight, and we will continue to be so. Although there is no legal liability and no precedent set, I have been conscious all along that if the Government could do something to help these people, it would be the right thing to do. We have announced £400 million over 20 years to help to address the serious losses that some now face, with encouragement to industry to offer further support. Furthermore, we have set out practical steps, including involving our partners and industry experts in developing the scheme, consulting on draft regulations by the end of November and having the scheme in place by next spring, with payments to follow as soon as practicable thereafter.

David Taylor: My right hon. Friend has told the House on several occasions that later this summer he will provide figures and analyses that show how the scheme might work. Will those figures include the net savings that are anticipated in relation to the means-tested benefits that will not be payable because of the welcome support that the Government are giving?

Mr. Smith: I will carefully examine whether that can be included in the report. I am sure that it will be a consideration that is brought to bear by people who take the figures to make estimates.

I want to be absolutely straight about this. The money will not cover everyone who feels aggrieved, nor will it give to those whom it does help everything that they might want, but it will provide significant help to those who have lost out so badly.

I am proud that a Labour Government are taking action that many said was not possible. I honestly do not think that help on this scale would have been forthcoming under any other Government. The crucial thing is that thousands of people who thought that they had lost their pensions will now receive help. The measures in the Bill, such as the pension protection fund, will give extra protection for the future to more than 13 million members of final salary schemes.

The Bill is a big step forward for security and choice and for confidence in pensions. I commend it to the House.

3.23 pm

Mr. Waterson: This has been a long and hard road for those of us who served on the Standing Committee, which had some 22 sittings—*[Interruption.]* I see that the tension is getting to the Secretary of State, as well. I thank all hon. Members concerned, who, on the whole, kept their senses of humour—those who had them in the first place, that is. I exclude the Minister from that, of course, although I believe that he is still going to the evening classes.

I thank the officials who desperately tried to assist Ministers in maintaining the pretence that there was some sort of order and organising genius behind the Bill, which at times seemed to acquire a life of its own. I thank all those who advised us—the voices from outside who were able to send us draft amendments, briefings and comments—and all those who would have liked to do so if so much had not happened in a rush at the end of the proceedings.

Without in any sense denigrating the efforts of other members of the Committee, I particularly thank my hon. Friends the Member for Tatton (Mr. Osborne) and for Bexhill and Battle (Gregory Barker) for their sterling efforts. To use a contemporary cinematic expression, they both worked liked Trojans.

Mr. George Osborne (Tatton) (Con): We got defeated.

Mr. Waterson: We did get defeated, although I am afraid that there was no wooden horse, just a lot of wooden jokes.

This is a very large Bill, but it does not give much away. Having spent 22 sittings trying to peer behind the verbiage, enormous amounts of detail still remain for regulations, codes of practice and so on. At times, we seemed almost to have reversed roles, with the Government frantically tabling amendments and new clauses to their own Bill, which the Minister, with his gift for understatement, once memorably described as "work in progress".

I turn first to the part of the Bill that deals with the state retirement pension. Earlier this week, I had the privilege of attending the pensioners' parliament in Blackpool, and a very special event it was. The Minister, having bottled out of turning up, had the temerity to claim that my duties should have kept me in the House. However, as I said to the pensioners' parliament, I am the shadow Pensions Minister, I want to be the Pensions Minister, and if I were the Pensions Minister I would be in Blackpool for that occasion, not in the House of Commons. The Department for Work and Pensions has a large ministerial team, and the Minister could well have made the effort. Once we had pointed out the clash of dates, it was always open to the Government to schedule Report for a different day, but they did not take that opportunity. That shows where their priorities lie.

I should tell the Minister, before I share with him some other thoughts from the pensioners' parliament, that they were deeply unimpressed with the Age-Related Payments Bill, which we have the pleasure of debating in Committee next week—*[Interruption.]* The Secretary of State is taking on the role played in Committee by the Minister's PPS, the hon. Member for Greenock and

Inverclyde (David Cairns), which was to shout abuse from a sedentary position—or perhaps he was saying his rosary; I could not quite make it out.

It will not have escaped people's attention, particularly those in the pensioners' parliament, that the Government have been careful to engineer the situation so that we did not have the opportunity to debate restoring the earnings link for the state retirement pension. That suited the Government down to the ground, because it is definitely not part of their pensions policy. To be fair, it suited the Liberal Democrats, too, because their policy is under review, whatever that means. That is a great shame. We spent a lot of time discussing some highly technical amendments, perhaps to a greater extent than their merits deserved. There will be an opportunity to vote on restoring the earnings link at the next general election.

Let me explain in my consideration of the provisions that deal with the state pension why restoring the earnings link is so important.

Mr. Andrew Smith: If restoring the link is so important, will the hon. Gentleman give a commitment to extending it beyond four years?

Mr. Waterson: It is a bit of a cheek when Ministers make such interventions. I invariably ask them in return when the Government will tell us whether the pension credit will be increased in the next Parliament, should they, by happenstance, be re-elected. When will they give a commitment to increase it in line with either earnings or prices? The answer is currently that they will not, but we might hear more about that in July.

I want to consider means-testing and the importance of the relationship between occupational pensions, which are largely but not entirely the concern of the Pensions Bill, and the state retirement pension. The latter should be a decent and sufficient platform on which people can build provision for their retirement. Under the Government, savings have fallen by roughly half. Is it any wonder given that people, especially young people, read bad news stories almost every day about pensions? In the long-term, that could prove to be the worst part of the pensions crisis that we face.

At the moment, 59 per cent. of pensioners are subject to means-testing. On the Government's projections, that figure will increase to 82 per cent. by the middle of the century. That is an extraordinary figure, which means that we are going entirely in the wrong direction. I shall not embarrass the Minister again by trotting out his views on means-testing when he did not bear the burdens of office.

Malcolm Wicks: Go on.

Mr. Waterson: I shall if the Minister presses me, although we can agree that matters should not progress in the way that I have described in the 21st century. Despite spending some £47 million of taxpayers' money on advertising and publicity for the pension credit, the take-up remains little more than 50 per cent. The Government's working assumption is that 1.4 million of the poorest pensioners will never get around to claiming it.

Mr. Tynan: In the unlikely event of the hon. Gentleman being in government, would he guarantee to pensioners in Hamilton, South that they would not lose any of the money that they currently receive under the pension credit if the Conservatives restored the earnings link to pensions?

Mr. Waterson: I pay tribute to the hon. Gentleman's role in Committee. I give him an absolute assurance on the point that he makes. I shall shortly put it in context. He referred to my being in government. Two things have to happen: the Conservative party has to win an election and the new Prime Minister has to recognise my talents. I do not want to be too hypothetical.

Richard Burden: I fully recognise the hon. Gentleman's talents, but the first criterion of the Conservative party convincing the electorate might be more difficult to achieve. Let me revert to the question that my right hon. Friend the Secretary of State asked. The hon. Gentleman bases his arguments about means-testing on what will happen in several years' time. Given that the earnings link is not a figure but a formula, why cannot he project beyond four years?

Mr. Waterson: We shall enter the next election campaign on promises that are based on a Parliament. We would hope and intend to continue with the same formula. An amendment that we tabled referred to whichever was higher: earnings or prices, because we do not know what the future holds.

To revert to the subject of means-testing, there has been a collapse in savings.

Miss Anne Begg (Aberdeen, South) (Lab): The biggest means test is the income tax system. Do Conservative Front Benchers now suggest that that should not be means-tested? Or is means-testing considered good when the Government are taking money from somebody but bad when they are giving people money?

Mr. Deputy Speaker (Sir Michael Lord): Order. I remind hon. Members that we are debating the Bill's contents, that many Members are trying to catch my eye and that the debate is time limited. Although interventions are understandable, they take time out of the debate. Those who wish to catch my eye might think twice before they intervene.

Mr. Waterson: On the basis of your ruling, Mr. Deputy Speaker, I shall not rise to the previous intervention. [HON. MEMBERS: "Oh!"] All right then, I shall—

Mr. Deputy Speaker: Order. I would be grateful if the hon. Gentleman did not, because it is definitely outside the terms of the Bill.

Mr. Waterson: Then I will not, Mr. Deputy Speaker. I am just too easily provoked.

I should like to pull together the points that I was making on means-testing. It is too complex, too intrusive and too demeaning. The high marginal rates of withdrawal are difficult to defend, and our proposal is to reverse the level of means-testing and restore dignity to pensioners. No pensioner will lose under our proposals, to answer the question of the hon. Member for Hamilton, South (Mr. Tynan), and most will gain. For

[Mr. Waterson]

the record, we have no plans to remove the Christmas bonus or the winter fuel payment, and we are not—I repeat, not—scrapping the pension credit. We shall merely let it wither on the vine as the level of the state pension rises. All these proposals have been very carefully costed.

Gregory Barker: Before my hon. Friend leaves the issue of the Government's favourite policy of more and more means-testing, will he tell me whether he shares my surprise that the Bill contains nothing that would make their means-testing policies more effective? The most damning thing that can be said about the Government's means-testing feast is that it is singularly ineffective, because so many people slip out of the system and do not take up the means-tested benefits to which they are entitled. That is why it is wrong, and that is why it must go.

Mr. Waterson: My hon. Friend makes my point better than I did.

One thing that we know about the state retirement pension is that the take-up rate is more or less 100 per cent. Our provisions would therefore be a way of ensuring that every pensioner had a decent state retirement pension and that the poorest pensioners would be helped. It is paradoxical that it is often the very poorest people who do not get around to claiming means-tested benefits such as council tax benefit, for example, despite the sterling efforts of the Under-Secretary of State for Work and Pensions, the hon. Member for Gravesham (Mr. Pond).

There is a significant read-across between that argument and the question of occupational pensions. As the system of means-tested benefits for pensioners becomes ever more complex and confusing, how are pensioners or would-be pensioners to divine whether they are doing the right thing in saving money for their retirement? More than once we have put to Ministers a figure produced for us by independent actuaries showing the amount that an average couple would have to set aside in their lifetime—over and above the equity in their house—to be sure of not being subject to means-testing when they retired. That figure is £180,000. It has been comprehensively rubbished by the Secretary of State and other Ministers, but it is important for the Government to come up with their own figure. It is important not just from the point of view of future pensioners, who have to make a judgment as to whether they are wasting their time saving money for their retirement—that could well be an explanation for the collapse of the savings culture since this Government came to power—but from the point of view of the industry. How is the industry to be aware of whether it is mis-selling products to people if no one knows whether those people will get a net benefit from them?

Nowhere has this argument been better put than in the briefing produced for this debate by Age Concern, which states:

"To tackle pensioner poverty in the long-term, pension policy must be built around a higher and more inclusive basic state pension. This Government must move away from means-testing: it is costly, complex and too many pensioners miss out on their entitlement. Instead of putting money into pensioners' pockets once they are in poverty, the Government must address the causes of that poverty."

Vera Baird (Redcar) (Lab): Can we hear the Conservatives' proposals for making the basic state pension more inclusive, in relation to women in particular?

Mr. Deputy Speaker: Order. I do not think that that is part of the content of the Bill before the House.

Mr. Waterson: I think that the answer is no. In passing, however, may I pay tribute to the sterling efforts of the hon. and learned Lady in raising those issues in Committee? If she has not squeezed an annual report on women's pensions out of the Minister, she can at least expect one report some time next year.

The Bill is riven by the law of unintended consequences. A problem that we faced in Committee was that an awful lot of very important issues came up only at the last minute. One example, to which the Secretary of State has quite reasonably referred, was the section 67 issue. When I first started chatting to people in the industry, when the Bill was merely a twinkle in some parliamentary draftsman's eye, they all said that the most important issue was simplification, because it is clearly easier to shut down a scheme than it is to make a minor amendment to it. Typically, the Government produced amendments or new clauses right at the end of the Committee stage—proposals that ran to pages and pages—in an attempt to simplify that part of the previous legislation.

Another example, which has been highlighted in the business press this week, is to be found in the anti-avoidance measures. Early on, people were saying that in many ways the key to this Bill will be the anti-avoidance provisions, which are sometimes called the moral hazard provisions, although anti-avoidance is more appropriate in this regard. Those are measures to ensure that badly disposed people and companies will not find a way round the provisions. We debated that quite a lot in the latter part of the Committee stage, and earlier on Report. I have no difficulty at all with anti-avoidance provisions: when the House passes a law on whatever subject, it is absolutely right that we try to limit the options for people to get round it. By definition, however, such provisions should be properly consulted on, at length, with some of the very people who might be paid large fees to find a way round the legislation in the first place.

Among the issues that have been raised by Messrs Cameron McKenna, who are highly respected lawyers in this field, are the financial support directions, which we have had precious little opportunity to consider, let alone debate. The regulator may decide that an employer is either a service company or insufficiently resourced, and may be required to make payments to the pension scheme. There are wide-ranging powers to draw in other related people and companies. As Mr. Nigel Moore of Cameron McKenna says:

"These reforms are potentially very wide ranging and implications go beyond simple anti-avoidance activity... For trustees, the financial support provisions are very significant and are likely to lead to trustees seeking support from group companies who are not currently employers under the pension scheme, failing which they could apply to the regulator to issue a financial support direction."

I believe that the Secretary of State has received a letter from the venture capital industry expressing real concerns about whether in future there will be takeovers and so on. I saw his rather blustering response reported in *The Times*—I am sure that it did not do it justice. The reality, however, is that there may be situations—on the basis of the law of unintended consequences—in which another company that has the potential to take over a struggling company and keep it going, thereby keeping the pension scheme going, will be deterred from doing so by the provisions. That is one of the clear messages in the British Venture Capital Association's comments to the Secretary of State. There are other examples.

Mr. Fallon: What my hon. Friend says applies even more widely. Suppose a company is in difficulty and another wishes to come to its aid, take it over and put funding into it, and neither has a pension fund that is in difficulty. In circumstances where there is a third associated subsidiary company in the group, the directors and investors of the second company will be personally liable if that third company runs into difficulties with its pension fund.

Mr. Waterson: My hon. Friend makes an excellent point. Those are the kind of issues that one would have hoped would be hammered out at an early stage, before the Bill was even published. One wonders what the Government have been doing in the past couple of years, as the pensions crisis has mounted.

Let me turn to the question of the assistance package—that seems to be the term that has stuck on both sides of the House—for the 60,000 people who have already lost pension rights. I had the impression towards the end of the Secretary of State's speech that he was throttling back a little on the rhetoric, as he finally alighted on the phrase, "significant help". What that significant help will turn out to be is the real issue that we must address. Understandably, this entire Bill—the good parts and the bad—has from the beginning been overshadowed by the plight of those 60,000 people. We heard some details of that package yesterday, but there is much that remains to be seen. In fairness, the Secretary of State made that clear. One or two hon. Members described the scheme yesterday as a breakthrough, and I hope that it is. There was even a reference to "teutonic plates", which I think was intended to be a reference to tectonic plates. That is of course the sort of term that the Deputy Prime Minister uses as the small change of conversation.

I pay tribute to Members who have represented their constituents so valiantly. It is invidious to single anyone out, but I mention in particular the hon. Members for Cardiff, West (Kevin Brennan) and for Sittingbourne and Sheppey (Mr. Wyatt) and the right hon. Member for Birkenhead (Mr. Field), who has a distinguished track record. The trade unions, especially the steel union, have played a significant role. I also pay tribute to the Pensions Action Group—I believe that Mr. Andrew Parr is its doughty webmaster—and various groups such as Kalamazoo whose representatives have been to see many of us over a long period. Then there is the formidable Dr. Ros Altmann, whom we have all come to know as part of the process. Last but by no means least, there is my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), who seems to have been—if I may mix my metaphors—the final catalyst that made the tectonic plates start shifting.

We know from a no less authoritative source than *The Times* that after Prime Minister's questions a week ago, the Prime Minister stormed out and demanded to know why there had been so little progress on this issue. It seems fairly clear that at one point the DWP was taken out of the loop and the Prime Minister intervened directly with the Chancellor.

Let us be in no doubt that this package is nothing to do with principle; it is all about politics. It is another U-turn, negotiated at the very last minute by a Government who were staring defeat in the House of Commons in the face. A cross-party campaign had been welded together that would have defeated the Government had they not done something. They have done something, but is it enough?

The Secretary of State made a virtue of the fact that many of the details were simply not yet there, and said that new clause 34, which we debated yesterday, was very wide and general. The one detail that is absolutely clear and set in stone is the £400 million figure. The Government seem to have begun with the answer, and are now going to work out how to get there. It is no earthly good their saying that they are gathering data, as the Minister said yesterday. Why did they not start the process ages ago?

I remember that some months ago, at Question Time, Ministers refused a request from the hon. Member for Sittingbourne and Sheppey for an independent inquiry into the size of the problem. Eventually—and only after pressure from Conservative Members—the Secretary of State adopted the figure of 60,000. The work could and should have been done only by the Government. Why was it left to Dr. Altmann to produce her figures? They may be right and they may be wrong; I am not in a position to judge. Conservative Members simply do not have resources of that kind. But why have the Government so recently signed up to the notion that they should be in the business of finding out the scale of the problem? *[Interruption.]*

Mr. Deputy Speaker: Order. I think we have had enough of these continuous sedentary interventions.

Gregory Barker: My hon. Friend has considerably more experience in this place than I have. Can he think of another instance in which a Government of either colour have come up with such a neat, round-figure solution as the £400 million in answer to such an extraordinarily complex and difficult question, without even knowing at the outset what the question is?

Mr. Waterson: My hon. Friend makes the central point. How was it possible to produce a figure without knowing the extent of the problem? The 60,000 figure has been bandied around for some time. It will presumably go up rather than down as other people get into pensions difficulties. But no matter what actuarial tables are used, dividing £400 million by 60,000 over 20 years does not produce a very satisfactory set of figures.

[Mr. Waterson]

That is why we seem to be talking about assistance, not compensation. Even the hon. Member for Cardiff, West yesterday adopted the word "assistance", and the Minister for Pensions, too, has used it. We are talking not about full compensation, or perhaps anything like it, but about something to help the people affected. It will be more than tea and sympathy but less than compensation.

Why are solvent wind-ups not included? That point was made by the hon. Member for Northavon (Mr. Webb). I appreciate the Government's formal position, and as a lawyer, I understand why they have to have that kind of ex gratia arrangement. I shall come back to that in a moment. However, once we concede the moral case and decide to go beyond the legalities, how is the moral case of the pensioners who have lost out because of insolvent wind-ups any different in reality from that of those who have lost just as much, or possibly more, in solvent wind-ups? How can we make that distinction?

I mentioned the case in the European Court. It is rather odd, with the Government as the guardian of the taxpayers' interests, that as part of the deal that has been put together at short notice—not in the car park of the Loch Fyne oyster bar, but no doubt somewhere similar—no one thought to make it a term of everyone's signing up to the deal that that court case would be withdrawn. My understanding is that the unions think that they have a good case, and that they expect to win. Might the Government not therefore end up in a situation in which, having put together this package with the best of intentions—although we still have to hear much of the detail—they then find that there is a judgment against them for far more money in the European Court?

Another puzzling loose end to the package is the airy-fairy talk about contributions from industry and the pensions industry—about rattling the begging bowl to them to top up the amount. As the right hon. Member for Birkenhead, who obviously spends more time in the real world than some of the Ministers, said, why should industry do that? What possible argument is there for it to pay out money, particularly when it is gearing up to face the PPF and the levy?

The great unsolved mystery is the question of unclaimed assets. For month after month, Ministers' line and the Treasury line—of course, as I have said before, the DWP is a wholly owned subsidiary of the Treasury—has been that the fact that those assets are not claimed does not necessarily mean that they do not belong to someone. Suddenly, in the small print of the Red Book, those unclaimed assets, which were apparently previously unavailable for this purpose, are available to hand out to charities. That is very curious, and our line, as my hon. Friend the Member for Havant (Mr. Willetts) said yesterday, is that if there is a funding gap beyond the £400 million, that will be the moment to call on the unclaimed assets. Our preference, as the House knows, would be to start with the unclaimed assets from the beginning and to have a parallel fund to the PPF, under the same administration, which would be endowed not with retrospective use of the levy, because we accept the principle on that, but with the unclaimed assets.

That brings me to another curious question: why not entrust the administration of that separate scheme to the PPF itself? It sounds as if the time scale for that will be roughly the same as that for the PPF's coming into force, so why not just use the same people? That might be one option that is being considered, but it would certainly make sense to us.

I shall come in a moment to discuss compensation under the PPF, but one thing that is clear is that whatever compensation the 60,000—or some of them—will get will be significantly less than that which they would have received under the PPF arrangements. As I said, we have had very little detail. We will receive more, to which we look forward, but the Government still have to square the circle on how the £400 million will go round.

Finally—which with politicians generally means that they are roughly halfway through their remarks—I shall deal with the PPF itself, which will be the Bill's long-term legacy. Indeed, it is fair to say that it is the Bill's centrepiece. The Minister said in various speeches on Report that the Government have learned lessons from the American Pension Benefit Guaranty Corporation, which, I should remind him, has a current deficit well in excess of $11 billion. I have visited the United States to meet people such as Steve Kandarian—as has the Minister—although I need not have bothered, as he came to London to give a lecture only a couple of weeks ago. He has given up the burden of running the PBGC, and the advice that he gave in Washington and in his London lecture was based on the PBGC's 30-year track record. First, one must get things right at the outset; otherwise, the political pressures against making significant changes are too great later on.

Secondly, one must have a proper risk-based levy at the outset. Of course, although the PBGC was set up to deal with the collapse of the Studebaker car company, none of its workers ever received any compensation and it was several years before benefits were paid out. However, we now know—the Minister let the information slip in Committee—that it could be 2009 or 2010 before the full risk-based levy is up and running for all companies. That is extraordinary. It will lead to all the additional problems of moral hazard and to the good subsidising the bad, and it will make nonsense of the early years of the PPF. We have long taken the view that the PPF will be highly vulnerable in its early stages. It is widely believed throughout the industry that its estimated £300 million cost is understated, and there is plenty of anecdotal evidence of schemes waiting to collapse into the welcoming arms of the PPF once it is up and running. Indeed, it could well face some significant claims in its early days.

An interesting side issue is the PPF's investment strategy—

Mr. Andrew Smith: The hon. Gentleman speculates that it will be 2009 before the levy is up and running for all companies, but he is able to arrive at that position only by virtue of the allowances that we have made in respect of triennial valuations. In terms of minimising the very regulatory burdens on business about which he would otherwise be complaining, it makes sense to allow some who have a valuation at the end of the period in question to have a valuation at the time. This is a

sensible way to introduce the provision. It minimises the extra cost and regulatory burden on businesses and their schemes.

Mr. Waterson: With respect, the Secretary of State is explaining why we have this delay, rather than whether it is a good thing. *[Interruption.]* The Minister for Pensions asks what we think, and I shall come to that in a moment. I understand the point about the triennial cycle. In Committee, we suggested a stop-gap approach—I do not expect the Minister to remember; none of us has a memory that good—based on the recommendations of actuaries. As a temporary measure, one could rely on the old minimum funding requirement system. But what is clear is that it will be extremely bad news if the risk-based levy is not up and running by day one, or very close to it.

One of the unanswered questions in Committee was whether the PPF constitutes an insurance scheme or a pension fund. The Minister has memorably said that it is neither, but the answer makes an important difference to its investment strategy. Mr. Kandarian touched on this issue in his lecture, which the Minister unfortunately missed as he had other things to deal with. Of course, before leaving the PBGC, Mr. Kandarian changed its investment strategy in respect of equities and bonds. He likened the situation to a fund being set up to insure owners of Atlantic coast seafront properties against hurricanes and floods, only for the fund itself to invest its assets in such properties. There is a real danger in this regard, and we fail to listen to Mr. Kandarian at our peril.

The central issue is what people out there believe they will receive under the legislation. There is a danger of them running away with the idea that they are being given a full safety net or a full guarantee, whereas the reality is very different. If the Bill is a lifeboat, it is, for several reasons, a leaking lifeboat.

The first is the cap that is built into the Bill. Another is the 90 per cent. rate for people who are not retired, which we debated earlier today and yesterday. Another is indexation and the 1997 cut-off date. Organisations such as Age Concern have expressed concern that some pensioners might receive only 70 or 80 per cent. of what they had expected. There is also the Government's retained power to reduce benefits in what the Minister calls "extreme circumstances". As I said yesterday, extreme circumstances are likely to be when the fund does not have enough money. Finally, there is the Government's unwillingness to stand behind the PPF. For the average punter, the Government's willingness to do so would be the critical factor for establishing confidence in an occupational pension scheme.

Mr. Smith: Is the hon. Gentleman saying that a Conservative Government would stand behind the PPF? He has been telling us all how bad the Bill is, so is he going to repeat Conservative voting on Second Reading by voting against it on Third Reading?

Mr. Waterson: Well, we did not vote against the Bill on Second Reading and I will come on to Third Reading in a moment. *[Interruption.]* I am not in a position to commit the next Conservative Government to standing behind the PPF, but the Government should not have dismissed that option so lightly. I wonder whether Ministers met the same people and heard the same things as I did when I was in Washington. I did not meet a single person who dissented from the view that, if it came to it, the Federal Government would have to stand behind the PPF.

Our concern is that we want the Bill to work properly because we will have to inherit the problems that are built into it. The Minister for Pensions was right when, in a moment of revealing candour yesterday, he talked about rough justice. That is exactly what we are talking about. Clearly, the Bill does not necessarily provide full compensation—or anything like it.

Will the Bill achieve its central aim, which must be to restore confidence in the pension system? That is the cross-party aspiration. The Association of Consulting Actuaries has conducted a survey of employers since the Bill was published. It found that the majority of firms felt that the measures would decrease occupational pension scheme coverage. Fewer than one in 10 firms felt that the measure would improve pension coverage. About 64 per cent. thought that £15 for the levy per defined benefit scheme member would be too much; and more than three-quarters said that the new knowledge and understanding requirement placed on trustees would deter individuals from wishing to be trustees. Not much encouraging news there.

Only rarely do Governments have the opportunity to amend pensions law. I should know, because I served in Committee on the Pensions Act 1995. Faced with an unprecedented pensions crisis and a halving of savings in this country, the prsent Government have simply not risen to the challenge. They have produced legislation that is confused, complex and bureaucratic. They also failed to tackle the problem of the 60,000 people who have lost pensions—a problem crying out to be dealt with—until they were forced to in a panic through a last-minute assistance scheme. The Government have failed to do a single thing to encourage new defined benefit schemes or to keep existing ones open. Nothing in this flawed Bill will restore public confidence in the pensions system. In short, they have blown it.

We will not vote against the Bill on Third Reading any more than we voted against it on Second Reading. However, we hope that their lordships will improve the measure beyond recognition.

4.4 pm

Mr. Tynan: First, I am grateful for the opportunity to speak today. I was going to make this speech yesterday, but I have managed to hold on to it until today. I was very happy about new clause 34 yesterday, but I am concerned about the nuts and bolts of it. The proposals put before the House yesterday still cause me concern, as I made clear in an intervention earlier.

This is a very serious matter, and the Bill allows us to make real progress on it. Six of my constituents have lost their pensions, as I wanted to put on the record yesterday. Three of them—James Gilmour, Robert Heggison and a Mr. Sam Stevenson—worked at Motherwell Bridge Holdings, a firm which had lasted for 100 years. The firm went into receivership and was then recreated as a new company. My constituents lost their pensions as a result of that revolving-door receivership. I am worried that they will get nothing from the proposed fund.

[Mr. Tynan]

Two other constituents, Mr. Japp and Mr. Kenneth Barrie, worked for Melville Dundas in Hamilton, and I do not expect that they will face any problems. However, Mr. Colin Preston worked for the Bradstock company, and he wrote to me about the difficulties that could arise with his pension.

I welcome this important Bill. My hon. Friends on the Front Bench and others put in much hard work in Standing Committee, for which I am grateful. Much had to be done, and an enormous number of amendments were tabled. The Bill has been turned into something that will make a real difference to the people of this country.

The Bill is badly needed, because people had lost confidence in the pensions industry. I hope that the Bill will restore their confidence, but as I said, there remains one tiny element that requires attention.

I turn now to the pension credit and means testing. I read a speech—I think that it was made by the hon. Member for Eastbourne (Mr. Waterson)—in which it was stated that people were being driven into poverty by means testing. However, my understanding is that means testing, as it is structured at present, lifts people out of poverty. It is therefore difficult to understand the claim made in the speech. The pension credit has helped pensioners enormously, and the Bill is another piece in the jigsaw puzzle.

John Robertson (Glasgow, Anniesland) (Lab): Would my hon. Friend be surprised to hear that 4,978 constituents of the hon. Member for Eastbourne (Mr. Waterson) have been made in excess of £39.11 a week better off by the pension credit?

Mr. Tynan: I thank my hon. Friend for that intervention. I am sure that the hon. Gentleman's constituents will look very closely at the Opposition's policy, especially if they endanger the real benefits accruing from the pension credit.

I hope that next year's Pensions Commission report will be the final piece of the puzzle, and that it will recommend some form of compulsion. Amendments tabled by my hon. Friend the Member for Glasgow, Anniesland (John Robertson) and me were not reached in the debate yesterday, but I hope that the proposals that they contain will be included in any future Bill.

This Bill has many excellent attributes. My right hon. Friend the Secretary of State deserves congratulations on introducing new clause 34 yesterday. He and my hon. Friend the Minister for Pensions, as well as the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Gravesham (Mr. Pond), tabled many amendments in Standing Committee, and they did so with good humour. Many hon. Members will agree that new clause 34 was the provision that we were all waiting for.

I still have concerns, however. In my earlier intervention I said that people will examine closely what was said in yesterday's debate, and that they will look very carefully at the responses from Ministers. I mean no disrespect to ASW workers, but if they receive payments from the fund when other workers do not, I can see that a campaign will build up that will destroy the good work that has been done. We must be mindful of that.

I did not get the opportunity to speak yesterday, but I want to congratulate my hon. Friend the Member for Cardiff, West (Kevin Brennan), who has done an enormous amount of work on this matter. I also wish to congratulate my hon. Friends the Members for Sittingbourne and Sheppey (Mr. Wyatt) and for Ayr (Sandra Osborne). The latter made an excellent contribution yesterday and she has fought doggedly for the people whom she represents.

No credit goes to the Opposition, however. The hon. Member for Eastbourne said today that this was a political issue. It should not be a political issue. The Government introduced the scheme because it is necessary, and it is unacceptable to play politics with people's pensions. People will see through the ploys of the official Opposition, who have not contributed in the right spirit to the Bill.

I sound a note of caution, because there are still many questions about the financial assistance scheme and what it will mean for the 60,000 who have lost their pensions. I look forward to seeing the draft regulations well before Royal Assent. Ministers have said that we should not hold out false hope, and I hope that that has not happened. Regardless of our opinion, individuals hear about a new scheme with £400 million of funds and they think that they will get a share of it. If they do not get that share, they will be disappointed.

The Bill has much more in it than the financial assistance scheme. We spent only one sitting out of 22 discussing that issue in Committee. We can welcome much else in the Bill, including the new regulator, the new TUPE arrangements, the consultation provisions and the PPF. Much depends on implementation. The Government need to consider how various aspects of the Bill will work in practice, including the consequence of the introduction of the levy and the savings from the streamlining of pensions administration. Employers need to recognise that pensions are part of pay and they need to provide pension schemes for their staff, just as they now need to pay the minimum wage.

The Bill is welcome and it will make a difference. I thank my hon. Friend the Minister and his colleagues and civil servants for all their hard work. I also thank Opposition Members—especially the hon. Member for Tatton (Mr. Osborne), in spite of what I have said—for making the Committee stage enlightening and enjoyable. No one can accuse the Government of not acting on the issue of pensions. I look forward to seeing the changes from next April, when the regulator and the PPF come into force. I also look forward to many of my constituents now having a better life.

4.12 pm

Mr. Webb: It is a pleasure to follow the hon. Member for Hamilton, South (Mr. Tynan), who was one of the Labour Members who served in Committee. Those Labour Members were of uncharacteristically high quality—I shall leave it to them to work out whether that is a compliment or not. Certainly, they were knowledgeable about pensions and participated in the debate. They were not just lobby fodder, which is always a good thing, and they wrung one or two concessions

out of the Government. For example, the hon. and learned Member for Redcar (Vera Baird) ensured that the report on women's pensions would be published next year. The hon. Member for Cardiff, West (Kevin Brennan) also worked hard.

It was good to be on a Committee in which all members participated fully, including my hon. Friend the Member for Chesterfield (Paul Holmes) and the hon. Member for East Carmarthen and Dinefwr (Adam Price). We were grateful to the hon. Member for Tatton (Mr. Osborne) and his colleague, who ensured that the views of all the outside organisations were brought to the Committee's attention. We also appreciated the Ministers' contributions.

It was a little harsh to suggest that the Minister for Pensions lacks a sense of humour: he certainly needed one at times. I also thank him for engaging with the specific points that were raised. Although his answers were on occasion less than wholly convincing, at least he tried to address the points made, which made it feel a little more worth while going through 22 sittings knowing that every amendment one tabled would not be accepted. We are grateful to the Minister for Pensions for that, and we also appreciated the able assistance of the Under-Secretary of State for Work and Pensions, who will now be known as the Minister for fraud and error.

We should also thank the officials. The original explanatory notes on a Bill are often paraphrases of the clauses and do not explain anything. However, the Government wrote this Bill as they went along, and the explanatory notes were often very useful. It may be the same people who write both sets of notes—it is a mystery to me—but the later explanatory notes gave more clue of what was going on than the original explanatory notes. I am not suggesting that the Government should write Bills as they go along, but we were grateful for those briefings.

With my usual prescience I described the Bill, on the eve of its publication, as half-baked, but I think I was guilty of exaggeration. It has grown substantially since Second Reading; it will get even thicker once the pages and pages of new clauses and amendments on Report have been added, and it ain't finished yet. We understand that their lordships will be given even more new clauses that the Government have not yet had the chance to write. In Committee, I likened that process to the moment when Wallace and Gromit were careering along in a train, furiously laying more and more track in front of them. Sometimes, the Bill felt like that. In the long run it does not make for good legislation. It would be nice to think that the Government have got away with it and have not unwittingly put gaping holes into the Bill at the last minute, but given the length of the Bill, there is a danger that we have allowed through some provisions that will have the unintended consequences of which the hon. Member for Eastbourne (Mr. Waterson) spoke, and that would be regrettable.

There is much to welcome in the Bill. Mr. Alan Pickering called for a new kind of regulator—not a regulator who waits for people to complain, but one who goes out looking for trouble, like the Lone Ranger, and tries to do something about it, or who tries to prevent trouble in the first place. A proactive regulator is certainly a step in the right direction.

The Bill has some slightly worrying parallels with the Pensions Act 1995. No doubt when the House was debating that Bill's Third Reading, some Members said, "It's great, we've created a new pensions regulator called OPRA which will be the answer to all our problems"; yet nine years later, here we are abolishing OPRA. At that time, no doubt Members said, "It's great, we've put in a minimum funding requirement to protect pension funds". Now, eight or nine years later, we are having to pick up the pieces of a measure that was not properly scrutinised. It did not set minimum funding at an adequate level, so people fell through the net. The 1995 Act introduced protection against fraud. The Bill introduces new protection. I hope that in another decade we shall not have to undo the problems caused by the Bill.

The extension of TUPE to cover pensions is welcome. Pensions should be part of the overall package. However, the political debate on the Bill has focused on the pension protection fund, and I shall touch on that later.

There was a missed opportunity in the Bill: the provisions on state pensions were very thin. Governments do not often legislate on pensions, and although the legislative book was open the Government missed the chance to do something substantive, especially on women's pensions. One of the groups of amendments that we did not reach was our set of proposals on women's pensions; I was especially disappointed that we could not discuss our provisions for women whose contribution record was less than 25 per cent. The hon. and learned Member for Redcar (Vera Baird) raised the issue of annuities, and much could be done about the state regime. There will be a report next year, which is all very well, but the problems on women's pensions were listed in the Green Paper and we are still no nearer tackling them. That is a missed opportunity.

Gregory Barker: The hon. Gentleman is right: the Bill is a missed opportunity in respect of the state pension. Can he confirm whether it is Liberal policy to restore the earnings link?

Mr. Webb: Unfortunately, we had no chance to debate that issue during our proceedings. However, as my colleague who speaks for older people has pointed out, we think it is so important that we are dedicating a major section of our autumn conference to the launch of our policy, so the hon. Gentleman can look forward to finding out the details at that stage.

The key point of the Bill is the pension protection fund. I shall not rehearse the concerns that we expressed earlier, but my noble Friends are particularly worried by the failure to introduce a risk-based premium early on. That could penalise well run schemes at the expense of the cowboys, and we are especially concerned about that feature of the scheme.

On Second Reading, the key omission was something for the 60,000 workers. I hope that the Secretary of State can give me a better answer than he did to an intervention on that point. When asked about that number, he said that, yes, 60,000 was the right sort of number. However, when he confirmed that figure, what did he think the question was? Sixty thousand people

[Mr. Webb]

who did what? I presume that 60,000 is the number of people who have lost their pensions because underfunded pension schemes have closed or been wound up, but no one was then talking about excluding solvent employers.

I am pretty sure that the 60,000 figure, which comes from the pensions action group, has throughout included members of solvent schemes. If they are included in the 60,000 and the Government plan to exclude them under the Bill, how many of them will not receive compensation? If the pre-1997 wind-ups are taken into account, how many will be excluded? The danger is that the figure will be perhaps 10,000 or 15,000. We do not know the figure, but I hope that the ministerial report will tell us at the end of June how many of those 60,000 people will be excluded under the Government's provisions.

The Minister said yesterday that solvent employers should be held responsible for the underfunding of their schemes. However, solvent employers were allowed to close pension schemes under the old law that satisfied only the minimum funding requirement. The MFR did not provide full buy-out, so those people received less of a pension than they expected. As the hon. Member for Hamilton, South said, why is their moral claim to the pension that they expected any weaker because of the circumstances that led to the loss of their pension? It is not their fault that a solvent employer caused their pension to close, rather than it closing because their employer went out of business. Are we saying that it would be better for them if their employer had gone out of business than if it had remained solvent? According to the Government's logic, those people are somehow less deserving because their firm is still operating.

If the Government are right and they want to do something for those people and chase the solvent employers to recover the deficit in the schemes, that would be a satisfactory answer, but they may simply say, "Well, it's tough." The Government seem to be saying, "We sympathise, but a line must be drawn somewhere. It's tough." That would be wholly unacceptable.

Gregory Barker: Will the hon. Gentleman give way?

Mr. Webb: No. I hope that the hon. Gentleman will forgive me, but I will not give way, because a lot of hon. Members want to contribute.

I hope that the Government will give further thought to the position of those people. Large numbers of employees of solvent employers are profoundly bitter that, after campaigning alongside their colleagues from insolvent employers, they will get nothing. I wonder whether the Minister will tell us in responding to the debate about the Government's strategy for those people, whose moral case is just as good.

The Bill inevitably misses an opportunity with state pensions. Clearly, we need action on women's pensions in particular, and the Bill says practically nothing about them.

We have supported the principle of the Bill throughout. We voted for the Bill on Second Reading—we did not decline to do so, unlike some—because we want people's pensions to be protected. That is why I will ask all my colleagues, who are scattered around the parliamentary estate, to come in and vote for the Bill on Third Reading when the moment comes. That is what we should do, but there are concerns about the way that the PPF will work, particularly in penalising good schemes if the risk-based premium is not dealt with early. We remain very concerned that the financial assistance scheme—albeit a small step in the right direction—will create new injustices, and it would be better to get it right first time during the consultation phase than to draw lines that create unfair and arbitrary distinctions.

4.23 pm

Mr. Frank Field (Birkenhead) (Lab): I cannot remember the last time when, in effect, we said goodbye to a Bill to send it to the Lords that was such good news both for our supporters and for the country in general. I would not want that fact to go amiss, but to be personal about those on the Treasury Bench, while that is good news for the country, it is a good day for the Ministers who have seen the Bill through. Their names are attached to the Bill, and I am sure that they will look back in future years to the significance of their contribution to the development of safe pensions in this country.

Ministers have worked hard, and so, too, has the Bill team. Any Bill puts a fair amount of pressure on civil servants, but if it becomes akin to a roller towel—seemingly endless—their work is made trebly difficult. I am sure that over the drinks this evening, the Secretary of State will convey the thanks of the House for the extraordinary effort that the Bill team has made.

Three red lights are beginning to be seen in the Bill. Two years ago, several Labour Members tried to introduce a modest pensions Bill, which might have played a small role in shaping the Government's proposals. One of our ideas was to have a much fairer winding-up order, so that the formula would reflect significant contributions that people had made over the years. The most worrying—to me—piece of information that emerged from the debate was the industry's claim that membership records were such that it would be unable to give the Government people's contract years so that their eligibility under a years-based contribution formula could be worked out. If that is typical of the whole industry, a mega-problem looms in relation to the records that govern people's eligibility for occupational pensions.

The second red light has been mentioned by my hon. Friend the Member for Hamilton, South (Mr. Tynan). I suppose that I am the only Labour Member who is not especially happy that £400 million of taxpayers' money has been found to fund compensation—help, assistance, whatever one wants to call it—under new clause 34. In retirement our nation is divided into two groups: the most privileged, who have occupational pensions, and—generally speaking—the rest. The Government, for reasons best known to themselves, have decided to put in a further £400 million of taxpayers' money to the sector that already draws most taxpayers' assistance and those pensioners who—generally speaking—are most well placed to face retirement. However, like other hon. Members, I believe that the fund will not be adequate. We want the Treasury not to put its hand deeper into our tax-paying constituents' pockets, but to look to unclaimed assets to make good any shortfall.

My hon. Friend also mentioned the third and final red light: eligibility. Before the Government let the guillotine fall on the eligibility date, which will determine who is in the scheme and who is not, will they prepare for the House a detailed note on how many people they think would be brought within the scheme for each year that the eligibility date was moved back? I believe that the number of people in addition to the 60,000 who would be brought in from past years is quite small. The danger in relation to new clause 34 comes from employers who might find a way to dump their pension liabilities on to the scheme, not from those who have already done so.

Gregory Barker: Will the right hon. Gentleman give way?

Mr. Field: No, because many others want to speak.

Those are my three red lights. I end with a question: what does it say about our procedure for consulting on, drafting and introducing Bills in Parliament when perhaps the most popular part of the Bill did not appear on the printed page at Second Reading? There must be lessons in that to be learned by a Government who, rightly, say that they listen.

4.29 pm

Mr. Fallon: As I made clear to the House on Tuesday, I have substantial reservations about the Bill, including the £400 million size of the fund, on which the right hon. Member for Birkenhead (Mr. Field) signalled a red light. There does not appear to be a rational explanation for that figure. The Secretary of State again suggested that £400 million would be enough to last 20 years, but I very much doubt that. I am happy to wager with him, but I do not think that it will last two years, given the scale of the problem and the speed with which cases could be submitted. Either the levy will be accelerated, advanced or intensified, or the Government must come back to the House, or the Secretary of State must go back to the Treasury, for an additional sum. If that is the case, it would be more honest to admit it now, or at least substantiate the choice of the figure of £400 million. I certainly caution shadow spokesmen against suggesting that the Government should back the fund, as that would be a contingent liability, about which we complain but which ought to be properly scored, if accepted, in the Red Book. That contingent liability would quickly turn into a real one.

I do not think that £400 million will be adequate. To his credit, the Secretary of State said that it was not tea and sympathy but, equally, it was not compensation. It was a sum that he had set aside for a predicted number of cases—the kindest way of putting it is that it was his best stab. The sum will not, in fact, be adequate, and the fund's address will become one of the better known addresses in our city.

Gregory Barker: Does my hon. Friend share my view that the Minister is in a predicament partly because he was not party to the decisions that produced the figure in the first place? It was not calculated in a great arithmetical exercise by his Department and civil servants, but was dreamt up in a private meeting following much arm-twisting between the Prime Minister and the Chancellor of the Exchequer.

Mr. Fallon: My hon. Friend is right. If the figure was a proper one, it would be included in the Bill, and there would be a memorandum explaining, analysing and justifying it to the House. However, it was not, and was clearly cobbled together at the last moment.

Mr. Andrew Smith: Will the hon. Gentleman accept from me that the premise of the intervention by his hon. Friend the Member for Bexhill and Battle (Gregory Barker) was inaccurate and untrue?

Mr. Fallon: I am not sure that I want to go down that route, as I have no way of knowing whether it was inaccurate or untrue. Certainly, the figure of £400 million seemed to emerge at rather a late stage, and is easily divisible by the figure 20. Leaving that aside, however, my next major reservation, which I voiced in the House on Tuesday, is an unfashionable one. Everyone in the House wishes the Government well in tackling well-publicised and obvious abuses, but it is worth pointing out that the powers that they are taking, particularly in clauses 35 to 46, are extremely draconian and are likely to damage business and investment in it.

I shall give the House three brief examples of how wide the regulator's powers are. Under clause 39, it is for the regulator to decide whether or not an employer "is insufficiently resourced". Various definitions of that phrase are given in clause 40, but it is for the regulator to decide whether an employer is insufficiently resourced, and whether somebody else—it does not have to be a director, and could be a shareholder, an investor or an associate of the director—could make up the deficit. That is far too flimsy a basis on which the regulator can take action. The liabilities are described in an incredibly vague way. In clause 41, the employer's pension liabilities are defined as

"the liabilities for any amounts payable . . . and . . . the liabilities for any debt which is or may become due . . . or otherwise."

I do not know what "or otherwise" means. It could mean almost anything.

Thirdly, as we discussed briefly on Tuesday evening, the powers given to the regulator to pursue people for their personal assets are incredibly wide ranging. The regulator can seize the assets—the personal assets, the homes and the wealth—of directors, of shareholders, of investors, of associates and even of friends of the directors of the particular company. That is simply a matter for the regulator to decide. It is left to his opinion. It was the hon. Member for Cardiff, West (Kevin Brennan), I think, who said there need not be an appeal provision because that can be judicially reviewed. He and I disagree about that.

I think the power is too wide and it should be limited in the Bill and subject to some kind of appeal mechanism. If it is not, the effect of the clauses will be damaging in two respects. First, we can predict that on the day the Act comes into force, a large number of companies will be placed in receivership. If the Secretary of State does not believe that, I must ask him whether he really thinks that directors, shareholders, investors and even associates of directors will put at risk their own

[Mr. Fallon]

homes and assets, rather than put companies immediately into receivership if they are concerned about potential pension fund liabilities. That is a profound mistake.

Secondly, if that is true, it follows necessarily that exactly the kind of people whom we are encouraging to invest in our companies will be less likely to do so. In an intervention, I gave the example where an investor from company B may be deciding to invest in company A. Neither of those companies has any connection with a pension fund, but it transpires that company A is associated with company C, which happens to have some potential difficulty with its pension fund. That, of course, will discourage precisely the kind of business investment that everybody wants.

I am not entirely convinced that the Secretary of State intends it, but I assure him that those are likely to be the effects. In his defence, I suppose it can be said that the provisions that I am describing—clause 35 onwards—have been rushed. They were added to the Bill at a very late stage, right at the end of the Standing Committee proceedings. They were only briefly considered by the House and even then, all bundled together, on Tuesday evening. That is a bad way to legislate, and I suggest to the House that those clauses need re-examining in another place.

4.37 pm

Mr. Terry Rooney (Bradford, North) (Lab): For many years, I had the dubious privilege of serving on the Committee that considered every social security Bill that went though the House. Not one of them gave me the pleasure that this Bill has. Sadly, I did not serve on the Standing Committee considering it. For the one time there is good news around, I was excluded. There is probably a message for me in that.

We need to understand that in every workplace in the country over the past four or five years, the biggest single issue has been security—security of employment and security of pension. When we look back at a decade of financial scandals that go wider than pensions—for example, BCCI, Barings bank, Equitable Life—there is a general suspicion out there, rightly, that the whole financial world is a nest of vipers ready to rob people of their money and escape to sunnier climes.

There may be imperfections in the Bill that still need ironing out, but its provisions restore people's peace of mind like nothing has in the past 50 years. The Bill will also reinforce the confidence of people engaging in the savings habit. We know that the savings ratio goes up and down, and there are debates about what it should be. The Bill will give people confidence in the general financial services sector and encourage them to place their money in savings again. We need to understand that.

I want to restrict my remarks to clause 224, which concerns the requirement for knowledge and understanding by individual trustees. In 1986, I was appointed chairman of the west Yorkshire superannuation fund, which had 45,000 contributors, thousands of beneficiaries and £2.5 billion-worth of assets. I had no qualifications to hold that position, had received no training and had never been a trustee of a pension scheme, but because of the political circumstances in west Yorkshire at the time, I was made chairman of that august organisation. I am happy to say that when I left four years later, the fund had nearly £4 billion in assets, so perhaps I did not do such a bad job.

The way in which member trustees are chosen requires serious consideration—for example, men are chosen too often. Far too often, Joe, for example, who has worked for an organisation for 40 years, who is a good egg, who buys his round down at the pub and who is popular, is chosen. That is not good enough. Whenever somebody takes out a financial services product, they must consult an independent financial adviser. On mortgages, for example, three levels of service are available, from execution only to full advice. However, pensions affect people for between one third and one quarter of their lives, but people do not know whose hands their pensions are in. Trustees of pension funds are often rank amateurs, and, although I do not intend to disparage any individual who is a trustee, we must do better.

Clause 224(4) states:

"An individual to whom this section applies must have knowledge and understanding of the law relating to pensions and trusts".

The Library contains about 47 yd of books on the law relating to trusts, never mind pensions. The wonderful Child Poverty Action Group handbook contains 700 pages on pension law, but that is a brief summary. We must move to a situation in which courses, which lead to an NVQ2 or NVQ3, are run in centres around the country to a set curriculum, proving that people understand the matter. Most occupational pension funds exist in organisations where trade unions are recognised, and it would be magnificent to use the union learning fund and the union modernisation fund to provide training and education so that member trustees have the understanding to challenge the experts.

In every single scheme that has gone down, the money was there at one time, but then it was gone. In those circumstances, where were the auditors and the actuaries on the minimum funding requirement, and who was signing off statements? Frankly, member trustees have been deceived, duped and misled. I should not say anything else because legal cases may occur, but we must give member trustees the tools to do the job. It is not sufficient simply to put a clause in a Bill, and I would like training to be provided.

We have all received copious briefing notes about the situation from the TUC over many months. The TUC needs to put up, because it has a responsibility in the matter, as members of trade unions are suffering as a result of how things were done in the past. Trade unions must be honest enough to say, "We want the highest quality member representatives as trustees that we can get, and we will play our part in doing that." I feel very strongly about that, and I hope that my friend the Minister, who has been with me in the trenches over many years, will take my suggestion forward.

Over the course of many months, the Secretary of State and the Minister have consulted, questioned, discussed and debated with Members of this House—I think on both sides, but certainly on the Labour Benches—to try to find ways to get out of the mess that

we were in. I thank them for the openness, frankness and candour of those discussions, because the Bill that we have today is the better for it.

4.45 pm

Annabelle Ewing (Perth) (SNP): I am pleased to be called to speak in the Third Reading debate on this very important Bill.

The Bill is welcome in general terms. Its innovations include the pension protection fund, which I am pleased to see come to fruition, although it is somewhat overdue. The creation of the office of the pensions regulator is welcome, but I hope that its regulation will work better than has often been the case in the recent past. I hope that those measures will go some way towards restoring confidence in the pensions sector, which has sunk to an all-time low in recent years.

The report on women and pensions is a step in the right direction, and I congratulate the hon. and learned Member for Redcar (Vera Baird) on wresting that concession from the Government. However, I agree with the hon. Member for Northavon (Mr. Webb) that the Bill is a missed opportunity in that it fails to make substantive progress in that important area.

I welcome the Government amendments that were tabled, albeit at the eleventh hour, on the key issue of compensation for workers who, through no fault of their own, have lost out on their occupational pensions. During yesterday's constructive debate, Members on both sides of the House acknowledged that it was a good day for politics—leaving aside the dreadful events of the afternoon—because it showed that the Government were actually listening to the people whom they are there to serve, which has become extremely unusual.

It was helpful to receive some clarification on the likely timetable for the roll-out of the proposals. I am glad that we secured the confirmation that they will be dealt with by the affirmative resolution procedure, which will allow each hon. Member to vote on the detail of the proposals in accordance with the statements that they have already made.

I very much regret that during yesterday's debate the Minister resisted all attempts to extract details of the likely level of compensation that workers may expect to receive. Many of them have waited years for action and justifiably want to know, in light of the proposals put forward last Friday, what percentage of their lost pension they may expect to receive. We were not given any meaningful information on that; nor were we given any reasonable explanation of how the £400 million figure was arrived at. With all due respect to the Secretary of State, neither did we get that information today. I fear that down the line many workers may find that the payout that they receive is much less than that for which they are now hoping. We await the specific proposals that the Government are to bring forward by the autumn.

The Minister and the Secretary of State should be aware that they must come up with the goods. They promised yesterday and today that the proposals would result in "significant help." I appreciate that the new Labour Government have frequently stretched the English language—the Minister of State for the armed forces gave an interesting definition of "report" in a recent Adjournment debate—but "significant" means just that to every normal thinking person. The Government have promised significant help and they must deliver. Any failure to respond to the workers' legitimate case will be rightly regarded as entirely cynical.

Apart from the important issue of women and pensions, the Bill represents a missed opportunity on another key matter. It fails to provide for restoring the link between pensions and earnings. The Tories first broke that link, but, like many other policies, new Labour took it up enthusiastically when it was elected in 1997. It has left many pensioners in poverty and that is unacceptable in an enlightened 21st century. Instead of a clear commitment to providing a decent, basic state pension, we have an approach based on means-testing that is unduly complex, costly to administer and acts as a disincentive to save. It is therefore a pity that the Government have not seen fit to take the opportunity of the Bill to tackle pensioner poverty head on. That will neither go unnoticed nor be forgiven by pensioners in Scotland and elsewhere in the United Kingdom.

I am conscious that other hon. Members wish to speak, so I conclude by saying that, leaving the matters of concern to one side, the Bill is generally welcome and I am happy to lend my party's support to it on Third Reading.

4.52 pm

Kevin Brennan: I join in the welcome for the Bill. I particularly welcome the changes that were made yesterday through the incorporation of new clause 24 and assistance for those who have potentially lost their pensions as a result of insolvency. I echo the comments of other hon. Members who have spoken about the need to ensure that, in working out the detail of the package, the assistance for those workers is substantial. That was the word I used yesterday, and "significant" has been used today. It is vital that that happens and I believe that it is the Government's intention. We look forward to seeing the detail as it emerges but I fully understand that it is impossible for it to emerge now.

I have probably said far too much about the subject in the past couple of years, so I thought that on Third Reading I would simply do the honours and pay tribute to a few hon. Members who have been particularly active. The newspapers recently described the hon. Member for Tatton (Mr. Osborne) as the Tories' youthful Tony Blair. They appeared to believe that the hon. Gentleman was younger than he is and gave the impression that his pensions expertise was remarkable since his only recent dealings with finance had been with his pocket money. That is not so: he has acquired much expertise.

The hon. Member for Eastbourne (Mr. Waterson), who detained us for rather a long time this afternoon, has brought his wit to most of our proceedings. After his comments today, he may become known as the hon. Member for Wither-on-the-Vine. The hon. Gentleman thanked people from outside who had helped with the Bill, and has the admirable quality of being able to present the views of those outside without venturing an opinion of his own.

The hon. Member for Northavon (Mr. Webb) is sadly not in his place. I accidentally got hold of some of his notes, including a couple of the "what ifs?" that he did

[Kevin Brennan]

not ask about, the first of which was, "What if a great flood were to cover the earth and sweep away all pensioners' records?", and the second of which was, "What if a large comet were to land and destroy the pension protection fund headquarters?" I think perhaps the hon. Member for Montgomeryshire (Lembit Öpik) might have given him that particular "what if?".

I should like to thank my very good hon. Friend the Member for Greenock and Inverclyde (David Cairns), who was sneakily running caption competitions for the paintings in the Committee Room, but should be mentioned none the less.

I also thank my hon. Friends the Members for Hamilton, South (Mr. Tynan) and for Glasgow, Anniesland (John Robertson). As Wellington might have said, "I don't know what they do to the enemy, but they certainly scare the life out of me." They held the Government properly to account with the many amendments that they tabled, and in doing so made sure that the rights of workers were being championed in Committee.

I could not end without mentioning my hon. Friend the Minister for Pensions. He has the features and demeanour of an urbane Roman governor in a sleepy outpost of empire. That is not a very good description of the Department for Work and Pensions, which is not a sleepy outpost but an absolutely vital Department at the heart of the Government—and a very successful one, as we have seen during our deliberations on the Bill.

I was interested to hear my right hon. Friend the Member for Birkenhead (Mr. Field) developing his own line in stand-up comedy here in the Chamber last night. Apparently it is not true that he is going to combine his skills as a pensions expert with his new-found comic talents to star in a new British comedy film called "Love Actuary". [HON. MEMBERS: "Oh!"] That was pretty bad, was it not? Enough of this.

Finally, I should like seriously to thank the Secretary of State for his efforts on the Bill, and his Bill team, who have rightly been mentioned and who have had to work extremely hard. In my view my right hon. Friend is a thoroughly decent man. The fact that this is one of the most progressive—if not the most progressive—pieces of legislation that we have seen for some time is entirely due to his thoroughly decent instincts. Those instincts were in evidence when he met the many workers from around the country—not only from Allied Steel and Wire but from many other companies—who impressed him with their human stories. He then had the imagination to see beyond the standard bureaucratic answer that it was "not on", or impossible to act retrospectively. He saw beyond that to the human reality of the situation facing those people, and I believe that that is a major reason why the Bill now contains provisions to help them.

We have conducted our proceedings with good spirit, and I pay tribute to every party represented. Members on both sides have attempted to scrutinise the Bill in good spirit most of the time. We have done our job, and it is now up to the other place to finish off the details. I believe that we shall be able to look back on these proceedings not in anger but with pride in the years to come, and I commend the Bill to the House.

4.58 pm

Rev. Ian Paisley (North Antrim) (DUP): The Government cannot solve every problem in society, but where there are clear examples of personal tragedy and the ability exists for the Government to do something about them, they have a clear duty to do so. This Government have faced up to that duty. The provisions that are being introduced to deal with insolvent employers are to be welcomed, although only as a first step. Many other steps will need to be taken to address this problem as time goes on. It is, however, a major step in the right direction, in terms of the principle that has been adopted. It will not solve all the problems of those who have lost out when a firm has become insolvent, but at least it is a start. Many other questions about the extent of compensation or assistance are bound to arise.

The Government have put forward £400 million over 20 years to help to address the serious losses that some people now face. I fear that that will not nearly be enough, but I welcome the fact that the legislation, the figures and the amounts will be reviewed every three years.

No one can deny the financial disaster faced by those who have paid into company pensions for decades to look after themselves and their families in old age only to find that the money has gone and their retirement has been ruined, and that the security for which they paid during their working lives has been wiped out through no fault of their own. In Northern Ireland, we have many examples of that personal economic disaster. My party colleagues in Northern Ireland, along with many others all over the United Kingdom, have campaigned on behalf of those who have lost out. The case of Richardsons Fertilizers in Northern Ireland in particular, and the need for action, has been highlighted. My hon. Friends the Members for Belfast, North (Mr. Dodds) and for Strangford (Mrs. Robinson) have been particularly active on that issue, as some of those most affected have been from their constituencies.

There is also a serious concern about the loophole in the case of companies that do not declare insolvency but decide to uproot and move to other parts of the world, leaving a deficit in the pension scheme. I was pleased to hear yesterday that the Minister gave an undertaking that an Order in Council would be introduced to ensure that this Bill would apply to Northern Ireland. The people of Northern Ireland welcome that. It is right that the people of Northern Ireland should receive the same compensation, at the same time, as everyone else in the United Kingdom.

That case not only highlights the fact that the same provisions should exist in relation to pensions throughout the United Kingdom, but strengthens the argument that the same legislation should extend right across the UK. Even were devolution up and running in Northern Ireland, the ability of Northern Ireland to legislate on matters such as pensions and benefits is really just theoretical, because we must bow to the parity argument. It may be wise to consider the issue of pensions and benefits in the same way as income tax, and have one set of legislation for the entire United Kingdom.

There are few examples today of Governments reacting to pressure or campaigns, but this has been an exception. All those, including Labour Members,

members of various other parties and ordinary people, who have fought a good fight in this case have been at least partially rewarded. These provisions are to be welcomed, but the battle to protect those who have lost out through no fault of their own will have to continue, and I am sure that the Government recognise that.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I call John Robertson.

5.3 pm

John Robertson: I was not ready for that, Mr. Deputy Speaker—*[Laughter.]* Perhaps I should explain some of the laughter, Sir. Having sat here for all of Tuesday, and having lost half my amendments towards the end of the day, and having come in yesterday to see that there was no chance of getting in, today would appear to have been another chance lost. Obviously, you have seen the error of my ways and picked me, and I am grateful for it.

I would like to use this opportunity to take a brief overview of the Bill as amended, to consider how we got here and what lessons have been learned. In many ways, the progress of the Pensions Bill has shown the House of Commons at its best.

First, the substance of the Bill is important in rebutting the arguments of those who say that politics cannot make a difference. Few issues are of greater long-term importance to us than how we will support ourselves when we are too old to work. For that reason, the risk of workers contributing to their pension, sometimes for 40 years, only to see it vanish overnight, is rightly viewed with horror and fear by most people. The Pensions Bill ends that scandal. It makes a difference.

Secondly, the work done by Ministers, Labour Back Benchers and the Opposition has at times been fruitful. It has even been quite funny on some occasions. Like many hon. Members, on Second Reading I welcomed both the principles behind the Bill and the measures introduced. Again like many other Members, I asked the Minister to offer help to people who had already lost most of, in some cases all of, their final salary pensions when their employers had gone bust. Our arguments were pressed further in Committee, and were the subject of subsequent Government amendments. Opposition and Back-Bench Members played their part, and we can all have a sense of shared ownership of the Bill's final content.

I hope, as the Minister hoped yesterday, that a degree of consensus has been engendered that will enable all Members to support the Bill as it stands. My only concerns relate to the way in which the Report stage was conducted. Owing to the sheer number of Government amendments, there was not enough time for us to consider many of those tabled by Opposition and Back-Bench Members. The other day my hon. Friend the Member for Hamilton, South (Mr. Tynan) and I tabled several amendments that were reached with minutes to spare before 7 pm. That meant that important issues such as implementation of the Government's commitment to extending the protection afforded by the Transfer of Undertakings (Protection of Employment) Regulations 1981 could not be afforded the discussion that they deserved.

The TUC, Amicus, Connect and other unions want to ensure that no pension scheme member faces inadequate pension protection as a result of a TUPE transfer. That is why we tabled an amendment to clause 229 with the simple requirement that the receiving employer provide benefits broadly comparable, or of broadly equal value, to the benefits provided by the original scheme. Sadly, the amendment was negatived, but it is important for us not to lose sight of all that has been achieved. Clauses 228 and 229, for instance, introduce a minimum level of pension protection where a business transfer occurs and the TUPE regulations apply. In declining to accept my amendment, my hon. Friend the Minister asked me to acknowledge the progress that had been made, and I am more than happy to do so.

On Second Reading, I described the Bill as the antithesis of laissez-faire Thatcherism. It sets out clearly the Government's responsibility to their citizens. In arguing for more support for pensioners, the hon. Members for Eastbourne (Mr. Waterson) and for Tatton (Mr. Osborne) have happily jettisoned the ideology that we owe no duty to those of our fellow men and women in need. Lady Thatcher must be seething in the other place at that ideological inconsistency, but if it is any consolation to those hon. Members, I welcome their change of heart.

I was rather saddened when the hon. Member for Eastbourne said he would not stand behind the PPF in the future. The Opposition parties seem to be taking a Scrooge-like attitude on Third Reading. Hopefully, when Christmas day comes along they, like Scrooge, will look out of the window and say "We were only kidding: go and get that big goose".

Mr. Waterson: We are a bit far away from Christmas—but let me correct one statement in the hon. Gentleman's otherwise useful speech. I did not say that we would not stand behind the PPF; I said that I was not currently in a position to commit my party. Nevertheless, I think it unconvincing for the Government to present a PPF that has no backing from the Government. I do not know whether the hon. Gentleman agrees with that.

John Robertson: In many ways, that makes my case. I believe that on Second Reading, in Committee, on Report and on Third Reading, we have produced a Bill that no other Government have even thought about. In years gone by—and the Tories had 18 years in office—no one thought about the people who had lost their pensions. This Government have produced a Bill that has never been produced before—albeit because many other Members have pushed them into it, but I think that that is how government should work. Governments must listen to the people. I think that it is childish of Opposition Members to attack the Government for trying to do the best job that they can. It is easy to say that the legislation will not work, but let us have a look at it in 10 years' time, and then turn round and say whether it did or did not work. We can then have the arguments about what was right and what was wrong, and whether these measures were the best that could be put together at the time.

We have all worked well to achieve a Bill on which there is now wide consensus. As amended, the Pensions Bill will help those who have lost their pensions and,

[John Robertson]

most importantly for the pensions industry, boost confidence in pensions and set a long-term framework for future protection. It is my belief that if we can instil confidence in people's having pensions, the PPF will not be required. It is most important that all Members side with the Government on the Bill. I shall be very disappointed if there is a vote on Third Reading, and if there is, I can only say to the Members who call it that they do not really care about the people who need help most.

5.11 pm

Gregory Barker: I shall begin—*[Interruption.]* I was going to begin with some uncharacteristic generosity towards Labour Members, but perhaps I should move on.

I was going to say that it was a real privilege to serve on the Pensions Bill Committee. Although my part there was largely a non-speaking role behind the scenes, I was nevertheless able to observe a large number of high-quality, thoughtful interventions and speeches from both sides. Although the point of view on the two sides may have been profoundly different, most Members who spoke were motivated by a genuine concern to do their best for pensioners and for their constituents. It was clear that those Members had not just been allocated to a Committee, but were expressing concerns and articulating worries on a campaign and on issues that they had followed for many years. I certainly came out of the Committee a great deal wiser than I went in, having learned from Members on both sides. The public would have been pleased to see their legislators, who often get a bad press, acting responsibly.

I must single out for praise, however, my own Front-Bench team. I do so because they were a very real match for a high-quality ministerial team on the other side, but with a fraction of the resources—

David Cairns: And the talent.

Gregory Barker: The hon. Gentleman is wasted in his present job; he really should go into vaudeville.

The key point, which people often do not realise, is the small resource that is available to the Opposition. A torrent of amendments and new clauses kept coming all the way through the Committee stage—they involved a great deal of complex information and required overnight study—yet my hon. Friend the Member for Eastbourne (Mr. Waterson) was able to get right to the nub of some difficult issues, which I do not pretend fully to understand. Often, only after he had sat down was I able to get my mind round them. He did that with a fraction of the support staff that Ministers had.

The hon. Member for Northavon (Mr. Webb) referred to Wallace and Gromit, and I can see that parallel clearly. As we were presented with more and more amendments and new clauses, it very much felt as if someone were laying new track in front of an out-of-control railway engine. I must say, however, that I felt rather more like I occasionally do when I am helping my eight-year-old son with his maths homework, and I am just one page ahead of him. I sometimes got the feeling that that was how the Minister felt, too, as he spoke rather more slowly and looked eagerly towards the Box.

No issue has given us greater cause to worry that the Government did not know what was coming next than that of new clause 24 and the £400 million-worth of compensation. To all intents and purposes, that figure could have been arrived at by Wallace and Gromit or plucked out of my son's maths textbook. The Minister has offered no intellectual rationale for it. He has not given us the benefit of any papers, or presented a thought-through argument as to why £400 million is the right figure, rather than £350 million, £500 million, £450 million or £426 million. No intellectual case has been made.

All the Government have said is that £400 million is a big sum. Well, we are dealing with big sums in the pensions field, and all figures are relative. In the national health budget, £400 million is a drop in the ocean, yet to an individual it is a huge sum; indeed, it is more than most people can even comprehend. Probably only the very largest of Labour donors, such as Bernie Ecclestone and the others who frequently put their hand in their pocket for the people's party, could really get their minds around £400 million. So I look forward to seeing the papers—perhaps we will see them in the Minister's memoirs—that show how the Government arrived at this extraordinarily round and convenient figure.

What does £400 million actually mean? I understand that the Minister does not want to get drawn into discussing this issue, that there is no guarantee, and that he cannot give precise details; indeed, I would not expect him to say anything that might give people a misguided idea of what to expect. However, it is extraordinary that he should be unable to provide any range in terms of what that figure means. The reality is that £20 million a year for the 60,000 people in question—that is what the £400 million amounts to—equates to some £330 per claimant, on average. There are obvious ways in which that money could be graded, and it is clear that some people will claim and others will not, but the figure that we are working with is £330 per individual. *[Interruption.]* The Minister furrows his brow, but that is the calculation, and there are only so many ways in which one can stretch or condense that money. We are not convinced that the Government have done their calculations.

It is all very well having a knockabout debate in which numbers are bandied about, but we must not forget that behind the figures lies very real personal tragedy. Indeed, all Members will have received correspondence from many constituents who have been ruined, and whose old age has been devastated by the loss of a pension. For many people, such a pension was their only other meaningful form of savings, yet they have been wiped out. We remain particularly and profoundly concerned about victims of situations in which pension funds have been wound up, yet the parent company has not become insolvent, remains in operation—perhaps abroad—and has effectively robbed such people of their life-savings.

A constituent of mine, from Burwash Common, is surely typical of many constituents throughout the country. He will feel very let down, and he will want to know what more the Government can do. Tea and sympathy is not enough for people in his predicament. He wrote to tell me:

"The money we contributed for our pension has, by law, been stolen and used to pay the pensions of others."

He argued forcefully:

"Nobody warned us of the risks we were taking, not the DWP, not OPRA, OPAS, NAPF, in fact, they encouraged us to join. Many people had to join their pension scheme; it was a condition of employment. The Inland Revenue prohibited belonging to a private scheme as well as an occupational scheme."

In my constituent's case, the

"parent company . . . Ballast Nedam, continues to trade in Holland"—

and quite successfully. Nothing in the Bill goes anywhere near addressing the plight of the large body of pensioners throughout the country who have suffered. We certainly want to see more action taken to help them.

I realise that other hon. Members want to contribute, so I shall draw my remarks to a conclusion. I am sorry that we were unable to debate this afternoon the restoration of the earnings link. I believe that the Government's promotion of a means-test culture is disgraceful. It is no wonder that we have seen a collapse in responsible saving, with 59 per cent. of pensioners now on means tests. By the Government's own admission, that is going to rise to 82 per cent.

When we return to Government, we will restore the link to earnings. In the 21st century, that is a great policy because it is simple. It is a wonderful example of where both morality and efficiency march hand in hand. It is a simple policy that people can understand, which will bring back stability and predictability into a volatile sector. So many of our constituents' lives lack the personal sense of security that they crave. They are looking to Government—of whichever colour—to do something about it.

Although the Bill takes many good steps forward in addressing the uncertainty of old age, it does not go far enough. It certainly does not take the steps that Conservatives would: it does nothing to address the decline of the savings culture; it does nothing to address the collapse in the household savings ratio; it certainly does not provide a guarantee. I saw pictures on the news last week of workers celebrating as if all their problems were over. I believe that in a few months' or years' time, that will seem precipitate, because they will work out how little they have benefited. There is a real danger that in over-egging the provisions, the Government could send out the wrong signal.

There is a huge amount of work to do, but it would be churlish to end other than by saying that we welcome the steps forward taken by the Bill. There is a degree of consensus across the House, but Conservative Members want to do a great deal more.

5.23 pm

Vera Baird: For all the reasons set out by my hon. Friends, I welcome the Bill. At this time of night, I am not going to repeat what has already been said, especially when the Secretary of State is buying the drinks. At least I hope that he is, but he is frowning now.

The Bill takes another step in the Government's march to improve pensions. The Committee stage was pleasant and a good learning experience for many of us, very much including me. The Minister for Pensions was knowledgeable and well briefed—a bipartisan compliment, because one cannot be well briefed without an excellent team of advisers, which we clearly had.

The hon. Member for Eastbourne (Mr. Waterson) got it in the neck many times for reading other people's briefings, but to be fair, he always admitted that he was doing so and never pretended otherwise. His contributions were most welcome. Unfortunately, the hon. Member for Northavon (Mr. Webb) missed the references to him made by my hon. Friend the Member for Cardiff, West (Kevin Brennan). He will read them with interest in *Hansard* tomorrow. He is a bit of a worrier, but he is undoubtedly extremely knowledgeable. His contributions were also super.

I was pleased to raise, within the ambit of debating the Bill, the real problems that women still face in connection with pensions. Women's organisations such as Fawcett, as well as bodies like the Equal Opportunities Commission and many others, were very pleased when my hon. Friend the Minister for Pensions agreed to produce a report on women and pensions. His offer did not have to be wrenched out of him, because he made it very willingly.

Indeed, the result is rather better than I had tried to achieve with my new clause. I had hoped only to get a report every year after the Bill had been introduced. If my new clause had been accepted, it would have been placed in a part of the Bill that need not have been brought into force by any particular date. By contrast, my hon. Friend the Minister for Pensions has made a clear undertaking to produce a report on women and pensions next year.

That is an essential minimum. The Bill's enhanced security and regulation with respect to pensions will benefit everybody, but it contains nothing that directly addresses the pension problems faced by women.

I readily accept that the Bill is not like Santa Claus' sack, containing a present for everyone. However, 64 per cent. of pensioners are women, who receive on average only 57 per cent. of the income enjoyed by the average male pensioner. It is imperative that we put an end to that situation soon, and that we ensure that presents—if that is the right word—are given to women pensioners.

I and others will therefore continue to press every week for progress in respect of women's pensions. In that way, I hope to ensure that the first report from my right hon. Friend the Secretary of State is a good one. However, I have got used to the team with whom I served in Standing Committee, and I expect that I will serve with them again. When I do, I hope that it will be to consider the women's pensions Bill.

5.26 pm

Miss Anne Begg (Aberdeen, South) (Lab): I welcomed the Bill on Second Reading, when I pointed out that it had one glaring omission. I tried to speak in yesterday's debate on new clause 34, but my hon. Friend the Member for Hamilton, South (Mr. Tynan) and I were the only two hon. Members not to be called before the debate ended. I was therefore keen to contribute today, as I want to thank the Government for listening to the argument put forward on Second Reading by me and many others—that the Bill offered nothing for people who would not be covered by the new pension protection provisions.

[Miss Anne Begg]

That omission was a clear injustice, as people would not be covered when the company for which they worked or the pension scheme to which they belonged had been declared insolvent. I accepted the Government's argument that the PPF could not be made retrospective, but I said on Second Reading that I hoped that the Government would come up with something to put matters right. I was not quite sure what that something would be, but I am delighted that the assistance scheme that the Government came up with is to be put in place.

Having constituents who are faced with a problem really helps to concentrate one's mind. The problem with pensions makes it clear why Members of Parliament should represent a distinct constituency. The phrase "restored the link" has a different resonance for my hon. Friends the Members for Hamilton, South and for Glasgow, Anniesland (John Robertson). They think that it refers to restoring the link for MSPs in the Scottish Parliament, for which they have argued very forcefully throughout the passage through the House of the Scottish Parliament (Constituencies) Bill.

The changes that have been made to the Bill show that constituents can exert political pressure on their Member of Parliament to take up their case with Ministers. As many hon. Members have noted, that process works. In my case, pressure was brought to bear by members of the pension scheme run by the Richards textile company which, before it went into insolvency, used to be based in the constituency of my hon. Friend the Member for Aberdeen, Central (Mr. Doran).

Those pension scheme members live all over Aberdeen and the north-east of Scotland. It was their plight that alerted me to the problem that the Bill addresses by setting up the PPF.

Much of what is in the Bill, especially the PPF, would not have been necessary if it had not been for the failures of the Pensions Act 1995. The hon. Member for Eastbourne (Mr. Waterson) praised the work of Dr. Ros Altmann, and she did a lot of work in persuading the Government that the pensioners in question should be looked after, but she also laid the blame for the problems that we now face with insolvent pension funds at the door of the 1995 Act. I was open-mouthed with amazement at the audacity of the Leader of the Opposition in taking credit for the solution to a problem caused by legislation passed by the Government of whom he was a member.

This Government have made a habit of picking up the pieces of the failed legislation of the previous Government or setting right problems that they failed to address. We all know about the compensation scheme for miners, but there is another scheme, which has not had the same airing in the House but is very important for my constituents, and it provides compensation for those who were made redundant as a result of the cod wars. Many of my constituents who lost their jobs as fishermen at the time of the cod war have received compensation. Indeed, the total is some 500 across the north-east of Scotland; that is another example of the Government making right something that the previous Government refused to do.

Several hon. Members have mentioned restoring the link. I would not wish the hon. Member for Eastbourne to be accused of misleading the House, but in a reply to a query by my hon. Friend the Member for Hamilton, South (Mr. Tynan) as to whether any of the hon. Gentleman's constituents would lose out as a result of the Opposition's policy on restoring the link and the freezing of pension credit, he replied that they would not. Well, perhaps they would not, in strict terms, because under the Opposition's policy the pension credit would be frozen. However, what is often forgotten in the argument about restoring the link is that not all pensioners qualify for the national state pension. Some 1.5 million pensioners have only a partial contributions record and therefore receive a part of the pension or do not qualify at all. Restoring the link would do nothing for those poorest of pensioners. If the Opposition froze the pension credit, it would mean that that group of people—and those who receive only the basic state pension and nothing else—would have their income frozen for many years into the future. In other words, they would have no increases in income, whether the pension was linked to inflation or earnings. For those who made no contributions and therefore had no state pension, their income would never go up beyond the present level of the pension credit, if the hon. Gentleman had his way and the pension credit was left to wither on the vine. It is disingenuous to argue that restoring the link will help the poorest pensioners, because it would not.

The Bill is to be welcomed. It has many good aspects that have been well debated this afternoon. I add my congratulations to the Government on filling the glaring hole in the original Bill, and I hope that it comes out of the other place an even stronger Bill.

5.34 pm

Mr. George Osborne: I thought that the hon. Member for Aberdeen, South (Miss Begg) was a little ungenerous. To say that it was all the fault of the 1995 Act when that Act was introduced to deal with the fraud of a Labour MP, Robert Maxwell, and had the support—led by the previous Member for Glasgow, Anniesland—of the then Labour Opposition, is for the hon. Lady to forget her history.

In general, the debate has been good. My job is to wind it up, so I have to utter the usual pleasantries—as everyone else has done. As the person in the parliamentary Conservative party who is, I hope, furthest from my pension, I am not sure why I was put on the Bill's Committee, but I have enjoyed being understudy to my hon. Friend the Member for Eastbourne (Mr. Waterson) who, with my hon. Friend the Member for Havant (Mr. Willetts), knows a hell of a lot more than I do about pensions—I hope you will excuse my language, Mr. Deputy Speaker. My hon. Friend the Member for Eastbourne conducted proceedings in a relaxed and informal style, only occasionally rising to the sedentary interventions of the hon. Member for Greenock and Inverclyde (David Cairns).

I have lost count of the number of Ministers I currently shadow—about five or six—but the Minister for Pensions and the Under-Secretary of State for Work and Pensions, the hon. Member for Gravesham (Mr. Pond), are among my favourites. I congratulate

the Under-Secretary as I think this is his first Bill as a Minister. He did extremely well. The Minister for Pensions managed to get a large number of song titles into his speeches in Committee. If he was doing it for a bet, he must have won.

I pay tribute to the hon. and learned Member for Redcar (Vera Baird) and the hon. Members for Glasgow, Anniesland (John Robertson) and for Hamilton, South (Mr. Tynan) who played an active role in Committee. Normally, it is traditional for Government Back Benchers to sit in Committees without taking part, but those three certainly participated and I congratulate them.

I also congratulate my hon. Friend, or rather the hon. Member for Cardiff, West (Kevin Brennan)—he was a friend during some of our Committee tactics. It is not generally known that the hon. Gentleman, the hon. Member for Greenock and Inverclyde and I share a woman. Her name is Linda Sanchez and she is a Congresswoman. The Under-Secretary of State for Work and Pensions, the hon. Member for Liverpool, Garston (Maria Eagle), may be interested to learn that she was the first sister of a Congresswoman to be elected to Congress. The hon. Gentlemen and I met her in Boston and, through sitting around the bar talking to her about American politics, got to know each other, so it has been a pleasure to serve on the Committee with them.

Someone should write a book about what the hon. Member for Cardiff, West has done over the past year or two. He ran a textbook Government Back Bencher campaign, and did not wholly destroy his prospects of ministerial promotion in the process, which is quite a feat.

At the beginning of the debate, the Secretary of State said that the Bill would transform pension security. That is certainly needed, given the halving of the savings ratio and the kind of things that the chairman of Aviva said earlier this week. In *The Financial Times*, he said:

> "We will have a generation of elderly people coming soon who will have a hard time to live above the poverty line. No one should be proud or pleased with that scenario."

Aviva is the largest insurer in this country and is seeing faster rates of savings growth in many continental European markets than in the UK. A report from JP Morgan Fleming found that the number of defined benefit schemes that had closed or been restricted to new staff had doubled over two years.

Will the Bill transform pension security? It would be churlish not to concede that the PPF is an important step forward in providing that security. My hon. Friend the Member for Eastbourne asked important questions in Committee and also—as did my hon. Friend the Member for Sevenoaks (Mr. Fallon)—in the debate about how the risk-based levy is to work and how moral hazard will be dealt with. Those questions need answers. The Government—whichever Government are in power—will have to play catch-up to close loopholes in the legislation as they emerge.

There were also questions about what kind of guarantee is behind the PPF. The Minister for Pensions was careful not to give an answer—as indeed was my hon. Friend the Member for Eastbourne. I suspect that there is a political guarantee: if the whole PPF goes bust, the Government in power at the time will be in a difficult position if they do not support it.

Throughout our deliberations, the elephant in the room was the 60,000 pensioners who had lost all or part of their pension. The elephant emerged at the last moment on Report. It was extraordinary that the Secretary of State gave over half his speech to that great thing, which was only introduced at the very last moment.

Perhaps if such compensation had been proposed earlier, we could have properly gone through some of the detailed issues raised, not just by Opposition Members such as my hon. Friends the Members for Bexhill and Battle (Gregory Barker) and for Sevenoaks, but by the right hon. Member for Birkenhead (Mr. Field) and, indeed, the hon. Member for Hamilton, South, who raised legitimate questions about the scope of the compensation and whether a group of very aggrieved people will receive no assistance having been given, if they watched the news during the past few days, some hope and an impression that they would do so. Time will tell.

I welcome a couple of other things in the Bill. Of course, I welcome the acceptance of new clause 23. Unfortunately, I was not in the Chamber to debate that yesterday, but it was kindly called the Tatton amendment, although it was proposed by an outside organisation and accepted by the Government. I also welcome the assurances that the Minister for Pensions gave yesterday about the amendments that we moved on the involvement of pensioner members in respect of member-nominated trustees. He said that the Government would take a close look at that issue and possibly table an amendment in another place. That would be good news to the Occupational Pensioners Alliance, and I hope that the Minister can live up to his promise.

I should note in passing that the hon. Member for Bradford, North (Mr. Rooney) made an important contribution to the debate when he referred to the need for trustees to have sufficient knowledge and training to discharge the important responsibilities that we place on them.

Pension provision has been undermined not only by the security issue, but by the regulatory burden and costs on schemes that have accumulated under successive pensions legislation. I fear that the Bill will add to that burden, rather than reduce it, despite what the Government's rather optimistic regulatory impact assessment says. The new pensions regulator will cost 25 per cent. more than the previous one, and preparing the statement of funding principles will cost more than £16 million more than producing the minimum funding requirement, even according to the Government's estimates.

We will find out whether the statement of funding principles turns out to be the benchmark. There is certainly a view in the pensions industry that the basis for setting the PPF risk-based premium will, in effect, become the new minimum funding requirement because a well-run pension scheme will not want to pay a risk-based levy. Over time, we will discover whether that is the case. Of course, there is the cost of the PPF levy itself.

Additional costs will be placed on the industry, so despite what the Government say in their regulatory impact assessment, it is perhaps not surprising that the

[Mr. George Osborne]

Association of Consulting Actuaries found, after conducting a survey in advance of the debate on Third Reading, that

"a majority of firms feel that"

the Bill

"will decrease occupational pension scheme coverage. Fewer than 1 in 10 firms feel that the measures will improve pension coverage. Close to 9 out of 10 firms say that the Bill's measures will either add to costs... or make no difference... as against the Government's claims that there will be £130 million savings."

That is what the industry says; it has certainly been our fear, and we have tried to make that clear as the Bill has been considered in Committee, on Report and now on Third Reading. The proof of the pudding will be in the eating, and the test will be whether more people save for their retirement. Will the closure of occupational schemes slow down, halt and perhaps even reverse? As my hon. Friend the Member for Eastbourne said, will confidence in pensions be restored? We will see.

5.44 pm

Malcolm Wicks: This has been a good debate, genuinely well informed and authoritative—a proper Third Reading debate. The wide range of contributions has revealed a fair degree of consensus on what we are trying to achieve—a consensus that I hope another place will note.

We have heard contributions from all over the United Kingdom, from Northern Ireland, Scotland, Wales and England. Although I cannot comment on all the points made during the debate, we heard good speeches from the hon. Member for Eastbourne (Mr. Waterson), my hon. Friend the Member for Hamilton, South (Mr. Tynan) and the hon. Member for Northavon (Mr. Webb). Last night, in private—because it was during Report stage—I gave the hon. Gentleman gentle advice about not being too cynical. I thought that the constructive tone of his remarks today showed that he had taken my advice, for which I thank him. My right hon. Friend the Member for Birkenhead (Mr. Field) made an important contribution, as did the hon. Member for Sevenoaks (Mr. Fallon). I shall write to the hon. Gentleman to reassure him that an investor in a company who has not been involved in any wrongdoing in relation to pensions will not be penalised.

We also heard important contributions from my hon. Friend the Member for Bradford, North (Mr. Rooney), the hon. Member for Perth (Annabelle Ewing) and my hon. Friend the Member for Cardiff, West (Kevin Brennan), whom I thank for his generosity. The hon. Member for North Antrim (Rev. Ian Paisley) helped to make this a United Kingdom occasion, as did my hon. Friend the Member for Glasgow, Anniesland (John Robertson). The hon. Member for Bexhill and Battle (Gregory Barker), my hon. and learned Friend the Member for Redcar (Vera Baird) and my hon. Friend the Member for Aberdeen, South (Miss Begg) also spoke, as did the hon. Member for Tatton (Mr. Osborne). I hope that I have left no one out—I want this to be a proper safety net.

Mr. Waterson: What about the Secretary of State?

Malcolm Wicks: The hon. Gentleman anticipates my list of "thank yous". We have heard lots of "thank yous" today, which is important, because we have had help from many people. I thank all right hon. and hon. Members present, especially those who have contributed to the debate, the members of the Standing Committee and our two able Chairmen. I have been aided by an excellent Parliamentary Private Secretary, my hon. Friend the Member for Greenock and Inverclyde (David Cairns). I cannot believe that he would ever make a sedentary comment, but I believe that yesterday, Mr. Deputy Speaker, you commented that traditionally PPSs are silent. As a former Minister for Lifelong Learning, I shall find an appropriate course on which to send my hon. Friend, to teach him that silence and humility that will make him an even more excellent PPS. He has many duties: at one stage, I wished him to say something to Opposition colleagues on the Standing Committee, and he went across, much to the amusement of his Labour peers. Since it doubled the number of Members on the Tory Benches, I thought that there was an important parliamentary purpose in doing so.

Not merely because I was prompted to do so, I thank my right hon. Friend the Secretary of State, who has given us invaluable advice during the passage of the Bill. As I said yesterday, not only is the Bill the parent of the pension protection fund, but, because of my right hon. Friend's drive over many months, it contains the assistance scheme that has so dominated our debate, both in the past and today. I thank also the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Gravesham (Mr. Pond). He and I have known each other for many years. This is the first Bill that he has taken through Standing Committee, and I hope that the experience has not put him off, as it should not be his last. One day this week, he appeared before a Select Committee in the morning, put in a full day's debate on the Report stage of the Bill, then, because our Department covers work as well as pensions, he responded to the Adjournment debate. He is a role model for us all.

We should thank all those who work behind the scenes, but I thank my officials in particular. Last week, the hon. Member for Eastbourne said that when I heard a certain piece of news there must have been expletives in the air. Perhaps too primly, I replied that I do not go in for expletives, and I am sure that my officials will testify to the fact that I approach my task with even temper and good humour most of the time—occasionally, anyway. I would like to thank them, parliamentary counsel and everyone else.

I would like to take a moment to reflect on the journey the Bill has made through this House. Many hon. Members are about to make other journeys, so I will not detain the House too long. Three months ago, we introduced a Bill that, among other measures, made provision for a pension protection fund and a pensions regulator, which will significantly increase the protection offered to pension scheme members. We explained that the pensions regulator will be flexible and proactive and will focus on tackling the risks to members' benefits, while enabling well-administered and secure schemes to continue without unnecessary burden. We explained that the PPF will mean that, for the first time ever, individuals in defined benefit schemes, usually known as final salary schemes, based in the United Kingdom can rest assured that they will

always receive a meaningful pension, even if their company goes bust and leaves the pension scheme underfunded.

We explained that over 10 million members—a modest estimate—of defined benefit schemes could benefit from the security and peace of mind afforded by the pension protection fund. In addition to those 10 million people, we must remember their families, who also rely on that security. However, Mr. Speaker, you will remember that Opposition Members declined to give the Bill a Second Reading. We also wish to remind them that, if my history is right, they declined to give a Second Reading to the Bill that set up the national health service.

Gregory Barker: I hate to interrupt the flow of the Minister's speech but, to be fair and for the record, does he not recall that the Opposition voted for a reasoned amendment, and did not simply decline to give the Bill a Second Reading? At this late hour, I would hate him to misrepresent the facts.

Malcolm Wicks: I am not a legal expert, but I have enough education to know the meaning of the phrase "decline to give the Bill a Second Reading".

In Committee, Members from all parties worked hard to scrutinise the Bill, including Opposition Members, who played a full and proper part in the proceedings. There was a highly informed and useful debate in Committee—it was not just a rubber-stamping exercise, and we discussed many issues. For example, we undertook to consider the proposal to remove the limited price index from defined contribution schemes when people are choosing an annuity. The new ombudsman may refer any question of law arising for determination in connection with cases to the High Court or, in Scotland, to the Court of Session. Pensioners as well as active members should be involved in the selection process for member-nominated trustees, so we have made a number of changes following scrutiny of the Bill in Committee.

On Report, we introduced a requirement on employers to consult their employees, trade unions or other representatives before making significant changes to pension schemes. In the early stages, however, we faced one overriding challenge— the issue of people who had already lost their pension and for whom the PPF has come too late. We were determined to do all that we could, but it was essential that we did not commit ourselves to writing a blank cheque. We were not willing to commit to a solution until we knew more about the scale and nature of the problem. While Government cannot stand behind private agreements—they cannot nationalise financial risk—and do not accept legal liability, we recognise that that group deserves Government help. It is the right thing to do and will greatly increase confidence in pensions.

We have therefore started a process to set up a financial assistance scheme with £400 million of public money spread over 20 years. The hon. Member for Havant (Mr. Willetts) banged his fists on the Dispatch Box at one stage, and demanded an end to claims of "No false hope". Following careful assessment, the assistance plan has now been announced and will bring true hope and, ultimately, true help for those who have lost out and suffered such a great injustice.

Members of the House have an opportunity this evening—I hope we will all make use of the opportunity—to support an extremely important Bill. I contrast what we are proposing with the position of the Opposition earlier. The hon. Member for Eastbourne was very good in Committee. He honed the art of quoting other people's views—many late nights with a fountain pen. Today the hon. Gentleman and his colleague the hon. Member for Tatton quoted from the Association of Consulting Actuaries report. I regret to say, and I am sure this was simply because of the lateness of the hour, they did not quote it in full. I shall quote the views from the survey on the pension protection fund:

> "Encouragingly for the Government, a clear majority of firms offering defined benefit schemes are in favour of the proposed Pension Protection Fund (PPF), one of its key new proposals in the *Pensions Bill*. The importance of offering greater security to defined benefits scheme members was mentioned by many firms. Support for the PPF has grown since the publication of the *Pensions Bill*."

We did not hear that.

Although we listen with great care to detailed points from those on the Opposition Benches, we will never forget that it was a Conservative Government who presided over pensions mis-selling on a massive scale. They did not provide any money to sort it out. Nearly 2 million cases have had to be reviewed and it has taken £12 billion in pension industry money to resolve. People in the industry are still working to clear up the mess. We will remember that.

It is interesting that the hon. Member for Eastbourne had to tell us that he could not commit his party to supporting the PPF, even at this stage. I hope the Opposition will nevertheless support the Bill this evening.

With the new assistance plan, as with many other successes, many people are claiming parentage. We had an unlikely candidate, the Leader of the Opposition, who apparently came in late, mentioned it once or twice at Prime Minister's questions and is now the proud parent of the assisted pensions scheme. Success has many fathers, but there is no Tory DNA in the new assistance plan.

Although I am being gentle with the hon. Member for Northavon today, I remind him of his cynicism when he said of the ASW and other workers on 12 January that

> "the Government will do precisely nothing, and take many months to do it . . .Would it not have been more honest and generated less false hope to have told them that at the start?"—[*Official Report*, 12 January 2004; Vol. 416, c. 513.]

Those were the words of the Liberal Democrat spokesman. We have seen the plan from the Labour Government.

Finally, I am proud that it is a Labour Government who are introducing the Pensions Bill. Sometimes the term "social security" is used as technical benefit jargon, but "social security" has a meaning in the English language. It is about providing individuals and their families with a real sense of financial security. The pension protection fund will one day be regarded by historians as one of the proudest achievements of this Labour Government, because it brings a real sense of assurance and security to 10 million scheme members and their families. It is vital. Social security is also the right description of the assistance scheme that will be developed in the months to come.

[Malcolm Wicks]

In Committee there were one or two musical references. There was a rather serious one yesterday when my hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) mentioned the great Woody Guthrie, in the context of a song saying that one could rob people with a pen. Woody Guthrie is also known for the song, "This Land is Your Land". We have been speaking about the people's pensions, and we will protect them.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Fire Service College

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

5.59 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): May I start by thanking you, Mr. Deputy Speaker, for the opportunity to raise the future of the Fire Service College in Moreton-in-Marsh? I also welcome the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Corby (Phil Hope), and hope that I can thank him in advance for what he is about to say.

A Treasury minute of March 1992 states:

"Section 4(1) of the Government Trading Funds Act 1973 provides that a trading fund established under that Act shall be under the control and management of the responsible Minister."

According to the Treasury minute, the Minister is responsible to Parliament for the running of the college, and I hope that he will make good use of his responsibilities.

The Fire Service College is the world's premier fire training establishment. It is also a very important employer in my constituency, employing some 262 people, most of whom come from the small Cotswold market town of Moreton-in-Marsh, with which it maintains cordial and close relations. It is from that standpoint I have secured this evening's Adjournment debate.

The Fire Service College covers some 500 acres,or 200 hectares. Its facilities include one third of a mile of two-lane motorway, a mock-up oil rig, a boat and an office block, all of which may be set on fire in exercises. It has some of the most modern equipment in the world, including modern fire hoses and fire tenders. It can stage multi-agency mock exercises in which the ambulance, police and fire services are all involved. It has mock aircraft and helicopters, accommodation blocks and a leisure centre. It is potentially a world-beating institution, subject to one or two caveats that I shall raise this evening.

The Fire and Rescue Services Bill allows the Minister to define the college's position as

"a national Centre of Excellence for the UK Fire and Rescue Service."

However, I believe that the future role of the Fire Service College is still far too vague. It makes a loss, and it is no nearer the goal of partnership with the private sector, as identified in the 1999 report "Prior Options Review of the Fire Service College".

There is obviously a clear need for a central fire training facility, and the Fire Service College is uniquely placed to meet it. However, it is imperative that the college resolves its short-term financial and organisational difficulties in order to secure a long-term future in the private sector. We must ensure that the college has an increasingly secure long-term future, which will benefit the public, the emergency services, fire officers who train there and, above all, my constituents, by providing increased numbers of jobs.

I shall make five points about the future of the college. First, a chief executive must be appointed speedily. Secondly, the college must have a clear and defined role.

Thirdly, it should be allowed to become a viable commercial entity, to compete in the global marketplace and to raise its own funds for reinvestment in new facilities. Fourthly, the current financial constraints make consistent profitability and meeting the college's financial targets almost impossible. Fifthly, the college has a unique opportunity to expand and become a global leader in the field of civil emergency planning, if the Government give it the freedom to do so.

A key part of the long-term future is the speedy appointment of a new chief executive with a clear remit and proper scope for action. I understand that interviews for that position took place on Tuesday. Will the Minister inform the House when an appointment is likely to be made? Is he satisfied that the package that was advertised will attract a candidate of sufficient calibre, who has dynamism and a proven track record of successfully running businesses of that size and complexity?

Secondly, the Government must identify a clear and well-defined role for the college in the years to come, and must allow the college to compete in the global environment. The Bain report rightly commented:

"There needs to be clarity of purpose and a culture which fosters organic change . . . The College must also become the focus for developing the new thinking required by the service . . . The Fire Service College and Fire Inspectorate need reform with new remits which include the promotion of best practice and the delivery of a wider vision of an effective service."

The Government must allow the college to become a genuine global centre of excellence in multi-agency training by ending the present confusion over the college's role. They will fail the college and the dedicated people who work there if they fail to provide strategic direction. As the internal auditor stated in the 2002–03 annual report,

"There is an urgent need for the strategic direction and associated funding arrangements of the Fire Service College to be clarified".

The conclusions of the 1999 report into the college were supported by the then Home Secretary. The prior options review found that the college had been performing very poorly financially over a sustained period. The review concluded, based on the problems that it identified, that

"a public sector management team acting alone would not be able to secure quick and effective changes needed at the College to ensure long term viability. We therefore believe that the right route lies in a partnership with the private sector; and we think that joining up the training requirements of the UK fire service with the MOD FSCTE"—

at RAF Manston—

"is preferable to going it alone."

That was point 1.16. The review argued that

"a private sector partner could strengthen and add to the expertise and skills at the College; offer the possibility of new funds for capital investment; act as catalyst to achieve culture change; and enhance the possibility of successful expansion into new markets to increase utilisation"

of the excellent on-site facilities that I described.

In the years following the publication of the review, and thanks to the hard work and dedication of the then chief executive Terry Glossop and his successor Robin Currie, the financial and overall performance of the college improved substantially. A deficit on ordinary activities before exceptional items of £3,322,000 in 1997–98 was turned into a break-even point in 1999–2000, a surplus of just over £1 million in 2000–01, and a bigger surplus of £2,437,000 in 2001–02. The college also succeeded in winning a large number of international contracts and becoming increasingly attractive to the private sector.

I fear that in recent years the momentum gained in those years has been lost. That is a serious point for the Minister to note. In 2002–03, the college reported an operating deficit of £883,000 and a total deficit of more than £1 million, compared with a surplus of more than £1 million in the previous year. Several courses were cancelled in the last financial year. Sadly, the financial situation has deteriorated further, and this year the accounts are likely to show an even worse result.

The college must make correct decisions and eliminate waste. It recently commissioned an outside organisation to introduce a work regrading experiment, which was abandoned after it led to almost 90 grievances from the staff being received. It is imperative that that drift does not continue.

The college suffers from underinvestment. Page 30 of its business plan states:

"This has to be addressed as a matter of high priority if the FSC is to retain its existing business and deliver an effective modernisation programme. The under investment totalled some £9.8 million in 1996, and is now in the order of £12 million. In addition, costs associated with meeting modernisation and changed legislative requirements will take the total to an estimated £25 million."

After all, if the college is to provide world-renowned facilities, it must have world-renowned equipment on which to train firefighters.

I doubt whether the college will achieve its financial targets. It is required to achieve a minimum return, averaged over the period as a whole, of 6.5 per cent. a year in the form of an operating surplus expressed as a percentage of average net assets employed at current values. Given that it already has a public sector loan of some £16 million on which it is expected to pay a return of 7 per cent. to 9 per cent., I do not know how it is expected to make a profit. The valuation as at 31 March 2003 shows that the net book value of tangible fixed assets was revalued to some £30 million—an upwards valuation from £14 million as at 1 April 2000. Speaking as a chartered surveyor, I suspect that valuation, and I intend to draw it to the attention of Sir John Bourn at the National Audit Office before he draws up the next accounts. If the valuation is too high, how can the college be expected to make a 6.5 per cent. return on assets?

If the college is given commercial freedom, it can develop a proper business plan and consider its income stream before deciding how much to invest in facilities and what those facilities should be. Clearly, the Government must choose to go down one of those routes—privatisation or keeping the college in the public sector but providing it with the investment that it needs.

KPMG faced that stark choice when it suggested that the best option for the Fire Service College was either complete privatisation or management privatisation.

[Mr. Geoffrey Clifton-Brown]

That led the then Minister, the hon. Member for North Warwickshire (Mr. O'Brien), to aim to privatise the college by the end of the year. Sadly, those plans have subsequently been changed.

If the Government decide to avoid commercialism for the Fire Service College, they will find it extremely difficult to make a profit. In addition to the 6.5 per cent. that the college is required to make on assets, the Treasury minute that I have already quoted decrees that

"the prices to be charged to UK fire authorities and also to Exchequer customers, must not exceed the full cost of courses provided for them. For the purpose of calculating full cost for UK fire authorities and Exchequer customers the required return on capital should be 6%."

I have already mentioned the public loan, which is currently £16 million. Under pressure from me in 1997, the previous Conservative Government wrote off £13 million.

It is essential that the new chief executive has a properly defined role and remit. I hope that the Minister will tell us something about that tonight. He must agree a new strategic direction for the future of the college with the Government within a few months of his appointment. There must not be a repeat of previous occasions, when previous chief executives have been blocked when trying to gain new business abroad in countries such as Malaysia, Qatar and Saudi Arabia. Some of those countries are excellent places for new business.

The Minister should consider several issues for the future of the college. Previous chief executives have been in negotiation with Cotswold district council to use some of the college's brownfield land on the western edge of the site for new housing. That could generate mixed tenure and social housing, which is needed in the area and, above all, generate up to £26 million. Will the Minister give an assurance that, if the money were generated by a sale or some form of partnership, all of it would be used to write off the £16 million public loan, and the balance used to reinvest in the site rather than being taken back into Treasury coffers?

The Minister might also like to reflect on the impact of the Government's airfield support services project, its part privatisation and its effect on the college. That is a big privatisation of various services in the Ministry of Defence and I have already said that if its firefighting training were concentrated at the college, that could hugely benefit the institution. One of the bidders for the ASSP is Serco, which has a large training college in Teesside. If the bid were successful, there might be some synergy in moving some of its aviation training from Teesside to Moreton-in-Marsh and beefing up the facilities there.

The global environment created by 11 September and the threat of global terrorism has made the need for a first-class training centre to deal with all civil emergencies through a multi-agency approach even more urgent. The Fire Service College has the potential to be the centre of best practice. Indeed, the Minister should consider that the college, which our forefathers set up as a world centre of excellence to train fire officers in 1968, could be transformed into a world centre for civil emergencies planning.

Firemen are unlike members of the armed forces, who may or may not experience armed combat in their career. From the moment they are trained and attend their first incident, firemen put their lives at risk. They deserve the best training we can give them. That means that the Government's previous blurred vision must now be cleared. The Government must give the college a proper vision for the future.

A former London fire officer, Gerry Clarkson, described the Fire Service College as

"one of the most critical parts of the British Fire Service."

The people of Moreton-in-Marsh, those who work in the fire industry, those who work in the Fire Service College and the people who are trained there look to the Minister tonight to give us a clear vision for the future.

6.14 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I congratulate the hon. Member for Cotswold (Mr. Clifton-Brown) on securing this important debate on the future of the Fire Service College at Moreton-in-Marsh. I want to begin by doing exactly what he has just asked me to do, which is to reaffirm our support for the college and to acknowledge the huge importance of its role in the modernisation of the fire and rescue service. The Deputy Prime Minister has visited it, as have I and other Ministers on a number of occasions.

The hon. Gentleman's brief description of the fire ground did it little justice. It is a unique facility not just in this country but across the globe. He was right to say that our firefighters deserve the very best, and at the Fire Service College, that is exactly what they have. I appreciate that with an annual turnover of £20 million and a permanent staff of more than 200—the hon. Gentleman mentioned a figure of 262—the college is a major local employer and supporter of the local economy. Many of the staff and their families live in the immediate area, and I am pleased to say that the college has a good relationship with the Moreton-in-Marsh community. It opens itself up for many annual events and gives support to local charities. Membership of the modern, well equipped sports centre is also available to the local community. The college also has other more formal roles within the community. For example, it is the designated evacuation centre for Gloucestershire county council. The House and the fire service, along with the Moreton community, are bound to take an interest in what goes on at the college, and in its future.

In May 2002, my hon. Friend the Member for Southampton, Test (Dr. Whitehead) announced the creation of a task group of fire and rescue service stakeholders to look into the future of the Fire Service College. As I announced to the House on 30 June last year, the task group concluded that there was a need for a central training facility for the fire and rescue service, to take forward work on vocational development through the integrated personal development system, on the civil contingency response arising from the events of 11 September, and on the modernisation agenda opened up by the Bain report. The task group also recommended that a national work force development strategy be drawn up to define the role of the college in relation to other training providers, and that there should be a long-term plan for improving the college's infrastructure and services.

In accepting the recommendations of the Fire Service College task group, I also accepted the need to address the shortcomings set out in the task group's report, some of which the hon. Gentleman has mentioned tonight. As a trading fund since April 1992, the college has struggled to meet its financial targets. It has not been able to generate the income necessary to invest in the site, or to develop its training facilities to meet the needs of today's fire and rescue service. Nor has it been able to modernise its student accommodation to meet the standard now expected by stakeholders.

So where do we go from here? It is important that the college should be fit for purpose and able to deliver the key role that it has in modernisation of the fire and rescue service, as set out in the White Paper. This sets out a number of functions for the college as a centre of excellence. It should be a national centre for incident command training, based on a fire ground that is unique in the world in its size and scope. It should provide national specialist training in urban search and rescue and other new dimension techniques, working closely with the other emergency services. It should also provide drive and leadership for reform of the fire and rescue service through links with other services and fire industry institutions, and training and development for the most senior and specialist roles. It should lead the implementation of the integrated personal development system, and spearhead e-learning in partnership with the Scottish Fire Services College.

The hon. Gentleman mentioned investment. In my statement of 30 June, I confirmed that we would make £5 million available to the college for the upgrades necessary to meet health and safety and other legislative requirements, and to invest in its training facilities and student accommodation. I am pleased to say that that work is well under way, with training rigs on the fire ground being upgraded and a new accommodation block under construction. A further £2.5 million in new dimension funding has paid for a brand new urban search and rescue training facility. This is now in use, enabling the college to provide training to fire and rescue services in how to deal with collapsed buildings, for example. Those skills of the UK fire service search and rescue terms were recently used at the tragic factory explosion in Glasgow to very good effect.

We are also making good progress in bringing the college fire ground and facilities up to standard, but years of limited investment can only be made good over the longer term. It is therefore important that the college has a coherent and realistic corporate strategy in place that shows how it will benefit from our investment and how it will generate the income for future investment, which I know that the hon. Gentleman is keen to see.

When I visited the college earlier this month, I met the acting chief executive and college directors, and we discussed both their business plan for the current year and, importantly, the development of a corporate strategy for the next five years. The hon. Gentleman is right that that strategy will need to explore the options for partnerships with both the public and private sectors. He mentioned one specific project—the airfield support services project. He will know that the fire service college is a service provider for the consortiums bidding for firefighter training under the airfield support services project. Certainly, the college welcomes the possibility of joint working with the Ministry of Defence. It has made provision in its business plan to do so, but given that negotiations must continue, the college's planning remains flexible, depending on the outcomes of those discussions.

The hon. Gentleman also mentioned the importance of the right management team. He is right about that. I share his view that having the right management team in place is essential to realise this clear vision for the college. The appointment of a new chief executive is a key component in drawing up and delivering the college's future strategy. The selection process for a new chief executive is being run in accordance with Civil Service Commission recruitment rules to ensure fair and open competition. The competition has attracted strong interest and a selection panel chaired by a commissioner is interviewing a strong shortlist of candidates. When that process of selection has been concluded, I will have an early meeting with the new chief executive and college senior managers to discuss the corporate strategy as it takes shape.

Mr. Clifton-Brown: This is a critical point. Can the Minister give us any idea, as there has been a long period of uncertainty, how long that process will take? That would be helpful to people working at the college.

Phil Hope: I am mindful of the point that the hon. Gentleman raises. Of course, the proper processes must be followed, and it is not for Ministers to intervene in that. It is right that we need to get on with this job, because of the uncertainty that there has been, and the sooner that we get a chief executive in place in the college, the better for the college and the whole senior management team. I fully understand that concern, and I will take back those comments.

The hon. Gentleman mentioned financial and performance targets. It is important for the college to meet its targets and to have a sound financial footing so that it can meet its obligations as a trading fund, as set in the Treasury Minute that he mentioned, laid before the House on 15 January. To remind the House, those obligations were to meet outgoings from its funded operations, and to achieve a surplus on ordinary activities of 4 per cent., expressed as a percentage of average capital employed. The college has not met those targets in the past two years, but he and I would recognise that in both years trading was significantly disrupted by the fire dispute, resulting in the cancellation of 22 weeks of courses. That is one of the realities.

In my recent discussions with college senior managers, we have been in full agreement that a return to at least break-even in 2004–05 is a priority, and that is reflected in the college's budget plan for the current year. The college has also made substantial progress in modernising its products and services, with the development of a more flexible, modular form of training within a new course prospectus that is fully compliant with the integrated personal development system. We are continuing to work together to strengthen the college's trading performance in this and future years.

I want to emphasise training. The take-up of new training by fire and rescue services is positive, and the coming on-stream of new urban search and rescue

[Phil Hope]

training facilities in particular has prompted strong interest. The college does not have a monopoly of training for the fire and rescue service, however, and it operates in a highly competitive market. As I said earlier, the task group recommended the drawing up of a national work force development strategy to define the college's role in relation to others. The strategy will build on areas in which the college is a strong performer, where it has an established reputation, and where training and development can most efficiently and effectively be delivered at national level.

However, there will remain a need for some training and development to be delivered at regional and local levels. It is likely that the college will have a part to play in supporting the fire and rescue authorities and the regional management boards in those local and regional responsibilities. We look forward to the possibility of its offering services such as outreach training, development programmes and quality assurance.

I believe that the college is best equipped to provide specialist and operational training, taking advantage of the unique fire ground facilities that have already been mentioned. We have invested in updating those facilities, and in the provision of new capabilities. Further development is planned, and we are exploring ways in which the site's potential for joint training with other emergency services might be realised. The hon. Gentleman mentioned that, and we are keen to pursue it.

Mr. Clifton-Brown: I assure the Minister that this will be my last intervention, as time is getting on.

Part of the college's way of meeting the business plan—and this is where it was so successful under its former chief executive, Terry Glossop—was going out into the world and selling itself. Could the Minister tell us something about this aspect of the new business plan for the next five years? How does he envisage foreign businesses being brought into the college?

Phil Hope: I think the hon. Gentleman has been reading my notes! I was about to deal with the market strategy for—literally—the wider world.

I think it fair to say that the college has an established reputation in the fire service community, not just here but abroad. I was keen for it to adopt a new marketing strategy to build on that, which it has now done. The Fire and Rescue Services Bill, which has been dealt with in the House of Commons but has not completed its passage, will give the college the additional flexibility that it needs to consolidate or—this is the point raised by the hon. Gentleman—expand its presence in wider markets both in the United Kingdom and overseas where it has the products, capability and capacity to do so. I should stress that meeting the training and development needs of the UK fire and rescue service will remain the college's primary task, but the hon. Gentleman is right to draw attention to the opportunity offered by business abroad.

The college also has a key role in the support framework for the IPDS, which we set out in chapter 6 of the national framework document. The ODPM's enhanced support for the IPDS has resulted in a strengthened central team and three regional teams working from the college, giving advice and support to fire and rescue services. The college is currently working on a proposal to establish a major e-learning capability that will support the rolling out of the IPDS, especially in the retained service.

The White Paper sets out further development for the college as a nucleus of a centre of excellence for the fire and rescue service, bringing together service and fire industry institutions to provide a focus of expertise, research and innovation. I recently approved in principle the relocation of the Fire Protection Association and the Institution of Fire Engineers to Moreton, and subject to negotiation of terms both are expecting to move in September.

The task group's report spoke of the need to strengthen arrangements for those using the college to give feedback. The practitioners' forum will be able to play that role, enabling key stakeholders to comment on its performance.

Training and development are at the heart of the Government's modernisation agenda for the fire and rescue service. The college has a key role to play. We have invested in it to improve its facilities, and to put it on a sound footing for the future. We will continue to work with it to strengthen its trading performance, and to deliver the modernisation agenda.

Mr. Deputy Speaker (Sir Alan Haselhurst): The Question is—

Mr. Clifton-Brown: On a point of order, Mr. Deputy Speaker. I thank you for allowing me to speak, and I thank the Minister for what he has said and for the positive and constructive manner in which he has said it. I think—subject to reading the small print in *Hansard* tomorrow—that my constituents will be greatly reassured.

Mr. Deputy Speaker: I am not sure that that was a point of order, but I am sure that the House will be grateful for what the hon. Gentleman has said.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Six o'clock.

House of Commons

Friday 21 May 2004

The House met at half-past Nine o'clock

PRAYERS

The Second Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

[SIR MICHAEL LORD in the Chair]

Orders of the Day

Highways (Obstruction by Body Corporate) Bill

Bill reported, without amendment.

Order for Third Reading read.

9.33 am

Mr. Michael Jabez Foster (Hastings and Rye) (Lab): I beg to move, That the Bill be now read the Third time.

This short Bill seeks to amend the Highways Act 1980 by applying section 314 of the Act to the offences of wilfully obstructing a highway—section 317 of the original Act—and failing to comply with a court order requiring removal of the obstruction, under section 137ZA of the Act. The Bill, if enacted, will enable proceedings to be enforced against officers of a body corporate who are responsible for obstructing rights of way. It prevents the unscrupulous from setting up and hiding behind a "paper company".

I welcome the support that the Bill has received from both sides of the House. I thank those Members who served on an extremely helpful and co-operative Committee. By coincidence most of them were from, or had connections with, East Sussex—testimony, no doubt, to the beautiful countryside in that part of the United Kingdom, which we all want to share. The officials at the Department for Environment, Food and Rural Affairs who helped to draft the Bill have proven that a piece of legislation need be neither long nor complicated to have an effective impact and to protect the rights of UK citizens.

It should be recognised that the Bill might never have existed had it not been for the courage and determination of Kate Ashbrook. Her campaign to free a 140-year-old right of way in East Sussex from obstruction brought to light the loophole in the existing legislation. She fought a personal campaign against a company which hid behind the veil of incorporation. If the Bill is passed, such a situation will not be allowed to occur again, and it will be testimony to her fortitude.

I also thank the Ramblers Association for their encouragement and help in preparing the Bill, my researcher, Berni Smith, for her research on the detail, and the Minister for Rural Affairs and Local Environmental Quality and hon. Members on both sides of the House for their support. In particular, I express my thanks to my hon. Friend the Member for Hendon (Mr. Dismore), whose expertise in parliamentary procedure has been invaluable.

I hope the Bill will gain the same sort of support in another place, and that ramblers in Britain can walk freely before we are recessed for the summer. I shall be content if my epitaph describes me in consequence as the "Rambling MP" although my brevity today may be pleaded in mitigation.

9.37 am

Mr. Mark Simmonds (Boston and Skegness) (Con): We on the Conservative Benches warmly welcome the intentions of the Bill and congratulate the hon. Member for Hastings and Rye (Mr. Foster) on his efforts in bringing this important issue to the House.

As someone who is a Member for a rural constituency and has a keen interest in rural affairs, I understand the importance of access to the countryside wherever possible and appropriate. Historical rights of way should be preserved to ensure the continued enjoyment of the countryside by our constituents. Rogue landowners must not be allowed to obstruct footpaths and highways while hiding behind incorporated shell companies to avoid paying fines and removing the obstructions. It is right that a loophole in the law that allows the circumvention of existing provisions is closed.

The current loophole is exploited by putting land into the ownership of a shell company, by which process it is feasible to negate and nullify the law. The decisions of local magistrates and the determination of local authorities to reopen obstructed rights of way are, therefore, hindered at present. We all believe that the current situation is unacceptable.

There are, however, a few clarifications that I should like the Minister to make. First, should the Bill become law, what steps will DEFRA take to ensure that local authorities maintain rights of way and enforce the new powers in the legislation? Secondly, my hon. Friend the Member for Wealden (Charles Hendry) raised in Committee an important question about whether company directors residing abroad would be prosecuted under the new provisions. I understand that the Minister promised to write to members of the Committee on that point and it would be helpful if he could explain to the House the contents of that response.

Thirdly, it would also be informative if we understood how the legislation would apply to companies based offshore—in the Channel Islands, the British Virgin Islands and the Cayman Islands. That is obviously a possible loophole, or trick, that landlords could use.

Fourthly, will the Minister provide details about how DEFRA would publicise the changes under the Bill to ensure that local authorities, landowners and other relevant interest groups had a full and comprehensive understanding of their implications?

I welcome the Minister's commitment to my hon. Friend the Member for North Wiltshire (Mr. Gray) in Committee that if the Bill's provisions reach the statute book they will not be retrospective. Such a move would set an unwelcome precedent for future legislation. A further confirmation from the Minister on the Floor of the House would be most welcome.

[Mr. Mark Simmonds]

Finally, I understand that the Bill does not entail any additional public expenditure or changes to public service manpower. Conservative Members welcome that, and I should be grateful for a further assurance from the Minister that this is the case.

Conservative Members strongly support the Bill. We believe that the laws of the land should be fair, reasonable and effective. It is also important that they are seen to be so by the public. Deliberate obstructions are not only detrimental to rights of way, but are often eyesores and are damaging to the countryside. Law-abiding, decent landowners will welcome the Bill, as it will improve relationships between countryside users and landowners. The countryside is for us all, and we condemn people who deliberately prevent normal members of the public from gaining legitimate access to it. We support the Bill and hope that it will prevent unscrupulous landowners from obstructing historic rights of way.

9.40 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): I wish to place on the record Liberal Democrat Members' support for the Bill. I congratulate the hon. Member for Hastings and Rye (Mr. Foster) on introducing it.

I have had experience of dealing with rights of way legislation, both in local authorities and national parks, and know some of the difficulties involved with historic interpretations of different aspects of rights of way. Any legislation that is introduced to clarify the issues or to close a loophole is very welcome to Liberal Democrats.

I also congratulate ramblers and I congratulate Kate Ashbrook on the work that she has carried out. The sooner the Bill is brought into force, the better it will be for walkers and those who wish to use the countryside as well as for landowners. It will clarify the position. The deliberate obstruction of rights of way does nothing to enhance the reputation of landowners or to promote access to, and enjoyment of, the countryside. We welcome the Bill wholeheartedly.

9.42 am

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I am pleased that we have reached the conclusion to our careful consideration of this short, uncontentious but important Bill. I congratulate my hon. Friend the Member for Hastings and Rye (Mr. Foster) on succeeding in getting it to this stage. Many people have their names attached to a private Member's Bill, but it takes more than an accident to bring about sufficient agreement across the Chamber to give that Bill every chance of success. I congratulate him on his efforts.

I am also grateful to the hon. Members for Boston and Skegness (Mr. Simmonds) and for Brecon and Radnorshire (Mr. Williams) for their comments. They raised a couple of issues that I shall deal with briefly, but both have acknowledged that the issue of rights of access is not an easy one. Since I took up this brief, it has become clear to me that the range of complexities that can arise with rights of way and, in particular, with rights of way in relation to common land and those involved if one strays into Powys are enormous. It is not always easy to deal with what might appear to be a simple problem. However, I believe that this Bill closes a loophole and does so comprehensively.

The Bill's very simple but important aim is to close a loophole that allows the obstruction of a public right of way if a wealthy landowner sets up a shell company deliberately to evade legislation. I stress that we are dealing with deliberate evasion, not accidental oversight.

The Government's policy is to promote an accessible network of public rights of way for the greater use and enjoyment by all. As the foot and mouth outbreak in 2001 proved, this is vital for the rural economy as a whole. The Bill strengthens the provisions that the Government introduced in the Countryside and Rights of Way Act 2000 to deal with obstructions. The aim is to make provision for safe, accessible recreational facilities away from traffic, and the rights of way network must also facilitate initiatives towards walking for health and encouraging people to exercise more. The issue is as important as that.

The Bill seeks to close a loophole whereby an individual may act under the cover of a body corporate in the knowledge that, if the company has no assets, no fines will be payable. In Committee, Members from all three main parties referred to the appalling case in East Sussex associated with Nicholas van Hoogstraten. Local highways authorities are under a duty to assert and protect the rights of the public to use and enjoy those public rights of way for which they are responsible. However, authorities must have the necessary means to ensure that they can be proactive in keeping rights of way free from obstructions. It is wrong that there should be administrative, legal or cost obstructions in the pathway of a highways authority that seeks to carry out its obligations, and I agree with the hon. Member for Boston and Skegness on the importance of that. By removing the obstacle, we take a positive step in that direction.

In the vast majority of cases in which obstructions occur, the obstruction is removed through negotiation. The threat of legal action is usually successful when negotiation fails. However, the case in East Sussex has demonstrated that when that threat needs to be followed through, there is a loophole. Because of the notoriety of the individual associated with this case, the press coverage advertised widely the fact that recalcitrant landowners can defeat the system by misuse of the corporate veil.

Although we believe that the need to prosecute an officer of a company may occur very rarely in practice, we can only speculate on the number of occasions when authorities may have been deterred from prosecuting a body corporate, in the knowledge that enforcement action might prove difficult and, indeed, very expensive. It is therefore important to ensure that when the Bill becomes an Act the provisions are properly communicated to enforcement authorities; the hon. Member for Boston and Skegness made that point strongly. I give him the assurance that I intend to take responsibility for promoting the provisions to local authorities, landowners, users, and others with an interest in rights of way when the Bill becomes an Act, as I sincerely hope that it will before long. I intend to write directly to local authorities, and we shall update current

departmental guidance on rights of way legislation to ensure that these important provisions are clearly understood by those who have to use them.

I underline that the Bill will ensure that when a body corporate commits the offence of wilfully obstructing a highway, or failing to comply with an order to remove an obstruction—and it is proved that the offence was committed with the consent, connivance or neglect of an officer of the body corporate—that officer may also be found guilty of that offence. The provisions of the Bill will apply to offences committed under section 137, which deals with wilful obstruction of a highway, of the Highways Act 1980 and section 137ZA, which deals with the failure to comply with an order to remove an obstruction, after the commencement of the Bill, regardless of whether the order to remove the obstruction made under section 137ZA was made before or after commencement. I should also clarify that local highways authorities are responsible for bringing prosecutions under sections 137 and 137ZA of the 1980 Act.

As the hon. Member for Boston and Skegness pointed out, concerns were expressed in Committee about whether directors of a body corporate resident abroad would be covered by the application of section 314 of the 1980 Act to offences under sections 137 and 137ZA of that Act. I can confirm that that will be the case. When a body corporate commits either of the offences in question and it is proved that the offence was committed with or through the consent, connivance or neglect of a director, that director will be guilty of the offence regardless of where he chooses to reside. Living overseas will not prevent the application of the offence.

The hon. Gentleman clearly anticipated that those with a creative turn of mind would consider our deliberations, and he asked whether placing ownership in an offshore company would be another route to escape. That is not the case. The issue is where the offence is committed, so a magistrates court can deal with any offence—whether it is committed by a British or foreign national—committed within the area of the Bill's jurisdiction, which is England and Wales. That applies to both companies and individuals.

Mr. Michael Jabez Foster: Does my right hon. Friend agree that if there were difficulty in prosecuting an overseas company, it would be possible to prosecute the directors who were in this country even if there were no prosecution against the company itself?

Alun Michael: That would be the case. I do not think that there is a loophole for the inventive. The case only arose because of the misapplication of company law. That law had a virtuous intention, and I believe that the Bill closes the loophole entirely. It will enable highways authorities to carry out their responsibilities, as has always been the intention of the House and this and previous Governments, and will achieve consistency.

The Bill is modest, with an important purpose. The useful debate in Committee highlighted a number of issues, all of which have been dealt with. I hope that it will be successful in receiving Third Reading and will quickly become law.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Gangmasters (Licensing) Bill

Bill reported, as amended in the Standing Committee.

Order for Third Reading read.

9.51 am

Jim Sheridan (West Renfrewshire) (Lab): I beg to move, That the Bill be now read the Third time.

Back in February, I had the honour and privilege to move the Bill's Second Reading. I stood in the Chamber, in the shadow of the Morecambe bay tragedy, and asked right hon. and hon. Members on both sides of the House to support the Bill for one reason above all others—to end the exploitation of workers: the kind of exploitation that left men and women to die alone, helpless and terrified, on the sands of Morecambe bay in the name of easy money and quick profit; the kind of exploitation that has resurrected the slavery that we all thought was banished to the history books; the kind of exploitation that feeds off tax evasion, drug smuggling and human trafficking; the kind of exploitation that preys on the weak and the vulnerable; the kind of exploitation that diminishes the humanity of each and every one of us, inside and outside the House.

On Second Reading, I said that I believed it was time for legislation, not exploitation. The unanimous support that the House gave to my Bill was a clear demonstration that members of every party, from the Back Benches to the Front Benches, also believed that to be the case. That cross-party support was highlighted yet again only yesterday with the publication of the Select Committee on Environment, Food and Rural Affairs follow-up report into the role of gangmasters. The Committee stated that it now agrees that there is a need for a system of licensing and registration of gangmasters. It supports my Bill, which I deeply appreciate, and wants the Government to ensure that there is sufficient parliamentary time to get it on the statute book, with the political will and, more importantly, the resources to make it work.

My intention has always been to ensure that any law on gangmaster licensing is effective, robust and, equally important, workable. To coin a well-known advertising slogan, "I want a law that does exactly what it says on the tin." As amended, I believe that the Bill will deliver just such a law.

Before outlining how the Bill has been strengthened since Second Reading, I want to say some brief but important "thank yous". I thank the Government, both Ministers and officials, for their support and hard work in helping me to redraft the Bill. I also thank the coalition groups, from the National Farmers Union to the Transport and General Workers Union, which informed the ideas and the thinking that underpin it. The coalition is a coalition for progress. It spans workers, employers, industry, trade unions, communities and churches. Its breadth and depth are a powerful reflection of the seriousness of the problem and the Bill's merits. Last, but by no means least, I thank my parliamentary colleagues, Members from every party in the House, who have been unswerving in their support and wise in their advice.

I shall give a brief background to the Bill, as amended. The House will know that gangmasters are labour providers who operate throughout the UK economy.

[Jim Sheridan]

The Bill is not, however, intended to bring in regulations in each and every industry. Instead, as amended, it will regulate gangmasters in the sectors in which they are most common and where the abuses of the rogue operators are at their most extreme—agriculture and horticulture, the shellfish industry and the food processing and packaging industry. That amounts to about 3,000 gangmasters employing, supplying and supervising at least 60,000 workers. Although there are gangmasters who run good, honest, decent firms, many operate at the margins of the law at best and beyond the law at worst.

Voluntary codes and self-regulation have unfortunately failed. They have failed to protect workers, legitimate gangmasters, producers, packers and retailers. They have also failed to protect the taxpayer. The absence of a law to regulate gangmasters has given the good no chance and the bad every chance. The Bill attempts to right that wrong and, as amended, I believe that that is exactly what it will do.

I shall walk the House through the key changes that have strengthened and enhanced the Bill since Second Reading. It is important that there be no rat runs through which rogue gangmasters can escape, so its scope has been widened. Not only will it apply to the whole of the UK, it will also extend to gangmasters based offshore. The work to which the Bill applies has been defined in broad terms to ensure that rogue gangmasters cannot evade the law by redefining the nature of the work that they do. The Bill now covers all forms of sub-contracting. In addition, employment agencies and employment businesses will come within its ambit if they are engaged in activities for which a gangmaster licence is required.

I come now to the definition of a "worker". Although they are often the most vulnerable to exploitation, migrant workers do not make up the majority of those employed, recruited and supplied by gangmasters. In fact, it is estimated that some 70 per cent. of those involved with gangmasters are indigenous workers. But British or foreign, migrant or indigenous, legal or illegal, a worker is a worker is a worker, and no worker should ever be abandoned by the law and left to be a victim of exploitation. Through an amendment that defines a worker as

"an individual who does work to which this Act applies"

the Bill now offers the full protection of the law to every worker.

Anne Picking (East Lothian) (Lab): I thank my hon. Friend for giving way. He is to be congratulated on this important Bill having reached this stage. He said that a worker is a worker is a worker. Is he aware of a situation in my constituency, where a third party employs migrant workers at a mushroom farm to work excessively long hours, sometimes 60 or 70 a week, thereby pushing out the local work force who cannot compete with those people? That means that workers are being exploited, no matter where they are based or where they come from, which has to be absolutely wrong.

Jim Sheridan: My hon. Friend makes a perfectly valid point. I know that she has worked extremely hard to tackle problems that she has identified in mushroom factories in her constituency. That is a classic case—and tangible evidence, if it were needed—of workers, in this case migrants, being exploited, having been offered terrible wages and conditions, in many cases without any accommodation. The net result, as my hon. Friend made clear, is that indigenous workers lose out on jobs because they cannot compete with people who are being paid poverty wages. A fundamental reason for introducing the Bill is to stop that exploitation of migrant workers and protect our indigenous workers, such as those in East Lothian, and that is exactly what the Bill will do. My hon. Friend is to be congratulated on the work that she has done behind the scenes, letting the authorities know what is going on.

I want to deal with the regulations and the powers of the Secretary of State. To ensure that the net is cast just wide enough to capture only those that it is intended to capture, the Bill gives the Secretary of State the power to make regulations concerning the exclusion from, or inclusion in, its provisions of certain types of work. Members will see that, as amended, the Bill also sets out the requirements for regulations that may be made by the Secretary of State through statutory instruments on matters such as the status and constitution of the licensing authority, the circumstances in which a licence may not be required, the licence appeals system and the "reasonable steps" defence for users of unlicensed gangmasters. When he rises to speak, I am sure that my right hon. Friend the Minister will confirm that all the regulations will be made in accordance with current Government practice on the use of delegated powers, including a full and proper consultation process at every stage, which is vital.

The Bill will establish a gangmasters licensing authority, which will be a non-departmental public body sponsored by the Department for Environment, Food and Rural Affairs. It will consist of key industry stakeholders and representatives from the Government, the police and enforcement agencies. It will set out the licence conditions after the fullest consultation with stakeholders. It will process licence applications, set and collect licence fees and establish a public register of licensed gangmasters. It will also have the power to modify, suspend and, where necessary, revoke licences, and it will run a licence appeals system, which is crucial. It will proactively enforce licence conditions. The authority will also be able to investigate and enforce the arrestable offences created by the Bill. I shall deal with those important offences in a moment.

The authority will play a pivotal role in bringing about the culture change needed to drive out the rogues, support the law-abiding and protect the vulnerable. Its fundamental strength lies in the four pillars on which it is built. The first is the skills, experience and expertise of the industry stakeholders who will make up its board and, through their experience, guide the board through its work. The second pillar is the enforcement link that the authority will provide between key Departments, local government, the police and existing enforcement agencies, such as the Health and Safety Executive and the Inland Revenue. The third pillar is the political commitment and financial support from the sponsoring Department, DEFRA, for which we are deeply appreciative. The fourth pillar is the authority's democratic accountability to Parliament, through

DEFRA and the Secretary of State, who will be required to make an annual report to Parliament on its operation and, indeed, its effectiveness.

I return to the offences created by the Bill. It is right and proper that those who break the law should be brought to justice. The Bill, in its amended form, will make sure that that happens. However, prevention is always better than cure, so to provide an effective deterrent to rogue operators, the Bill will establish the criminal offences of operating as a gangmaster without a licence, obtaining or possessing a false licence, using an unlicensed gangmaster and obstructing an enforcement officer. Members will know that the illegal activities of some rogue gangmasters have been so serious that they have come under investigation by the National Criminal Intelligence Service.

The Bill now reflects the need seriously to tackle the crime with serious sanctions. It therefore amends the Police and Criminal Evidence Act 1984 to make operating without a licence and possession of a false licence arrestable offences. It also amends the Proceeds of Crime Act 2002 to ensure that the assets of convicted gangmasters can and will be confiscated. The Bill now has added deterrent value for the arrestable offences of operating without a licence and using a false licence, as it includes sentences for repeat offenders: up to two years' imprisonment for a second offence and up to 10 years' imprisonment for a third offence.

I shall now move on to what some Members rightly regard as the most important part of the Bill—the part that deals with enforcement. From the moment I introduced the Bill, I have argued that the key to the success of the licensing and registration scheme lies in the effectiveness of the enforcement that backs it up. To be effective, enforcement must be based on three crucial principles. First, it must be co-ordinated: rogue operators and their abuses cannot be allowed to disappear into gaps between Departments and enforcement agencies. Secondly, it must be properly resourced: the price of doing nothing always outweighs the cost of enforcing the law. Thirdly, it must be proactive: it cannot rely on whistleblowing by workers who are often too terrified to blow the whistle in the first place.

In my view, the amended Bill enshrines those key principles; for example, the licensing authority will act like a buckle on a belt, pulling together the enforcement efforts and expertise of key players such as DEFRA, the Department for Work and Pensions, the Home Office, the police, the Health and Safety Executive and the Inland Revenue. The authority will also be capable of carrying out proactive investigations. Income from the licence fees, in addition to the financial underpinning provided by DEFRA, should ensure that it has the right resources to do the job.

Mr. Peter Luff (Mid-Worcestershire) (Con): The hon. Gentleman mentions licence fees. He knows that I support the principle of the Bill, but I am concerned about the costs that could be imposed on legitimate gangmasters. What does he think the fee will be, and does he think that setting it too high will encourage unlicensed activity to continue?

Jim Sheridan: I thank the hon. Gentleman for that intervention. It is crucial that farmers, in particular, know the cost of the licence, but I remind him that the industry itself will set the licence fee, and it is hard to imagine it overburdening itself by setting the cost too high. Secondly, estimates of the cost suggest that it should not have a detrimental impact on labour providers. It is estimated—I stress that these are only estimates—that the fee for a three-year licence will be between £1,750 and £2,250, or between £585 and £750 a year. I do not think that such costs would put farmers out of business, and farmers themselves have said that the licence will produce a level playing field for them and their businesses.

The Bill opens gateways between Departments, the licensing authority and other enforcement agencies to facilitate the exchange of enforcement information and best practice. It also gives the Secretary of State the power to appoint enforcement officers, and gives those officers powers to enter premises, to search premises, to take possession of any item from those premises, to require the production of all relevant records, to inspect and take away the records, if necessary, and to order the attendance of persons. The Bill also provides enforcement officers and police officers with the power to make arrests in this respect.

Rogue gangmasters in agriculture, the shellfish industry and food processing and packaging are exploiting workers, undercutting good labour providers and engaging in serious criminal activity. The purpose behind the Bill has always been to construct the architecture necessary to end exploitation and to establish the legal paper trail that will bring rogue operators to justice and, I hope, drive them out of business. Farmers, packers, producers, supermarkets, Churches, workers, trade unions, employers, community groups, legitimate gangmasters, the Government, the Environment, Food and Rural Affairs Committee and right hon. and hon. Members on both sides of the House all say with one voice that it is time to legislate, time to establish a statutory licence and a register, and time to end the exploitation. That broad coalition of support has played its part in informing, shaping and amending the Bill into the form in which it once again comes before the House today.

I have always wanted a Bill that was robust, effective and workable. I genuinely believe that, as amended, the Bill is precisely that. It now sets up a licensing authority that combines industry expertise with Government support and democratic accountability. The Bill also now has the scope and flexibility to close any loopholes through which rogue gangmasters might seek to escape, it reaches out to each and every worker throughout the UK, and it provides the framework for an enforcement structure that has both the strength and the flexibility to deter, to detect and to protect.

The House can never lay claim to the making of perfect law, but we can make good law—law that works, law that serves and protects, law that changes our communities, our country and our lives for the better. With the utmost sincerity and conviction, I say that, as amended, the Bill is an opportunity to make just such a law.

10.16 am

Mr. Peter Luff (Mid-Worcestershire) (Con): I congratulate the hon. Member for West Renfrewshire (Jim Sheridan) both on introducing the Bill and on the manner in which he has just moved Third Reading. The agriculture industries of the UK owe him a great debt.

Although a member of the Standing Committee, I graced it with my presence for only a few minutes. It is matter of some regret to me that it sat on a Wednesday afternoon; I had expected it to sit on a Wednesday morning, a series of which I kept free in order to play a full and active part in its deliberations. However, there seems to have been some discussion with the Minister for Rural Affairs and Local Environmental Quality about when the Bill would be ready for Committee, which indicated an afternoon sitting. That prevented several of my right hon. and hon. Friends and me from participating, even though we had wanted to contribute to work on the Bill. None the less, a clearly satisfactory Bill has emerged from the Committee, whose members I congratulate on their deliberations. Incidentally, I hope that no precedent has been set for the timing of Standing Committees on private Members' Bills—to have them sit on Wednesday mornings enables us to plan our very crowded diaries.

The hon. Gentleman mentioned whistleblowers, and I pay tribute to Zad Padda, my constituent as a company, Fusion Personnel, if not as a resident—he lives in Birmingham. He has played a leading role in bringing the issue to public attention and has put his personal security at some risk by taking such a high profile—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We cannot have hon. Members making their speeches to music.

Mr. Luff: I am sorry about that, Mr. Deputy Speaker. At least it makes a change from the more mundane ringtone that we hear in cinemas when we are warned about the same peril. It will not happen again—although it is a good tune.

Zad Padda has put his life in some jeopardy by taking such a high profile, and I have had to ask my local police force to keep a close eye on his security. The world that we are discussing today is pretty murky, and some of those whose lives the Bill will make a great deal more difficult will not welcome what he has done. Zad Padda came to my constituency surgery two or three years ago, and he is the only person so far to have brought a PowerPoint presentation to one of my surgeries. I was so impressed by what he showed and told me about the work of gangmasters and how they could be better regulated and controlled that I asked Lord Whitty to meet him. You and I know, Mr. Deputy Speaker, that the convention is that a Minister gives about half an hour to such a meeting. In fact, Lord Whitty spent an hour and a half or even two hours with Zad Padda, which I think is a measure of the noble Lord's interest in the issue. It is therefore fair to pay tribute to Lord Whitty, too. I know that the Minister for Rural Affairs and Local Environmental Quality has done the bulk of the work in the House of Commons, but the noble Lord has been concerned about gangmasters for some time. I might say—this is perhaps a more partisan note—that perhaps his concern seems rather higher than that of some other Departments, and it would be good to see the same commitment from them.

My concern about the Bill, which I support and will not vote against, is simply that the Government should not say, "We've got the Bill on the statute book. We can tick the box—job done." I regard the Bill simply as another brick in the wall of providing proper and better protection for workers and all the other benefits that will flow from a more effective system of control. The Bill is not the answer in itself.

I suspect that another hon. Member may want to comment on this is more detail later, but it is not at all clear to me that the Morecambe bay tragedy would have been prevented simply by the Bill. A much more comprehensive approach to the problem than just the Bill is required. The Bill is a useful contribution, but not the sole answer.

It is certainly not clear to me that the incident that provided me with my own personal wake-up call last July would have been prevented. You, Mr. Deputy Speaker, may recall that one Monday I was travelling on a train towards Evesham, on the way to London and the House of Commons, when it was involved in a tragic collision with a white minibus on a level crossing at Charlton. As a result of that awful accident, three agricultural workers were killed. Soran Karim, a 23-year-old Iraqi, Satish Kumar from India and Islam Uddin Ahmed from Bangladesh were all victims of the accident. They were being driven by an Iraqi asylum seeker, Adnan Kadir Karim, who earlier this week received a five-year prison sentence for their manslaughter. Our hearts go out to all the families left behind as a result of that tragic incident. I warned the Government then, both publicly and privately, that that was an example of what happens when unlicensed workers, improperly trained and improperly warned of the dangers involved in an activity, are allowed to continue working unchecked on the fields of Worcestershire. Their deaths should have been the wake-up call that prompted rather earlier action.

We learned a lot from the court case. I have not yet seen the full proceedings—I am relying on press reports of the proceedings—but I am concerned that the Bill would not have prevented that tragedy. As far as I can tell, Karim was operating as a freelance gangmaster, going around cafés and restaurants in Birmingham, picking up people who wanted casual labour and driving them to the fields of Evesham to offer them and himself as employees: whether he was a gangmaster and whether it would have been apparent to a farmer that he was a gangmaster are interesting questions. I suspect that the Minister may tell me that, technically, under the terms of the Bill, Karim would have been deemed to be acting as a gangmaster. However, if a gang of four friends, colleagues, turn up casually on a farmer's fields and say, "Employ the four of us. We'll take what you give us", will they be caught by the Bill?

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I may be able to assist the hon. Gentleman. We do not want to leave any doubt in these matters. As my hon. Friend the Member for West Renfrewshire (Jim Sheridan) indicated, the Bill has been drafted and amended in Committee to make its

provisions wide and ensure that all people who act as gangmasters—whether in a small way as subcontractors, or any other way—are caught by it. The Bill's powers of exclusion have been drafted to be clear that people in the business that the hon. Gentleman describes are caught and cannot avoid the provisions.

Mr. Luff: I am grateful to the Minister for that assurance, and he may well be right in that particular case. Another company in my constituency employs a lot of immigrant casual labour, without using gangmasters. It is said that the people just turn up and ask for jobs. It is a reputable company. I have visited it many times. I have seen the conditions in which people work. I know the rates of pay. It is a good company, but it strikes me that other companies that operate in the packing business might well claim that they operate in that way, while having informal arrangements with gangmasters. Even if they do not and the word goes around that a firm is a good company to work for or someone is a good farmer to pick for, people may be exploited by the farmer or the company without a gangmaster being involved.

I am sure that the Bill will not end the exploitation of agricultural workers. It should deal with the gangmaster issue, but it will not end all the problems involved in those industries. It is very important that the Government do not use the Bill as an excuse to play down the other enforcement activities in which they need to be involved. That is the key message of the EFRA Committee report on gangmasters. We are grateful to the Committee for producing its very important report. The Committee's original report showed that it was not convinced by the need for the Bill and thought that better enforcement was all that was required. That is a fair paraphrase of its original report.

The EFRA Committee's new report, published yesterday morning, makes it clear that it is now persuaded that the Bill is necessary and that it supports its principles, but that it is just not enough on its own. That very clear message comes through from reading the report. It refers to the hon. Member for Morecambe and Lunesdale (Geraldine Smith) and talks about her concern that

"enforcement continues to be held back to an extent by a lack of resources and an absence of co-ordination."

That will still need to be addressed, whether or not the Bill reaches the statute book, as I am sure it will.

The EFRA Committee report says:

"A plethora of cross-departmental and inter-agency committees, forums, steering groups, working groups and co-ordination groups have been set up, each of which addresses aspects of the problem, or which have wider responsibilities for illegal working... The Illegal Working Steering Group... chaired by a Minister of State in the Home Office... The Informal Economy Steering Group... chaired by the Inland Revenue... The Informal Economy Working Group... chaired by Customs and Excise... The Gangmaster Co-ordination Group... chaired by a Defra official... Regional gangmaster fora... The Department for Work and Pensions are responsible for the fora... The Department for Work and Pensions Fraud Steering Group, chaired by a Minister from the Department... enforcement activity is co-ordinated through Reflex... chaired by the National Crime Squad."

There is still a very complex enforcement framework, and the Government need to do much more to bring it together.

It is rather sad that one cannot verbalise the picture—that would be rather jolly—but it is entitled "Architecture of Government activity against illegal working". That is figure 1 of the report, which may reassure some people, but its sheer complexity rather alarms me. *[Interruption.]* I think that the Minister is indicating that he is a little concerned about its complexity as well, but it is a very pretty picture.

The EFRA Committee now accepts that registration is necessary, but it raises several concerns, which I share. We have already discussed the cost. I am grateful to the hon. Member for West Renfrewshire for what he said on the cost. At that level, it should not be a problem. Clearly, it is affordable—it is not a big issue—but if the cost becomes significantly higher than that, it may have an adverse affect. So the House will have to consider that issue very carefully, as the authority reports its work to the House, under its requirement in the Bill. However, there are two other concerns.

This is the kind of Bill that I instinctively do not like because all the detail is provided in secondary legislation. This is a running theme of mine in considering legislation. The Bill's detail will almost all come from statutory instruments. It contains enabling powers. Obviously, we have the Government's assurances—they count for a lot—but I would love to see more stated in the Bill about exactly what the gangmaster licensing authority will be expected to consider when issuing licences. For example, the issue in the accident in which I was involved last July was not only whether those people would be exploited because they would be underpaid, but that they were driving illegally. As far as I can tell, the minibus was not insured and the driver did not have an English driving licence. He could not even read English road signs, which is probably why the accident occurred: as he crossed the unmanned crossing, he did not know what to do. A licence condition ought to be that gangmasters can demonstrate that those who drive their minibuses all have driving licences and are fully insured.

Alun Michael: I am grateful to the hon. Gentleman for giving way, because it is important to put on record the way in which the Bill's architecture has been designed. It is virtually impossible for hon. Members to anticipate everything that could go wrong. Indeed, some of the hon. Gentleman's remarks illustrate precisely that point. As my hon. Friend the Member for West Renfrewshire (Jim Sheridan) said in his introduction, the two elements that enable the Bill correctly to target the real problem are, first, the engagement of the industry, given that those who know the business know what is happening on the ground, and, secondly, the fact that the provisions will be dealt with by statutory instrument, allowing them to be fine tuned if new ways to evade the law or the intentions of the Bill are found. So the hon. Gentleman is right to raises those issues, but the Bill's architecture is designed precisely to deal with them. I gave undertakings in Committee to the effect that we intend to indicate in advance of the Bill's enactment how the secondary legislation should be used.

Mr. Luff: That is helpful. Obviously, there is always a trade-off between clarity in primary legislation and flexibility in the operation of the legislation, particularly

[Mr. Luff]

in fast-moving environments. I accept that, but perhaps it would have been possible to be rather more forthcoming in the Bill without prejudicing that flexibility. The Minister's assurance is appreciated, and I hope that the authority will be encouraged to examine the issue of driving licences and insurance.

The hon. Member for West Renfrewshire spoke about the responsibility of the supermarkets, which is important. Making sure that the industries operate ethically is not just the job of Government—a job that, as the report shows, has not been done adequately by successive Governments. It is also the job of the private sector. Price competition among our major supermarkets is leading them to turn a blind eye to what is happening as their food is prepared for them. One could say literally, in the wake of Morecambe bay and the Charlton crash, that there is blood on much supermarket food.

To their great credit, some supermarkets are trying to do something about the situation. Wychavon district council, which produced a report on issues relating to food processing in the Vale of Evesham, sought the advice of supermarkets. One supermarket, Asda, was happy to offer a great deal of advice. On the face of it, it seems that Asda is trying to do something about the problem, but I am worried that the other supermarkets are not. The British consumer needs to understand that she or he is often paying a heavy price for the very low prices of agricultural products. As part of an ethical trading initiative, the supermarkets must act to reassure themselves that they are genuinely using ethical labour at every stage of the production chain. The Bill, welcome though it is, will not solve that problem either, unless the private sector—the supermarkets—get a better grip of the situation.

I shall draw my remarks to a conclusion—I have already gone on longer than I intended. There is a parallel in legislation that might have been a better model for the Bill—the Private Security Industry Act 2001—which meets some of the objections that I raised with the Minister in respect of flexibility and clarity. But we are where we are, and the Bill is the only measure we have. It will improve the situation considerably and will be welcomed by all reputable gangmasters. Sadly, it seems that they are a dwindling band.

We can be fairly confident that the Bill will make a significant contribution to preventing the exploitation of labour. That is the key point for me. When I was commenting on some of these issues at the time of the accident, some people mischievously interpreted my remarks as racism—a criticism of the person driving the minibus. Not at all—my criticism was of the fact that the people involved were being exploited. They were the victims of what happened, and I was extremely sorry about what happened to them. The problems suffered by such victims are often more concealed than that—for example, the poor housing conditions in which many of them live, the appallingly low wages they are paid and the risk at which they are put.

Those are issues that the Bill should address. It should secure a vital service for agriculture. The word "gangmaster" has unpleasant connotations. It does not sound very nice. We need to put it on record that the casual foreign labour working in British fields and British packhouses is crucial to the success of those industries. We should thank those foreign labourers for the contribution they make to the success of our agricultural and horticultural industries. We should be grateful to them and look after them properly. We should ensure the safety of the general public, we should guarantee tax revenues, we should prevent abuses of immigrants and we should ensure that the law of the land is better upheld than it has been. The Bill is not a panacea, but it is a useful step in the right direction and I welcome it.

10.33 am

Geraldine Smith (Morecambe and Lunesdale) (Lab): I welcome the Bill and am delighted to be in the Chamber to see it go to Report and Third Reading. I congratulate my hon. Friend the Member for West Renfrewshire (Jim Sheridan) on all his hard work and his foresight in bringing the Bill before the Commons even before the Morecambe bay tragedy. I also congratulate the Bishop of Lancaster, who has pushed hard for a gangmasters Bill. He behaved magnificently after the Morecambe bay tragedy and conducted a multi-faith service in the cathedral.

I thank the Government for acting so swiftly to assist the passage of the Bill through Parliament and agreeing to give it parliamentary time if necessary. I thank all hon. Members for the support they gave me after the Morecambe bay tragedy and for the support they have given the Bill. It has been a fine example of Parliament working well and Members of all parties working hard together.

It is true that the Bill is a small step in the right direction, but it is not a panacea. It probably would not have prevented the Morecambe bay tragedy. To be honest, I do not know what would have done. How could one have stopped people going out in the darkness in the middle of Morecambe bay, even if there had been double the number of enforcement officers and ample regulation? There were people operating outside the law, and I hope that the police investigation will bring some people to justice if it is proved that serious exploitation was taking place.

The Morecambe bay tragedy brought the issue of gangmasters to the fore. Last Thursday I attended a service down on the beach. It was 100 days since the tragedy occurred and the Chinese tradition is to hold a service. I met up again with many local people who had been involved in the tragedy. What an impact it had had on their lives—for example, on the local lifeboat crews. One of the young men who had recovered some of the bodies is still having nightmares, seeing Chinese people in his dreams. The local chief superintendent, Wendy Walker, is a credit to the local police force. She behaved so well following the tragedy, but it still plays on her mind because she went into the morgue and saw 20 young people with not a mark on their bodies—20 people who should not have been dead and who were probably dead as a result of exploitation.

There was not just a human cost. We are faced with a police bill of £1 million to date, and the investigation continues. I put it on record in Parliament that I should like to see the Government pick up the cost of that. They have been helpful and given a grant of £200,000, but Morecambe bay was a national tragedy and it should

not be the people of Morecambe who suffer in their policing and have to foot that bill. I appeal for more help in paying the bill.

The issue of exploitation was brought to my attention after the Morecambe bay tragedy because I met so many people who had so many horrendous tales to tell me about how people were being exploited right across agriculture—often illegal immigrants, but not always. Quite often British people were suffering terrible exploitation. We heard one example today of a mushroom factory where exploitation was taking place. I have heard of a similar factory in my area where local people are being put out of work because the owners are trying to get cheaper foreign labour. It seems that there is probably exploitation taking place there.

It is clear that we need measures to address the problems. The Bill will be helpful. It will produce a public register so we will know how many gangmasters are operating in this country. We must be careful. A gangmaster is just a supplier of labour and there are some good, reputable gangmasters operating. Those gangmasters have suffered as a result of unscrupulous people undercutting them by employing slave labour. The Bill should help to deal with that.

As has been said, there is a need for joined-up government. Let us be honest—that is easier said than done. It is difficult for any Government. Government works in Departments and it is hard for those Departments to liaise and work closely together at times. The tragedy in Morecambe bay and other events that hon. Members have highlighted show the need for Departments to work together.

We still have issues to deal with in Morecambe bay. Agencies have worked much better together since the tragedy. The Department for Work and Pensions, the Inland Revenue and various other Departments have got together and reviewed multi-agency operations. They are looking closely at the situation. The immigration service has acted well since the tragedy, carrying out a number of raids in my constituency and taking what I consider at this stage to be satisfactory action. But problems remain. I have heard that last week up to 80 Chinese people were working on the northern side of the bay at 11.30 at night in dangerous conditions, so clearly more remains to be done.

Enforcement is important. This is a good Bill if it has teeth, and that will be the key to its success. We are talking not just about foreign workers, but about young British people. I have seen young British lads, 16 and 17-year-olds, out in Morecambe bay working for gangmasters, who are often not aware of some of the dangers of the bay, and I am sure that the same applies throughout the agriculture sector.

The events at Morecambe bay shocked and shamed the nation. At least 21 young lives were lost. A body was found only two weeks ago, and we hear that two bodies are probably still out there in the bay. People were shocked and saddened that such practices could occur in the 21st century, with people living in overcrowded conditions, 20 to a small flat, exploited, transported in rundown vehicles that were not even taxed and just left in the middle of a bay to die in freezing cold, icy waters in the darkness.

We want to ensure that those lives that were lost were not wasted. I thank my hon. Friend the Member for West Renfrewshire for making sure that those lives were not wasted. His Bill will be a tribute to them and will help to prevent other vulnerable workers from being exploited in the same way.

As I have said, the Bill is not a panacea, but it is a step in the right direction and I welcome it.

10.41 am

Dr. John Pugh (Southport) (LD): It is a privilege to follow hon. Members who have done such exemplary work in furthering such a good and potentially promising piece of legislation. Its target is largely the illegal gangmasters, or gangsters—shadowy criminals, exploitative people who engage in trafficking and abuse every piece of employment and housing legislation going. But I hope that within the Bill's ambit comes another group of people who call themselves agencies rather than gangmasters. Their names often appear in telephone directories and they advertise in newspapers, and they too house, deliver, tout for and organise a work force. Some could be described as borderline legal. Some have been prosecuted, some are rather easily satisfied with false identities, and some turn a blind eye to almost every health and safety regulation known. In addition, they often house the people who work for them in circumstances that violate all the regulations for houses in multiple occupation. That creates a problem throughout the country.

Those agencies fundamentally provide a legal get-out for legitimate employers in all sorts of areas, including agriculture, building, catering, packing and industry. They are their alibi against whatever legislation the Government may wish to introduce in order to enforce decent labour relations.

I very much favour the Bill, but like previous speakers I wonder what the eventual statutory instruments will look like and how the measures will be enforced. It is important that they be effective, not only against the gangsters, at whom the law can throw sufficient ammunition anyway, but to some extent at those people who regard themselves as working properly but who breach a good number of regulations in the process. If legislation—

Alun Michael: If the hon. Gentleman is talking about organisations or individuals that operate within the legislation for registering employment agencies, I should make it clear that where they act as a gangmaster they are covered by the Bill. Obviously, people using a particular name can seek to avoid the law, but they would not be able to put themselves outside the legislation by the simple use of a term, or by using other legislation in order to try to avoid the Bill's application.

Dr. Pugh: I am grateful for that assurance and all the other assurances that the Minister has given so far. The principle of the Bill is entirely sound, but the ultimate test will be its enforcement and the statutory instruments that follow, which we look forward to receiving.

10.44 am

Mr. Frank Dobson (Holborn and St. Pancras) (Lab): I welcome the Bill, which is long overdue. I sincerely congratulate my hon. Friend the Member for West Renfrewshire (Jim Sheridan) on introducing it and on all his work in preparing it and in the discussions that have taken place since Second Reading. It deals with what has been a growing problem, at the heart of which has been the exploitation of vulnerable workers receiving extremely low pay, working in poor conditions, facing excessive charges for their travel arrangements—which, as the hon. Member for Mid-Worcestershire (Mr. Luff) pointed out, have frequently been dangerous—without proper insurance cover, often being charged ferocious rates for protective clothing and so on, and often living in very poor accommodation supplied by the gangmaster at vast expense, so that while their notional pay may have been low, their take-home pay dwindled into virtual non-existence because of the deductions for travel, accommodation and clothing.

It is also worth emphasising that not only was the vulnerable work force being exploited, but the taxpayer was being swindled left, right and centre. The Inland Revenue was not receiving the money that it should have been. Contributions were not being made towards pensions and other requirements of the Department for Work and Pensions, and you can bet your boots that VAT was not being paid. There have also been rising costs to the national health service. Because of the poor health and safety conditions, people were falling sick and being injured in a way that they would not have been if they had been properly employed by decent people.

The Bill is the product of legitimate concern that has been building up over a long period; it has not just occurred now. I recall time and again listening to Dick Body on the Tory Benches and Joan Maynard on the Labour Benches, a joint attack by two people who probably did not agree on anything else on earth other than their dislike of the gangmaster system. Dick will probably be pleased by it, because he is still in the land of the living, and Joan Maynard would have been very pleased had she still been around to see it.

That was all years ago, then my hon. Friend introduced this Bill and then there were the awful events in Morecambe bay. I pay tribute to my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith), who, I confess, is a friend of mine. She had been exercising foresight and forewarning of the problems in Morecambe bay for a long time, but proper notice was not taken of what she was saying, and she found herself in the awful circumstances of being able to say "I told you so" after a tragedy, which was not something that she had looked forward to. She is still working hard and still drawing attention to shortcomings that might make it possible for such an event to occur again, in Morecambe bay or elsewhere.

One of the problems in the past, highlighted by the recent Select Committee report to which the hon. Member for Mid-Worcestershire referred, concerns the co-ordination of the raids—if that is the right way to describe them—involving the police, the Inland Revenue, and sometimes the immigration service, the Departments for Work and Pensions and for Environment, Food and Rural Affairs, the Health and Safety Executive, and so on. As I understand it, one of the Bill's benefits will be that there will not be the necessity to co-ordinate raids in quite the same way. If there is a raid and someone is lifted, they can be arrested on the spot and taken to a police station. At that point, it should not be beyond the wit of anybody to get in touch with the proper people at the Inland Revenue, the Department for Work and Pensions, the immigration service, the police, the Department for Environment, Food and Rural Affairs or the Health and Safety Executive so that the full weight of every possible law comes down upon the offender.

Co-ordination will be made much easier by the Bill, which will be welcomed by all decent, law-abiding people. It is certainly welcomed by the law-abiding and decent suppliers of labour in the rather peculiar markets involved, and it is welcomed by the National Farmers Union, the Transport and General Workers Union and the major retailers.

Generally speaking, I agree with the hon. Member for Mid-Worcestershire in wanting the detail of the legislation to be included in the primary legislation. In these circumstances, however, there are good grounds for saying that much of that detail needs to be set out in regulations. If it were included in an Act of Parliament, it would probably take a great deal of time and effort to get any Government to make an appropriate amendment to that Act. We are dealing with some vile, villainous and ingenious people, so the fact that the detailed control of true regulation can be amended relatively quickly and easily in response to their latest ingenious villainy makes a good case for using the regulatory system.

I represent Chalk Farm and various other such places—Holborn and St. Pancras is not a very agricultural or even horticultural area—and while the Bill covers agricultural and horticultural work, shellfish gathering and the processing or packing of any products derived from those industries and sectors, I wish to point out that there are other areas where gangmasters operate. Some of them are equally villainous in cleaning, the building trades and further stages of food preparation, which I do not think that the Bill necessarily covers. We can pat ourselves on the back about the Bill, but we cannot say that we have dealt with everything. It is right that the Bill deals only with the limited area that we have been discussing, but there are other issues, and we cannot think that we have dealt with the whole problem of gangmasters because we have tried to deal with a particular aspect.

None the less, this is a good day, and it is the product of a lot hard work by Members of Parliament and officials. I congratulate my right hon. Friend the Minister on organising the process as he has done. His officials have had a number of meetings with the various interest groups, and he and they have also had meetings with the all-party membership of the Committee outside the Committee's proceedings, in which we managed to identify practical problems and come up with answers that dealt with them as far as we could see. There has been an interchange of ideas to meet a common and decent objective. It has been a good and productive process, and I congratulate him on his approach, which has been immensely helpful, as I think everyone who has been involved in the process would agree.

After the law is passed, it needs to be implemented. As I said, I think that it will make it easier to co-ordinate the activity of the various supervisory bodies, but a great deal of hard work and effort will be needed and the various Departments will have to give the matter higher priority than they have been doing in practice until now if the Bill is to achieve what we want. We will also have to ensure that resources are available to back up the practicalities in the field. For all the good that the various working parties and such like are doing—and it may be very good work—what really counts is what happens on the ground, as I said in one of the meetings; it was a fairly chilly one at six o'clock in the morning in a pea field in Lincolnshire. We have got to get that sorted, and I think that the Bill goes a long way towards doing that. There will be further consultation about the regulations, involving the Transport and General Workers Union, which has done a great deal of work on the matter, as well as other organisations, including the National Farmers Union, which has been extremely co-operative.

As my hon. Friend the Member for Morecambe and Lunesdale said, the problem does not apply only to foreign workers. In fact, the majority of the people who have been awfully exploited are our own fellow citizens. An end to the exploitation of people who are in this country for a brief period, but who might want to stay longer, and of our fellow citizens is a good thing and a step forward.

The cost to a farmer and the ultimate cost to retailers and the rest of us of paying decent wages and ensuring that people work in decent conditions is an increase in the cost of the final product. We must recognise that; if we are going to ensure that people are decently treated when they are working to provide food for us, it may cost us a few more pence on our grocery bill, but that paying those few more pence is absolutely right if we are to bring about improved working conditions and get rid of the scandalous working conditions that some gangmasters—not the decent ones—have visited upon some of the most vulnerable people in our country. We may have to pay a little bit more to live in a better society, but I think that most people would agree that it will be well worth it.

10.57 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): My hon. Friends and I very much welcome the Bill. I pay tribute to the hon. Member for West Renfrewshire (Jim Sheridan) for the work that he has done. The skill and determination that are needed to take a private Member's Bill through the House must never be underestimated. It has never fallen to me to do so, but I am told that it dominates a great deal of one's time, including parliamentary time.

I first became aware of the gangmaster system when I was doing some missionary work in East Anglia in the 1960s and 1970s. We were picked up after the children left for school and brought back home just before they arrived back. I am probably looking at what happened through rose-tinted spectacles 30 or 40 years on, but it seemed like a family-friendly system. I guess the same abuses were happening then, but that they were not so readily identifiable and that attention was not drawn to them.

The system and the market supply chain have changed incredibly. There is now a huge demand to deliver fresh products on to the table in a matter of hours rather than days. In the light of the domination of the limited number of supermarkets that have such a huge influence on the supply chain and prices, and their basic determination to compete on price, it is clear that the gangmasters in question and the abuses that have been identified are a symptom of that system. As a number of hon. Members have said, if we are going to address the issue, supermarkets must take some responsibility for the ethical considerations in deciding how a code should be produced. It is all very well for them to make great play of welfare conditions in respect of a chicken product produced in a foreign country, but it also behoves them to look after the welfare of the workers who have been involved in supplying that food. In warm weather, demand for salad increases, and farmers are asked at short notice to increase production and get more product to the supermarket shelves. The gangmaster system often breaks down during such stressful periods, which ill serves the people whom it employs.

Assuming that the Bill is enacted and becomes part of the legislative framework, how will 3,000 gangmasters apply for and obtain licences? We want to encourage gangmasters into the system, and we do not want people making excuses by claiming that the system could not cope with their applications. Will a system of temporary licences be set up while the inspections and investigations take place to ensure that gangmasters meet the requirements of the licensing system?

The Environment, Food and Rural Affairs Committee report criticised the Government for not being able to establish the number of gangmasters and employees affected by the Bill. The hon. Member for West Renfrewshire (Jim Sheridan) mentioned 3,000 gangmasters, and I am sure he has the evidence to substantiate that figure, but a huge amount of work remains. We must set up an inclusive system, because the last thing that we want is gangmasters to exist outside the system—we want them inside it. The Select Committee report also pointed out that some gangmasters have co-operated voluntarily with the Department for Environment, Food and Rural Affairs. Because those gangmasters have volunteered to take part in the scheme, they presumably feel that they comply with the legislation.

I recently visited St. Merryn Meat, which lies just outside my constituency in Merthyr. It employs 1,000 people, and produces 70 per cent. of the meat for Tesco. On a daily basis, it also employs 100 Portuguese workers, who are supplied by an employment agency. When I attended the briefing held by the hon. Member for West Renfrewshire (Jim Sheridan), I asked whether those people and the agency that supplies them would be covered by the gangmaster legislation, and was assured that that agency must register. Perhaps the Minister will update us on whether the Bill covers such work.

Many tributes have been paid to the hon. Member for Morecambe and Lunesdale (Geraldine Smith). None of us wants a tragedy to occur in our constituency. The hon. Lady has dealt with the matter with dignity and determination, and brought the issues to the Government's attention. Hopefully, her work will make it less likely that such disasters will happen in the future.

[Mr. Roger Williams]

Police criminal intelligence tells me that people traffickers also traffic drugs and evade excise on alcohol and tobacco. Those people form a criminal fraternity, and the more we can do to break its back, the better. If the Bill does just a small amount to achieve that objective, not only will it have improved the working conditions of up to 60,000 people in this country, but it will produce a big stick with which to attack the criminal fraternity which brings this country's reputation down.

We support the Bill for all those reasons. A wide range of people have co-operated with the hon. Member for West Renfrewshire. The National Farmers Union, the Transport and General Workers Union and others attended your briefing, which shows the hard work that you have put in.

Mr. Deputy Speaker: Order. May I gently remind the hon. Gentleman to use the correct parliamentary language?

Mr. Williams: I am sorry, Mr. Deputy Speaker. The attendance at the briefing just goes to show the great work carried out by the hon. Member for West Renfrewshire, and we wish him all the best in the future.

11.5 am

Mr. Mark Simmonds (Boston and Skegness) (Con): I, too, congratulate the hon. Member for West Renfrewshire (Jim Sheridan) on getting the Bill to Third Reading. He has put a great deal of time and effort into behind-the-scenes work to hold together the disparate and diverse group that supports the Bill, which is no mean feat. The group of supporters is a coalition of the willing, including the NFU, the trade union movement, suppliers, retailers and, most importantly, legitimate labour providers in the agricultural and horticultural sectors. The hon. Gentleman has also secured cross-party support in this House. That is not always easy, but he has done it with great aplomb. I also congratulate him on his explanation and analysis of the Bill in his opening remarks, which was expertly done.

Mr. Luff: My hon. Friend may plan to blow his own trumpet later, but meanwhile it is fair to put on the record the fact that he was first person to bring a Bill like this before the House, under the ten-minute rule.

Mr. Simmonds: I thank my hon. Friend for making that point, which I was going to mention a little later in my remarks. As an MP who represents a rural part of Lincolnshire, I support the Bill, as the House knows. Many hon. Members will recall that last September I introduced a similar Bill to tackle the problems associated with rogue gangmasters.

I was delighted that the right hon. Member for Holborn and St. Pancras (Mr. Dobson) mentioned my predecessor, Sir Richard Body, and his unstinting and tireless work to get Governments of both political parties to address the problems and issues, which have existed for many years, surrounding the exploitation of both the indigenous population and migrant workers in the agricultural and horticultural sectors. Although Conservative Members support the Bill, we must recognise that hon. Members on both sides of the House are concerned about the regulations and the cost structure that the Bill imposes on legitimate businesses. I hope that we can seek clarifications and assurances about the legislation's scope and execution during this debate.

Before I discuss the Bill in greater detail, it is important to understand the context within which it is set. Over the past five years, the number of illegal workers entering the country has dramatically increased, partly as a result of this Government's failed immigration policies, but also because of the failure to enforce existing legislation. That has left illegal workers particularly open to exploitation by rogue gangmasters, as those who are here illegally have no recourse through the trade union movement, or any other method to deal with maltreatment.

The Government clearly have no idea of the number of gangmasters and migrant workers—illegal and legal—involved in the problem. They do not know how long migrant workers have been in the UK, where they are working or whether they are being exploited, and they cannot accurately assess the revenue lost to Customs and Excise in VAT or to the Inland Revenue in tax—the regulatory impact assessment that accompanies the Bill openly admits that point.

In 1998, Operation Gangmaster was established to look into the problems of illegal ganging. However, it has been widely acknowledged, not least by the EFRA Committee, which was extremely critical of the Government, that the Government's efforts to tackle the problem have failed. The first report by the EFRA Committee stated:

"Five years on, Operation Gangmaster has no overall budget, reports to no Minister, has no identified aims or goals and no time frame by which anything must be achieved."

That relatively significant lack of co-ordination between Government Departments is one of the major reasons why Operation Gangmaster has not succeeded.

I accept that the terrible tragedy in Morecambe bay, which was highlighted in a moving speech by the hon. Member for Morecambe and Lunesdale (Geraldine Smith), has created a sharper focus for the Government, particularly for the Minister for Rural Affairs and Local Environmental Quality. I echo the comments of the right hon. Member for Holborn and St. Pancras about how well the Minister has conducted the passage of the Bill, particularly in holding private informal meetings with all the interest groups.

None the less, in its conclusions and recommendations, on page 23 of its latest report, the Environment, Food and Rural Affairs Committee says:

"The reality, then, is that the Government is no nearer obtaining a comprehensive picture of the scale and nature of the problem of illegal gangmaster activity than it was when we published our original report eight months ago. Other than issuing a tender for one piece of limited research, the Government has made no progress."

I find that sad.

I did not open my speech in that way for party political purposes; I simply want to ensure that the Minister, other DEFRA Ministers and Ministers in other Departments who are responsible for specific pieces of relevant legislation, and their civil servants, understand categorically that the enactment of this Bill

will be not the end but the beginning. It is the efficient enforcement of the Act that will determine its success or otherwise.

We must remember that we already have in place 20 pieces of legislation that should curb illegal practices—but the lack of co-ordination between Government Departments and agencies has resulted in confusion, a certain amount of chaos, and, there is no doubt, a significant growth in illegal activity.

Members on both sides of the House, especially my hon. Friend the Member for Mid-Worcestershire (Mr. Luff), the hon. Member for Morecambe and Lunesdale and I, urged the Government to tackle the problem and ensure that existing legislation was enforced. However, the Government's record of inaction looked set to continue—until the terrible tragic events in Morecambe bay in February. I join other hon. Members in making my personal tribute to the hon. Member for Morecambe and Lunesdale, who has handled herself with dignity and determination in resolving the issues that emanated from that tragedy.

Only after the tragedy, and the subsequent public outcry for action, did the Government feel it necessary to act, and to support the Bill introduced by the hon. Member for West Renfrewshire. To the hon. Gentleman's eternal credit, he had decided to bring the Bill in before, rather than after, the tragedy in Morecambe bay.

I am generally hesitant about introducing licensing schemes and regulations per se, not least when legislation is already in place, but I sincerely believe that a licensing scheme for gangmasters will make the existing legislation easier to enforce. If a gangmaster fails to obtain a licence, the conditions of which will include satisfying the requirements of the existing legislation, he could be subject to prosecution and, ultimately, a custodial sentence.

As several hon. Members have pointed out, the Bill is not a panacaea, and the expectation that it will solve all the associated problems is unrealistic. I am particularly concerned that unless there is extremely robust enforcement, rogue gangmasters may continue to operate outside the licensing system, while legitimate operators face the increased costs of meeting the conditions in pursuance of obtaining a licence.

Like the hon. Member for West Renfrewshire, I was delighted to read that the Select Committee had changed its mind about supporting the Bill, and I shall put on the record two quotations that demonstrate how it has changed its position. Its previous report, published in September, said that it was

> "not convinced a statutory registration scheme offers a stand-alone solution to the problems of illegal gangmasters . . . without concerted action to remedy shortcomings in enforcement . . . a statutory registration scheme, introduced as a single policy response will serve nothing".

I understood and shared its concerns about enforcement, but I have always felt that a licensing scheme will aid enforcement, provided that there is a co-ordinated effort by enforcement officers ensuring that the conditions of licences are met.

I am sure that all hon. Members are delighted that in its recent report the Committee said:

> "We are persuaded that licensing and registration are required to deal with the problem of illegal gangmasters. Therefore we support the Bill and call on the Government to ensure that time is made available—in Government time if necessary—for its successful passage".

I echo that last point, although I hope that that will not be necessary. I was intrigued to hear the hon. Member for Morecambe and Lunesdale seem to suggest that the Government had already committed themselves to ensuring that the provisions of the Bill could pass through Parliament in Government time, if, sadly, the private Member's Bill should fall for some reason.

I now turn to some of the specifics in the Bill, although I have no wish to repeat the debates that took place either on Second Reading or in Committee. I shall talk about the regulatory impact assessment, the proposed structure of the licensing authority and the proposed draft regulations.

The regulatory impact assessment provides an estimate of the likely cost of a licence—a point rightly raised by my hon. Friend the Member for Mid-Worcestershire. The estimate was that a three-year licence would cost between £1,750 and £2,250. I am still concerned that that may be excessive, and I fear that it may prove to be a burden for small-scale labour providers, and could discourage some gangmasters from registering for a licence altogether.

I have been informed by some rogue gangmasters that this charge is minimal, particularly in the context of the large sums that are often to be made in what is—let there be no doubt—a multi-million pound business. I hope that the Minister and his officials will consider a sliding scale of charges, determined by the turnover of the business, to ensure that the small-scale labour provider is not deterred from participating in the marketplace.

Alun Michael: We have designed the arrangements so that there can be engagement with the industry on such issues, such as whether there should be a flat rate or a sliding scale. Would a sliding scale mean more bureaucracy, or would it be fairer? That is precisely why the engagement with the board of the body to be established, as well as in consultation work, is crucial. What matters is not just my view, or that of other DEFRA Ministers and officials, but what will work best in helping the legitimate industry, as the hon. Gentleman suggests.

Mr. Simmonds: I am grateful for that helpful intervention.

For the licence to be effectively self-financing, running costs and bureaucracy must, as the Minister suggested, be kept to an absolute minimum, so that licence fees are as low as possible. However, that should not be done at the expense of enforcement.

According to the regulatory impact assessment, accommodation costs for the new authority are likely to be in excess of £200,000 per annum. I believe that to be extravagant, and suggest that the authority could—and should—be based close to the agricultural areas that it serves, rather than in Whitehall. That would also reduce the accommodation costs and other overheads. Personally, I would be delighted to see it based in Boston in Lincolnshire—*[Interruption.]*—just to mention somewhere at random.

[Mr. Simmonds]

Paragraph 5.2 of the regulatory impact assessment emphasises the point made by the hon. Member for Brecon and Radnorshire (Mr. Williams) when it suggests that labour providers may pass increased costs up the food chain. I wonder how likely it is that retailers will be prepared to absorb the costs themselves rather than pass them on to suppliers and consumers. In order for the Bill to work, retailers must be prepared to engage and co-operate with suppliers. In these days of ethical consumerism, it would be in their interests, so I hope that they will play their part.

In Committee I expressed my concern about some of the ambiguity in the Bill, especially the provisions in clause 13, which refer to "all reasonable steps" to be taken by labour employers such as farmers to ensure that a gangmaster holds a valid licence. I understand that the definition of reasonable steps will be elaborated on in secondary legislation, and I understand why that is necessary. However, it would be helpful to have an assurance from the Minister today that that will be subject to the fullest consultation with the industry. It is essential that those reasonable steps be practical. Farmers will often require labour at short notice, sometimes in the middle of the night while in the middle of a field. It is essential that a gangmasters' register is available 24 hours a day, seven days a week, and is up to date, to ensure that a gangmaster's licence is valid. The only way that can happen is if the register is an online, computer-accessed facility, so that a farmer can access it via a laptop in the middle of a field in the middle of the night.

It is still unclear what steps a farmer or packhouse owner will have to take to ensure that he is not liable for employing an unlicensed gangmaster. It is also unclear from the Bill how far the liability would extend. For instance, would a large retailer which sold produce knowingly harvested or produced by an unlicensed gangmaster be liable to prosecution? Paragraph 44 of the EFRA most recent report, paragraph 44 recommended that the Government consider extending liability to retailers. Has the Minister considered that suggestion and, if so, has he reached any conclusions?

I have previously expressed concerns about the lack of detail available regarding secondary legislation. That point was also raised by my hon. Friend the Member for Mid-Worcestershire and the right hon. Member for Holborn and St. Pancras. I understand why flexibility must be maintained, but the make-up of the authority is clearly hugely important. I am pleased that DEFRA has provided details of the structure and operations of the gangmaster licensing authority, and that that will be subject to affirmative procedure in the House.

In the context of the gangmaster licensing authority, the DEFRA document, in annexe 1, section 17 on "Liaison Groups and Committees", says that the authority shall establish enforcement, labour provider and labour user liaison groups. Will that be stipulated by Ministers in the regulations, or will the authority set up such groups at its discretion? Annexe 2, which refers to exclusions, is helpful in clarifying which types of work require a licence for supplying labour and which do not. I particularly welcome the exclusion of gathering shellfish using boats. Many small-scale family shellfish gatherers would otherwise be classed as gangmasters and would require licences to employ family members.

Annexe 3 suggests that the providers of workers to farmers under the seasonal agricultural workers scheme would not require a licence. That may initially seem sensible, as the organisations that operate within SAWS are perfectly legitimate. However, I am concerned by the number of SAWS workers who may have overstayed and breached their permits. In October last year, the Home Office said that it had no reliable estimate of the number of SAWS workers that had officially disappeared and failed to return to their country of origin. Surely it would be sensible to address this aperture in the immigration system before excluding the scheme from the gangmaster license. SAWS suppliers should ensure that their workers do not violate the terms of their immigration status, and that could be something that the gangmaster licensing scheme could enforce and control.

In conclusion, I broadly welcome the provisions to license gangmasters, which are long overdue. The Bill should make enforcing existing legislation easier, provide a level playing field for legitimate labour providers, and put an end to the exploitation of British and migrant workers by rogue gangmasters. However, the Bill by itself is not a complete solution, and there are still issues that need to be resolved. The Bill must ensure that the licence fee does not become too burdensome and a deterrent to legitimate labour providers, and there must be adequate enforcement and prosecution of those who continue to operate outside the law.

I specifically welcome clause 23, which states that the Secretary of State will report to Parliament once a year, analysing the performance of the scheme. I would like the Minister to clarify what form that report will take, and that if required it will involve a debate in the House. We would not want the report just to be stuck in a dusty corner of the Library. As the criminal element becomes more sophisticated and imaginative in its determination to flout the law and exploit vulnerable workers, so we must be equally determined to ensure that legislation is continually monitored and updated to enforce this Bill robustly, to the benefit of those who are exploited and to the benefit of the whole food chain.

11.24 am

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I am pleased to be able to respond positively to a debate that has been remarkably well informed and a detailed examination of the issues before the House. On occasions one feels that the House has skated over the surface of important issues, but that could not be said of today's debate. From the start, it has gone to the heart of the Bill.

I thank my hon. Friend the Member for West Renfrewshire (Jim Sheridan) for giving me the opportunity to engage with the Bill. As many hon. Members have said, it has been a very positive process. The Bill is very different from the one considered by the House on Second Reading, but its target is the same. The Bill is now clear and specific in its design and intentions. It provides a licensing system for gangmasters, which has been debated on many occasions, but it goes further. It will create a kind of

antisocial behaviour order for gangmasters, if used in the way that hon. Members who have taken an interest in it intend.

Much work has been done in a short time to get the detail of the Bill right. It has been an excellent example of co-operation and teamwork. I am pleased that hon. Members on both sides of the House have referred to DEFRA officials, because policy officials, lawyers and parliamentary counsel have demonstrated an extraordinary willingness to work hard and quickly to achieve the Bill that we now have before us. They have brought credit on themselves and the civil service in general. They have demonstrated that things can be done both quickly and carefully when the will is there.

I also support my hon. Friend's comments about the work undertaken by officials of the Transport and General Workers Union, the National Farmers Union and others. Indeed, it is fair to say that when we met informally again this week, at a meeting called by my hon. Friend, significant commitment was evident from a variety of organisations. However, the personal engagement of Jack Dromey, the deputy general secretary of the TGWU, and Tim Bennett, the president of the NFU, provided encouragement and support to their teams which was essential in evoking the co-operation necessary to achieve the result we have before us. People not only talked about the problems, they went away and tried to tease out the answers. My right hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) posed some difficult questions at the beginning of the process. Having three former Cabinet Ministers—including two former Agriculture Ministers—as part of the team was very good for concentrating the mind. They each made a positive contribution.

I also wish to thank the members of the Committee, of all parties, who worked constructively with us to ensure that the Bill would be effective in delivering its objectives. By the time we reached Committee stage and Report, unseen work had been done that made a difference to the quality of the legislation. We reached the point at which the Committee's members were able to support unanimously the amendments tabled. We now have a much stronger Bill that will, I hope, continue to command the cross-party support that was evident in Committee. We have a Bill that provides for the registration and licensing of gangmasters. It will make the whole labour supply process more open and ensure that gangmasters are accountable for their actions.

Members have raised significant issues during the debate, while making it clear that they want the Bill to progress. I think that my hon. Friend the Member for West Renfrewshire, myself and the groups to which I have referred have discussed and anticipated all those points, but it is only fair to mention some of them. I was pleased that the hon. Member for Mid-Worcestershire (Mr. Luff) referred to the way in which my noble Friend Lord Whitty has engaged with this issue. He referred to the work of Zad Padda, a young man who has shown leadership and intelligence in recognising the importance for labour providers of setting up an effective system of licensing.

To those hon. Members who have referred to how much activity is going on, I would say that the work of Operation Gangmaster is only in the headlines when a major prosecution takes place, which is often considerably after the events that have led to arrests. A number of successes have been reflected in the press and other media recently, perhaps not with as great a splash as we would wish. It is a pity that that was not reflected in the Environment, Food and Rural Affairs Committee report. It was right to comment that the support of that Committee for the Bill, which was not given earlier, is important and welcome.

My hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) was right to underline, as other Members have, the fact that this Bill is not a panacea. Indeed, legislation is never a panacea and never a substitute for action. Previous Governments have made the mistake sometimes of engaging in frenetic activity in adding to legislation, without making a difference on the ground. We must recognise that we are dealing with illegal activity, which does not operate on the basis of convenient structures in which we can intervene without a great deal of work. We are dealing with a market in which there is flexibility, in which people change their methods of working rapidly, and in which a lot of people are not prepared to obey the law. Flexibility is what the market needs. Growers, to whom the hon. Member for Mid-Worcestershire referred, need help fast at particular stages in the year, but that flexibility is what makes it difficult to regulate the industry properly. I take on board the point made about the impact on lifeboat crews and the police, and the much wider ramifications of the events in Morecambe bay.

My hon. Friend the Member for Morecambe and Lunesdale rightly mentioned the damage done to legitimate labour providers. I am pleased that Members on both sides of the House have refereed to the legitimate contribution made by those who are trying to operate within the law and do things properly. The liaison between Departments and agencies, which was mentioned by my hon. Friend the Member for West Renfrewshire and touched on by various other Members, is a serious issue. The problem is that although liaison is often good at ministerial level and the will is there to co-operate, the situation at ground level is different. The trick is to ensure that that will is reflected on the ground.

In relation to the Bill, enforcement has two elements. Of course, there is the desire to prevent tax evasion and to ensure that the minimum wage is paid, but the two elements are enforcement by licensed gangmasters of the requirements of the agency in relation to the code of practice and so on, and making sure that we burn off those who work outside the licensing system so that they cannot undercut legitimate labour providers. Those two elements need to be looked at separately, because they are different. Enforcement in relation to those who are within the virtuous circle of licensing needs to be kept to the minimum necessary to ensure that they comply with the requirements, whereas firm and swift action is needed to ensure that those who are not licensed, and not within that virtuous circle, are unable to continue their activities.

The hon. Member for Southport (Dr. Pugh) referred to agencies and those who operate in the shadows. If somebody is operating as a gangmaster, whatever title they use or however they advertise, they are within the ambit of the legislation. One of the questions that we discussed with some care was that of employment

[Alun Michael]

agencies. We did not want a duplication of legislation, but we wanted to ensure that somebody could not register as an employment agency and effectively act as a gangmaster but not be caught by the provisions of the Bill. I believe that we have got the design right.

Mr. Luff: This is a technical point, and I am happy if the right hon. Gentleman wants to write to me rather than answer it now. There is one quite sophisticated packing operation in my constituency, which requires a large supply of office labour to deliver its services. If it used a recruitment agency to recruit staff for the office rather than the packing side of its operation, would that recruitment agency also be required to register as a gangmaster?

Alun Michael: As often seems to be the case, I am happy to engage in correspondence with the hon. Gentleman on arcane detail. I think the answer is that if staff were recruited to undertake activities that fall within the ambit of the Bill, that would be caught by its provisions. Were those activities outside its ambit, they would not be caught. On the other hand, if the activities are ancillary, that is the kind of area that needs to be clarified. I believe that we have ensured that the Bill casts the net as widely as possible, so that we can provide by exclusion, which is allowed for in the Bill, that those not intended to be covered are not caught. That provides flexibility in the architecture of the Bill, which I hope will be effective.

My right hon. Friend the Member for Holborn and St. Pancras helped at an early stage, applying his experience as a Cabinet Minister and his acute sense of the practical, by asking the most challenging questions about how the Bill would operate in the mists of the morning in some of the flatter areas of England. As a result of responding to those questions, we have improved the Bill considerably. He was absolutely right to underline the legitimate concern about swindlers who do not pay tax, national insurance or the minimum wage, and to remind us of the long history of parliamentary concern about exploitation, which goes back much further than a generation. I agree entirely that action not just in terms of co-ordinating raids but in terms of following up intervention should be made much easier, which goes to the heart of the Bill and of what I meant when I described it as providing an antisocial behaviour order for gangmasters.

A number of questions were asked about who would be caught. I was asked whether the Bill would cover workers in a meat processing plant. The Bill covers all processing and packaging of produce derived from agricultural work, which includes meat. We will consider the coverage of downstream processing activities in more detail when the regulations are made, to ensure that we do not inadvertently catch those for whom the legislation is not intended. All such work is included unless it is excluded by regulation.

The hon. Member for Brecon and Radnorshire (Mr. Williams) asked how quickly licences would be introduced, and whether we could ensure that there was not a long period before licences could be obtained. The Bill allows for transitional provisions, which would allow temporary registration or provisional licences, to ensure that labour providers can be brought into the licensing scheme quickly and allow us to concentrate on operating the scheme and ensuring that it restricts those who seek to break the law. The hon. Gentleman referred to his experience in East Anglia in the missionary field. I reflected that my experience was of stone picking after ploughing during bob-a-job week in north Wales—he will appreciate that there are some areas of the uplands in which stones are quite a significant crop. That activity may well come within the ambit of the Bill. I make it clear for the record that that was before my experience of the Transport and General Workers Union, when I was employed on the buses.

As the hon. Gentleman said, it is important to encourage gangmasters into the system straight away. It would be a tragedy if they hung back and waited to see what happened. We need to get them into the system and to make it clear that being outside it will not be tolerated and will lead to swift action. On the other hand, we do not want a bureaucratic system that produces just statistics. In terms of the Select Committee's comment yesterday, putting effort into bean counting is not the way to approach the matter; we want to ensure that it is unrewarding to evade the law.

Much preparation work has been done with the Ethical Trading Initiative. Two or three hon. Members have referred to the fact that the Ethical Trading Initiative has discovered some flaws in the audit system. I do not think that that is terribly surprising. Those who have been involved in the Ethical Trading Initiative have effectively had to accept an additional burden as legitimate providers of labour, while those who do not bother to get involved do not have that burden, and those who operate completely outside the law obviously avoid all sorts of overheads. The Ethical Trading Initiative and the systematic approach that some providers have sought to develop will be greatly strengthened by the legislation.

The hon. Member for Boston and Skegness (Mr. Simmonds) made a series of important points. I congratulate him on his positive approach to the Bill. He has genuinely supported it and sought to help to improve it. I hope that that does not reach the ears of the Leader of the Opposition and damage the hon. Gentleman's political career. He showed himself to be courageous, even adventurous, by referring to immigration policy. I gently remind him that the Leader of the Opposition had personal responsibility for immigration policy as well as wider areas of the law for a number of years. I am not sure that the hon. Gentleman was wise to draw that to the attention of the House because it was not exactly the most productive period, in respect of either immigration policy or enforcement of the law.

The hon. Gentleman asked about the scope and execution of subsidiary legislation. We are trying to give the shape of the subsidiary legislation, such as on the membership of the board of the non-departmental public body that will run the scheme, so that, as has already happened, points can be made about whether there is a gap, or whether the balance of the membership is right to ensure that the expertise is there. The final version of the statutory instrument that provides for the membership of the board will follow soon after the legislation has reached the statute book, but we have outlined a proposed membership, which was not dreamt

up within the Department for Environment, Food and Rural Affairs but arises from the discussions that I referred to earlier with all the participants to try to ensure that we get it right. That is the way we are approaching the subsidiary legislation generally: we aim to develop policy and the drafting at the same time as the Bill goes through the House, and to give as much clarity as possible to those who will look at the Bill in another place as to how the provisions will be used. That has not always been the case. My first experience of legislation in the House was with the Immigration Act 1988. The Minister who led for the then Government was Tim Renton, who later became their Chief Whip. I spent a lot of time trying to tease out of him the slightest indication of what the subsidiary legislation might look like. We even offered the old regulations as a gift-wrapped package at Christmas in the hope that he would relent and give some insight into what would happen after the Bill became law.

The position this time is very much the reverse. We are seeking to work with all the organisations and to be open with hon. Members about the way in which the subsidiary legislation will be used, because the experience of all the organisations and the application of the knowledge of hon. Members can help to get it right. We will continue in that spirit. I undertake to my hon. Friend the Member for West Renfrewshire, the hon. Member for Boston and Skegness and others who served on the Committee to keep them informed as we develop those ideas.

The hon. Member for Boston and Skegness made some points about delivery. We could give the impression that nothing much is going on. The message needs to go out that a lot is going on in order to catch those who are defrauding the Exchequer as well as undertaking exploitation. Operation Gangmaster has delivered benefits to the Exchequer of some £10.6 million in 2002–03. That includes recovery of income tax worth some £4 million and a reduction in benefit fraud through the prevention of claiming benefits while working. Government enforcement action has led to a number of high-profile arrests and prosecutions of gangmasters in recent weeks.

The Department for Work and Pensions has identified 235 over-payments and 1,023 adjustments to benefits worth £405,000, securing 138 sanctions and prosecutions. The Inland Revenue specialist team is settling 46 inquiries and reviews, and identifying unpaid tax and national insurance contributions worth £4.3 million. In addition, there have been criminal prosecutions of 14 gangmasters for VAT offences involving £5.9 million and resulting in prison sentences totalling 31 years.

Some of those recoveries have been done without the sort of prosecutions that bring the matter into the public eye and lead to headlines, but people should be in no doubt that enforcement measures and co-operation between Departments are having a positive effect.

Mr. Luff: Would the right hon. Gentleman take this opportunity to remind police forces that another area where enforcement is very important is traffic offences? It would be helpful if police forces showed more enthusiasm to tackle the obvious white mini-buses that run around illegally.

Alun Michael: The hon. Gentleman makes his point effectively. It is always difficult for the police to balance the different requirements and, indeed, the different calls on their time from hon. Members, but I am sure that, as a result of recent events, the police are well aware that there is an issue here that is not just about casual labour—it is about a number of much more serious things. Indeed, the Home Secretary and members of his team have made it clear how important they regard those issues.

The hon. Member for Boston and Skegness referred to the regulatory impact assessment and was concerned about the cost to small-scale providers. That issue needs to be addressed. On the one hand, we want a licensing system under which the charge and the means for assessing it are as simple as possible, while on the other we must ensure that we do not set up a perverse incentive for smaller-scale providers. That is one of the issues that we want the partners to discuss both before the establishment of the agency, and within the agency, as soon as the shadow board is in place.

The hon. Member for Boston and Skegness referred to accommodation costs and, if I understood him correctly, made us an offer that we cannot refuse—free accommodation in his constituency. We do not envisage that the accommodation will have to be in Whitehall, so we are open to offers, even from Boston and Skegness. I can assure him that we shall certainly not be gold-plating the accommodation costs. Currently, all the costs are of an indicative nature. The very fact that the board will include representatives of those who will have to pay the licensing fees will, I hope, help to ensure proper scrutiny of the proposals so that costs are kept to a minimum. That will obviously have a knock-on effect on licence fees.

Mr. Dobson: The concept that the licensing system should pay for itself seems reasonable, but this point has just occurred to me: is there any possibility that some of the money obtained from prosecuting the villains could also be used to finance the enforcement system, on the polluter pays principle? The villains are the polluters.

Alun Michael: My right hon. Friend has vast experience of hypothecation and of attempts to persuade the Exchequer that any income it derives should be directed back to the activity whence that money came, so he can anticipate my answer. However, we have acknowledged that as well as operating the licence system and ensuring that those who are licensed obey the licensing terms, there is also a need for enforcement in respect of people who are not licensed or who have had their licence withdrawn. The Government should take responsibility for that, to ensure that inappropriate burdens are not put on the licence fee and on legitimate gangmasters.

Mr. Luff: Until the right hon. Member for Holborn and St. Pancras (Mr. Dobson) put his question, I had not thought about that point either. In fact, there is a precedent in government. We are told that speed cameras pay for themselves and surpluses go to the

[Mr. Luff]

Exchequer, so perhaps the fines under this system could pay for the authority and the surplus could go to the Exchequer.

Alun Michael: It is clear that the hon. Gentleman has not thought that idea through. He would not have made that proposal when his party was in government. I was involved in the discussions about the return of money from speed camera fines and can tell him that it takes an awful lot of evidence to persuade the Treasury that it should go along with such proposals. I do not think we need to take that route.

There are advantages to the Exchequer in the prosecution of people who do not pay tax and so on, which create an incentive for the application of the law in different ways. As I said, we have looked into DEFRA's enforcement role, as well as into co-operation between different enforcement agencies. In fact, groups will be set up under the Bill to ensure that the agency liaises with labour providers and other enforcement agencies. The agency will set up those liaison groups to ensure that the process is joined up and that the groups are practical and effective and do not merely fulfil a theoretical requirement. I hope the hon. Gentleman will accept that the important thing is that the process should be rooted in what happens in practice and that the different interests of enforcers and labour providers, as well as the overall policy on the operation of the licence system, are considered in the liaison groups. The board will bring all the significant players together and we have designed the Bill so that we can achieve a balance between specific and overall interests.

The hon. Member for Boston and Skegness asked about retailers absorbing costs. It is important that we have an indication from the supermarkets, the British Retail Consortium and others of their commitment to the licence process and the need to follow it through in practice. We shall be discussing that with them.

In response to another point made by the hon. Gentleman, I can promise that we shall hold the fullest consultation with the industry and ensure that everyone has a chance to comment on the process as it is developed. We want fast access to information on the ground, because unless the police and others who operate the licence system are able to get information quickly, we shall be unable to draw a firm line between legitimate, licensed gangmasters and those who operate outside the law, which is obviously the focus that we need.

That process will be helped by the work that Home Office Ministers are undertaking to simplify and clarify the authorising of overseas workers in this country, so that they can show that they are in the UK legitimately. The system has been over-complex in the past, but the need to demonstrate legitimacy is fully understood and that is important for labour providers and other employers.

I think that I have referred to the liaison groups and covered most of the points raised in the debate.

Mr. Simmonds: Will the Minister deal with the final point that I made about the implications of the seasonal agricultural workers scheme, which is referred to in annexe 3 of the regulatory impact assessment? I understand why it has been excluded, at least initially, from the provisions in the Bill, but I hope that he will deal with several of the issues that I highlighted in my remarks.

Alun Michael: I am happy to consider the hon. Gentleman's points in detail. We believe that the seasonal agricultural workers scheme is carefully designed, so the possibility of it being used as cover for illegitimate activity would not arise. However, I am happy to reconsider that and to write to him with the details.

I referred to the Bill as creating an antisocial behaviour order for gangmasters. The licensing scheme will provide a further tool for us to use in the fight against the exploitative activities of illegitimate gangmasters—those who are not concerned with obeying the law. It provides robust enforcement powers to support that objective.

The Bill also ensures a high degree of stakeholder involvement in the detailed design and operation of the new licensing arrangements. I reinforce the point made at the beginning of the debate by my hon. Friend the Member for West Renfrewshire when he outlined the Bill's impact and how it would work. It creates a new non-departmental public body to operate the licensing scheme. We want to make sure that it is not an unnecessary piece of bureaucracy and that the Bill will bring together key stakeholders and the Government to steer and operate the new licensing arrangements so that those who provide labour do so in a way that is within the law and is not exploitative. Therefore, the names of the providers of labour who act properly and within the law will not be tarnished by the activities of the lawbreakers, the thugs and those who have no respect for the law.

It is important that there should be commitment to the licensing scheme from all sectors of the industry, from producer to supermarket. The representation on the board secures that engagement. The involvement of stakeholders will also ensure that the conditions attached to a licence balance our wish to see an end to the exploitation of vulnerable workers with the need to ensure that the licensing arrangements do not place unnecessary burdens on labour providers and others in the fresh produce supply chain. That is why the licence fees will be set by the licensing authority in discussion with the Government.

Reference has already been made to the fact that the indicative costings suggest that the fee could be between £1,750 and £2,250 for a three-year licence, but those figures will be need to be reviewed once we have a clearer idea of the conditions that the licensing authority thinks should be attached to a licence. Again, that involves the engagement of all sides of the industry. Although the licensing authority will have day-to-day responsibility for the operation of the licensing scheme, the Government will also have an important role to play. In particular, we will establish and fund an independent appeals mechanism for the licensing process. That will ensure that labour providers can appeal against decisions taken by the authority involving the issue and withdrawal of licences.

At the beginning of the debate, my hon. Friend the Member for West Renfrewshire stressed the importance of enforcement, as others have. Co-ordinated action

and being proactive are important. We will also put in place robust enforcement arrangements to deal with the criminal offences created by the Bill. It gives the Secretary of State responsibility for the appointment of enforcement officers. That ensures that officers from existing enforcement agencies can utilise the new criminal offences to tackle gangmasters when this helps to deliver departmental enforcement objectives—in a sense, the antisocial behaviour order aspect of the Bill. We are also considering making additional resources available to increase the number of enforcement officers operating in this area, and we will be looking to secure police co-operation when appropriate.

Enforcement activities need to be intelligence-led. The powers of entry and arrest provided for under the Bill will be used when necessary, but I reassure the House that all enforcement officers will be trained appropriately before they are given the authority to exercise these powers. There may be considerable merit in including housing enforcement officers within the Bill's ambit, effectively to facilitate a one-stop shop approach to licensing and enforcement, but we have made it clear where the different responsibilities lie. That will also ensure that enforcement officers have ready access to information on gangmaster activities flowing from the licensing scheme.

Information sharing will be a key element in the successful introduction of the licensing scheme, so the Bill creates a two-way flow of information between the Government and the licensing authority. Again, that will ensure that the authority can take fully informed decisions on whether a licence should be issued or withdrawn. It will also provide valuable intelligence for Government enforcement bodies.

The Bill also provides for robust maximum penalties. I said that the intention is that if an offence is committed, prosecution can follow rapidly, but should there be repeat offences, we would hope that the courts use the higher penalties quickly to burn off any idea that offenders can get away with it, because that would do great damage to the licensing scheme and, again, provide succour to those who do not respect the law.

It has been underlined that much of the licensing scheme remains to be clarified in regulations. I have stressed that despite our wish to see licensing introduced as quickly as possible, there will be full consultation at every stage of the regulation-making process. We intend to set out our ideas as early as possible so that that discursive opportunity is used and that we get it right. That will enable us to move quickly once the legislation is on the statute book. The key regulations on the operation of the licensing authority will be presented to the House for detailed consideration. That is appropriate and reflects our wish to ensure that everyone has a chance to consider the detail of the new arrangements.

We have come a long way since Second Reading, and we still have some way to go before a fully operational licensing scheme can be introduced. However, I hope that the House agrees that the Bill provides a firm foundation. We understand the industry's need for a flexible labour supply, but that flexibility cannot be provided at the expense of workers. Licensing will oblige gangmasters to operate their businesses ethically. It will create a clear distinction between legal and illegal operators and strengthen the ability to enforce the law in a variety of ways. It provides the ability to ensure that those gangmasters who operate without a licence are prevented from doing so and that legitimate labour providers know that those who are willing to use any means to undercut them will be put out of business in short order. That will strengthen the legitimate part of the business. There can be no place for unlicensed gangmasters in future.

As many hon. Members said, the Bill is characterised by the tremendous spirit of co-operation displayed by all those involved with it. That has helped to ensure its speedy development and passage to this point. I hope that that spirit of co-operation continues and that the Bill successfully completes its passage through Parliament. Indeed, I hope that the spirit of co-operation will also help to guarantee the success of the new licensing arrangements. I commend the Bill to the House as a positive response to the problems caused by gangmasters who are willing to exploit those who cannot look after themselves.

12.3 pm

Jim Sheridan: With the leave of the House, I want to thank right hon. and hon. Members for their support, especially those who made such powerful and eloquent contributions to the debate, not only in the Chamber today but throughout the parliamentary process. In particular, I thank those people who gave me the benefit of their advice and experience, which was extremely helpful.

Again, I express my gratitude to the Minister and his officials, not only for their hard work, but for the receptive way in which they accepted the changes that we proposed and for the expeditious manner in which they responded to those suggestions. I must say, however, that I was somewhat surprised when the Minister referred to "Bob-a-job". I had not thought that he was of an age to be able to feel nostalgic about that worthwhile experience. Finally, I also want to thank the broad coalition that has supported the Bill every step of the way.

We are all too aware that, today, politicians have a less than glowing reputation. Election turnouts are at an all-time low, voters are disengaged and opinion polls rank us somewhere between estate agents and loan sharks in the popularity stakes. That is little wonder in an age when the public perception is that politicians would rather trade insults at the Dispatch Box than work together to solve problems and that politics is more about delivering memorable soundbites than about developing workable policies. It is therefore very easy to be cynical about what we, as MPs, can achieve during our time on these Benches, but today we can achieve something—we can effect real, lasting and positive change. Today, we have a rare chance to do what we were elected to do: to make a difference.

The Bill represents a different kind of politics. It is not the product of political point scoring; instead, it has been born out of partnership, consensus and reasoned debate between workers and employers, between Government and industry and between Members from every party in the House. At this point I want to pay tribute to the hon. Member for Boston and Skegness (Mr. Simmonds), who has worked tirelessly alongside the rest of us on the Bill and should be congratulated on

[Jim Sheridan]

that. Perhaps most importantly of all, the Bill is not driven by slogans and spin; instead, it is inspired by ideas and motivated by principles.

It has been said on a number of occasions that the Bill is not a panacea, and I have never said that it will cure every ill or right every wrong, but it will make a difference. It will serve and protect those who, by electing us to this House, give us not only their votes but their trust. So, yes, the Bill may be only one small step towards ending worker exploitation, but it is a step in the right direction, and it is a step on a journey that social justice and workplace dignity demand we take. Good law can do great things, and this Bill makes for good law. I therefore thank the House for its indulgence and ask for its support.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Town and Country Planning (Telecommunications Masts) Bill

Order for Second Reading read.

12.8 pm

Mr. Richard Spring (West Suffolk): I beg to move, That the Bill be now read a Second time.

The measures in the Bill are of significance to many people in my constituency and other constituencies up and down the country. At the outset I should like to put on record my appreciation for the overwhelming cross-party support that I have received and the enormous encouragement from outside the House. Since the Bill's First Reading, my postbag has been filled with letters from the four corners of the country expressing support.

In particular, I would like to thank the pressure groups Planning Sanity and Mast Sanity, which have been a constant source of encouragement and assistance. I would also like to thank Mr. Mike Bell, chairman of the Radiation Research Trust, and his team, whose support has been invaluable. Finally, Mrs. Sarah Webster of Bridgetown in Devon deserves, in particular, to be thanked in this debate. She is a dedicated and passionate campaigner on the issue of transmission masts who has helped me to understand in the clearest possible terms the impact it has had on the lives of so many people. She has put me in contact with people across the United Kingdom who are suffering from serious ill health that they attribute to transmission masts and base stations.

I have the fullest support of the two local councils in my constituency, Forest Heath district council and St. Edmundsbury borough council. I have consulted and have the fullest support of the Local Government Association, which is backing the Bill having canvassed the views of the local authorities it represents. I make no party political point when I say that many people in this country feel that the power to influence their lives and their local communities has slipped away from them over the years. It is extraordinary that the construction of masts that are so visible and so intrusive is a matter over which, in practice, local people have no control.

Far too many Members of Parliament have sent e-mails and letters of support to name each individually; none the less, I should mention my hon. Friend the Member for Broxbourne (Mrs. Roe), who has campaigned for greater regulation in this area for several years—indeed, she preceded many in her calls for the effects of transmission masts on health to be researched much more rigorously. Many other Members have discussed the subject and their constituency concerns with me, not least my right hon. Friends the Members for North-East Hampshire (Mr. Arbuthnot) and for North-West Hampshire (Sir George Young), and my hon. Friends the Members for Tiverton and Honiton (Mrs. Browning), for South-West Devon (Mr. Streeter), for Mid-Sussex (Mr. Soames), for Gainsborough (Mr. Leigh), for South-West Bedfordshire (Andrew Selous), for Southend, West (Mr. Amess) and for East Surrey (Mr. Ainsworth), as well as many others across the political divide, most notably, my fellow Suffolk Members of Parliament.

In the past few years, there have been several Adjournment debates on the impact of transmission masts on health and on the environment, including one

that I introduced last March. I should be surprised if any Member of Parliament has not at some point received correspondence on the issue from a constituent. Action to defuse a national groundswell of public anxiety is long overdue, and I want action to be taken on three fronts in particular.

First, the Government should accept the need for more research to investigate the genuine cases of ill health and the health concerns felt by sensible, rational people. Secondly, the precautionary principle advocated by Sir William Stewart when he was a Government senior advisor should mean that, in most cases, masts should not be placed too close to people's homes, schools and hospitals. The Government might wish to draw up new guidelines to put that into practice. Thirdly, a change should be made to paragraph 40 of policy planning guidance note 8 to enable the councillors who have to make planning decisions to take the views of those whom they represent into account in a balanced and objective way.

I note that, earlier this year, the National Radiological Protection Board published research that broadly confirms what Sir William Stewart stated four years previously:

"There is now scientific evidence, however, which suggests that there may be biological effects occurring at exposures below these guidelines . . . We conclude . . . that it is not possible at present to say that exposure to RF radiation,"—

radiofrequency radiation—

"even at levels below national guidelines, is totally without potential adverse health effects, and that the gaps in knowledge are sufficient to justify a precautionary approach".

With such uncertainty continuing to hang over transmission masts, there is a clear need for more specific research.

My Bill addresses the other two calls for action. If it is enacted, every application for planning permission for a mast must be accompanied by a certificate that sets out the area and maximum range of the beam of greatest intensity. If that falls on part of any premises or land occupied by an education or medical facility, or a residential property, planning permission will not be granted. Furthermore, every application must also be accompanied by a precautionary principle statement. If the statement indicates that there is a threat of serious damage to heath or to the environment, the fact that there is no full scientific certainty about the health impact of mast radiation shall not constitute a reason to ignore the precautionary statement and grant planning permission. Those measures are significant and will place the power to accept or reject applications clearly in the hands of local authorities. I shall return to those points later in my speech, for I now want to concentrate on why I feel that those measures are necessary.

My interest in this matter was provoked by constituents of mine who wrote to me on numerous occasions to relay their fears that mobile phone masts have a detrimental effect on their health. Nausea, dizziness and headaches are just some of the symptoms that a number of my constituents tell me have affected them since a transmission mast was erected near their homes. One notable, specific case is that of Mark Wheal, who first brought this to my attention on behalf of himself and his anxious neighbours. Elsewhere, schoolchildren have suffered from nosebleeds, insomnia and, indeed, behavioural changes allegedly because a mast has been erected near their school.

When a cluster of transmission masts was placed on a water tower at Haverhill in my constituency, there were some curious consequences. Almost immediately, the squirrels and birds disappeared. Doris Barnes, who lived with her nephew, John Insole, began to have a series of what appeared to be strokes. Dementia began quickly to set in, and she needed 24-hour care. Her bedroom had been in the path of the beam of greatest intensity of the transmitter. As the Insoles inevitably found it difficult to cope, and on their GP's advice, she was put in a care home in a village nearby. Almost immediately, her health substantially recovered, and there was no apparent explanation. Those constituents of mine are rational individuals, I find it difficult to reject out of hand their belief that radiation from masts is responsible for their ill health. I also find it difficult to believe that there has been some sort of outbreak of mass hysteria in many parts of the country in relation to concerns about such masts.

I have led grass-roots campaigns in Newmarket and Haverhill—two towns in my constituency—against mobile phone masts that were near schools, residential property and centres of population. In one instance, the behaviour of the mobile telecommunications company involved was literally underhand and unscrupulous. A TETRA mast was erected on a block of flats in Newmarket. After a strong campaign, agreement was reached that the mast should be moved. I thought that I had brokered an agreement for its removal to a location on a hill just outside the town. Then, one morning, we all woke up to find that it had been erected in another part of the town—technically, not in Suffolk, but in neighbouring Cambridgeshire. Townspeople were understandably outraged. Indeed, the Suffolk constabulary were deeply embarrassed as well. The local district council sought to have the mast removed, but lost on appeal. The company was simply not interested in discussing alternative sites for a compromise, despite assurances having been given to me.

Jim Dowd (Lewisham, West) (Lab): I am deeply grateful to the hon. Gentleman for giving way. We have discussed this matter several times. Will he confirm that the contractor for the O_2 system in his constituency was, in fact, O_2 Airwave?

Mr. Spring: Yes, I can certainly confirm that. I am grateful to the hon. Gentleman for being present because I shall now address specifically something that is of particular interest to him.

That behaviour is totally and disgracefully at odds with the code of best practice on mobile phone network development. That telecommunications company followed none of the guidance issued by the Office of the Deputy Prime Minister. Indeed, let me read to the House an extract from the foreword of the code of best practice:

"Strategic planning, combined with proper discussion of and consultation on proposals for developing the telecommunications network, is central to this process. This requires operators, local authorities and local people working together in partnership to produce optimum solutions.

In August 2001, we introduced improved planning arrangements for telecommunications development. These included greater requirements for consulting local people."

[Mr. Spring]

The document goes on to say that the one of the main aims of the code is to

"encourage better communication and consultation at all stages of network development between operators, local authorities and local people."

Those words will come as a cruel joke to the people of Newmarket, whose deep concern and anxiety have been ignored.

Operators have devised what they call "the traffic light model" to enable them to rate a site according to likely sensitivities. It is intended as a guide to the degree of consultation necessary. One of the factors that is supposed to be considered before a mast is given green, amber or red status is the involvement of the local Member of Parliament. My concerns have been routinely ignored.

Furthermore, PPG8 already makes it clear that where there are plans to install, alter or replace an installation close to a school or college, the institution should be consulted before an application is submitted to the local authority. The mast in my constituency in Newmarket, which was moved to the neighbouring constituency in Cambridgeshire, is close to three schools, none of which was ever consulted. Schools never are.

Since I indicated my intention to present the Bill, I have discovered that the pattern is repeated right across the country. Such is the frustration of local residents that groups of concerned protesters have torn down masts and forcibly tried to block new installations. I shall quote from some of the letters I have received from worried people across the country.

Dr. John Pugh (Southport) (LD): The hon. Gentleman will not be surprised to hear tales from my part of the country too, where, when masts are upgraded to secure greater 3G benefits, that is happening without any consultation whatever.

Mr. Spring: I am grateful to the hon. Gentleman for making that point. When an industry acts in that way, it divorces itself from people's anxieties. That is at the heart of the problem. There is no effective control of the process to which the hon. Gentleman refers.

I shall describe some of the worries expressed to me in letters, so that the House will be under no illusion about the severity of the problem. Mrs. Lin Ansell of Liss in Hampshire tells me of the impact of a mast outside her home. She writes:

"We experienced a phenomenon here in Liss regarding the Tetra mast sited between 120 and 300 metres from our houses. On Wednesday 29th October, 17 of the residents including 4 children experienced ill health, disturbance and disorientation. We were having a residents meeting at the time when we expressed our concern about how ill we and members of our family were feeling. We got better on the following Friday, and we found later (AFTER we had experienced these various symptoms) that the Tetra mast had been turned on during Wednesday and turned off on the Friday. . .

Since the mast was switched on for good, I have a permanent headache, metallic taste in my mouth and feel sick. We have moved into a back bedroom, and my friends who have come to stay complain of headaches and sleeplessness. I have been unable to offer the house to lodgers because of the illness felt by guests. This has deprived me of my health and my income. Are you able to offer any help in our hour of need?"

More disturbingly and tragically, I have received information that describes serious illnesses such as cancer, which sufferers ascribe to masts near their home. In Ballygawley, Northern Ireland, five homes amid rural farmland make up the hamlet of Cranlome Hill. Those houses are within 100 m of a transmission mast. In those five homes there are six cases of serious life-threatening cancer. The people who live in the houses lead healthy lives, with plenty of exercise and a good diet. Many would find it an unsustainable argument that the ill health may not be connected in some way to the unwelcome mast. Mr. Walter Graham, chairman of the campaign group, Northern Ireland Opposing Masts, explained to me in a letter the symptoms of local people living close to the mast:

"Our most recent member is a small rural area between Ballygawley and Dunganon known as the Cranlome Hill mast. Local citizens concerned for their health cut down the mast after their group of five homes at the bottom of the hill from the mast had six people with cancer. Four are now dead. The mast had thirty-five pieces of microwave equipment with another four due to go up. They even had cancer appear in a six-month-old cow kept in the field with the mast."

Mr. Graham goes on to speak about another mast in Saintfield. He says:

"I spoke at a public meeting in Saintfield, which has had two masts for a number of years. During question time a woman stated that she had had a daughter with leukaemia within a half mile of the masts and that she had contacted the health board asking about other children with the disease. They found eleven children under eleven with leukaemia and seven adults with cancer, all within a half mile of the masts. It has since been reported that a farmer two miles out of Saintfield, who has a mast in his field near the house, has had his child come down with leukaemia."

Any Member of the House present during the debate introduced by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) on 28 January could not have been left but deeply concerned after hearing of the cancer cluster in the hamlet of Wishaw. The chairman of the local action group, Sutton Coldfield residents against masts, Eileen O'Connor, an exceptionally brave lady herself who has battled against cancer, catalogues the ill-health in the tiny hamlet. She says:

"Five ladies developed breast cancer

One case of prostate cancer

One bladder cancer

One lung cancer

Three cases of pre-cancer cervical cells

One motor neurone disease age 51, who also had massive tumour removed from the top of his spine

People have developed benign lumps

Electro sensitivity

Three cases of severe skin rashes

Many villagers suffering with sleep problems, headaches, dizziness and low immune system problems.

Out of the eighteen houses surrounding the mast at up to a range of 500 metres, 77 per cent. of the tiny hamlet has health-related illness believed to be as a result of radiation from the mast. The outbreak of illness occurred in 2001 after seven years of exposure to the radiation emitted by the T-Mobile mast. We are now in connection with many people who are suffering from this form of radiation.

One other important fact is that since the Wishaw Mast was vandalised on 6th November 2003, many of the residents are reporting a feeling of well-being. The residents are reporting improvements in their sleep patterns and increased energy levels. The headaches and dizzy symptoms have disappeared".

The time is at hand to react to those tragic cases of ill health with a precautionary approach to the siting of masts. It is all that we can do in the absence of long-term definitive knowledge about the impact of radiation. The present law is woefully inadequate, with numerous loopholes that mobile phone companies are able to exploit at will. The hon. Member for Southport (Dr. Pugh) has just indicated one. Masts below 15 m do not even require planning permission. This means that masts can be erected without a full check on the suitability of the site by local councillors. If that state of affairs was not bad enough, masts erected on land owned by Network Rail require no planning permission whatever. It is wrong that these structures can be erected with such ease when there are still so many question marks over their impact on health. If enacted, my Bill would require that the transmission masts go through the full planning permission procedure, regardless of their height or whether they are on land owned by Network Rail.

The case is different elsewhere in the world where the large questions over the health impact of masts is recognised. UK Government policy concerning human exposure to the electromagnetic fields emitted by mobile telecommunication base stations is based on compliance with the safety levels published by the International Commission on Non-Ionizing Radiation Protection. These levels are much higher than in Italy and Switzerland, and even than in China and Russia. In Italy, the national public limit for people exposed for more than four hours a day is 90 times lower than the ICNIRP value. A mast in Haverhill in my constituency complies with UK emission levels but would not have been allowed in other countries. Such disparities may be based on conflicting scientific information, so it is incumbent on us to access the best worldwide scientific research to try to plug the gaps in our knowledge.

I turn now to how my Bill may help to prevent many of the disturbing cases that I have described to the House. I have already touched on how it would amend existing legislation, bringing within the full planning process all applications to erect a mast. Furthermore, I have spoken about how the Bill would embrace the precautionary principle by requiring the publication of a statement that shows how the mast adheres to that principle. Considering that an application should already be accompanied by an explanation of an operator's needs in a particular area, details of the location and type of telecommunications apparatus or structure to be constructed, details of any other mobile phone systems on the site, the area of search and details of possible alternative options where appropriate—these may include other methods of providing the required coverage—design options for particular sites, a traffic light model rating and the proposed consultation strategy, I do not think that a precautionary principle statement would be too much of a burden. It seems sensible that such a statement should be made available to the public and that an appeal to the Secretary of State must take into account its contents. The fact that there is no full scientific certainty about the health impact of mast radiation should not constitute a reason to ignore the precautionary statement and grant planning permission.

Let me turn to the other measures in the Bill. I want to reduce from six months to three months the time for which telecommunications companies are allowed to install cumbersome, temporary, movable apparatus to replace unserviceable apparatus. New apparatus has to be of the same type and capacity as the unserviceable apparatus that it is to replace. That measure is important, as it will place the emphasis on telecommunications companies to repair their equipment quickly and with as little inconvenience to local residents as possible.

My Bill would also allow schools and hospitals to cancel contracts that they have entered into with telecommunications companies agreeing to the erection of installations on their land or premises. Once an application to cancel a contract has been served by a school or hospital, the mast must stop being used within 28 days. Many schools and hospitals might have entered into such agreements before the possible health effects of masts were known as they are now. It is only fair that they should have the opportunity to cancel those agreements in the light of new research. I know of parents and head teachers in my constituency who would strongly welcome the measure.

I do not pretend to be a scientist and I cannot possibly make scientific judgments. My interest in this subject has arisen from real-life experiences and some, admittedly minority opinion, research. Finally, I would like to read a copy of a letter that I received from Mrs. Jane Lee of Budleigh Salterton in Devon, a lady who lost a legal battle with Orange earlier in the year, as I want to show the House in the clearest possible terms how the law is stacked in favour of the telecommunications companies, and to what lengths ordinary people have gone in order to prevent masts from being placed outside their homes. She writes:

"I am severely disabled and now in an extremely serious financial situation. The reasons for this are:

1. I have just lost an expensive legal battle to stop Orange putting up a mast that would focus the beam of greatest intensity directly onto my home.

2. Now that this mast has been allowed, my local estate agent tells me that I will probably lose a third of the value of my home.

3. In order to protect my own and my family's health, I feel I am being forced to move. It will be hard to find another bungalow in this area that I can afford and adapt to my special needs. Worse, in order to find another home that I can afford I may have to move away from my family and friends who are my support.

I have seen other people who have been made ill by low level radiation from masts beaming into their homes. I refuse to have this imposed on myself, my family or on my neighbours. I have therefore fought 4 battles over 2½ years. The stress of this has meant that I have hardly slept in the last 12 months and been driven to near despair.

As my house is worth over £100,000 I cannot get legal aid. In losing my high court battle, I have to pay costs, which I cannot afford. As few people will risk living so close to a mast I am about to lose a third of the only capital I will ever have (due to my disability I am unable to earn money to replace this). I have lived here for over 7 years and am heartbroken at the prospect of losing the home I love."

Since being drawn in the private Members' ballot I have been sent more than 500 letters from individuals and organisations offering me alternative Bills, but this issue needs urgent legislation and attention. My Bill is sound and comprehensive, and I hope that my arguments in the House today and the impressive cross-

[Mr. Spring]

party support that I have received show that we can reach a sensible consensus should the Bill reach its Committee stage. Without a shadow of doubt, legislation is required.

The Bill gives the power to local authorities to decide where transmission masts should be erected. I understand that mobile phones will not work without the supporting infrastructure—the masts—and want people to benefit from greater choice and network coverage, but that can be achieved while minimising the possible health risks to members of the public. I urge the House to support the Bill today, to carry it through Committee and to turn it into law.

12.36 pm

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for West Suffolk (Mr. Spring) on introducing the Bill, which I support. The Bill is built around the precautionary principle and reflects concerns about the risks posed by mobile phone mast stations and people's fears of them.

Although the risks posed by using a mobile phone are well known to hon. Members, many of whom walk around with mobile phones glued to the sides of their faces, the scientific community has not yet agreed the risks posed by mobile phone stations—the risk is not an established fact. Indeed, the hon. Member for West Suffolk has included this fair and honest statement on his website:

"Recent studies have discovered no link between poor health and exposure to radiation that is emitted from the masts."

However, we all know three perfectly plain things. First, as yet, no study can gauge the long-term effects of consistent exposure to masts and their radiation, and it will take decades correctly to establish that point. Cigarettes were not originally known to be carcinogenic, and the initial use of a cigarette does not produce a change in cells, but over time sustained exposure has that effect. Formula milk, as opposed to breast milk, has only recently been discovered to have long-term risks, which were previously unidentified.

Secondly, we know that some people are affected more than others by base stations because they are more in the line of fire, which causes an effect. The debate is not about whether there is an effect, but whether the effect is harmful, and, if so, exactly how harmful it is. Even the Stewart report acknowledges that children are potentially more at risk.

Thirdly—this is the key factor that impresses anyone involved in a mast campaign—those affected or those who believe that they are affected are not at liberty to move out of the way of the mast. They live in the area, they are residents, their children play in the area and they are inevitably affected, and not by their choice.

Additionally, it is fairly obvious that a new generation of masts may well magnify some of the purported effects of the current masts. I pay tribute to activists in my constituency, and particularly to Geoff Williams and "Mast Sanity", which has done a lot to alert me to the increase in phone masts, which is almost unknown to the general public.

The Bill does two positive things. It forces the developers of masts formally to state that their masts generate no harm and that they are, in a sense, safe, which is good. It also urges people to identify the groups who are in the line of fire—the beam of maximum intensity. I am sure that the phone companies will not welcome either of those provisions. A declaration of safety, however and whenever given, is to some extent a legal hostage to fortune and can be produced later if any evidence should arrive. That will innately make the mast manufacturers and the mobile phone companies a little more cautious. Moreover, it will define, or force a definition of, the people who are most at risk, who might later wish to make a claim.

The one good thing that that will do is concentrate the minds of both developers and councillors, by making them think specifically about who may be affected and about the long-term effects. It will not guarantee that everything goes perfectly for the mast protesters, or that every proposal that they object to is turned down. In particular, it will do nothing to affect mast developers' rights of appeal. They will still be able to appeal, and win their appeal.

Mast developers will, I guess, feel reasonably legally safe if they act according to the best knowledge at the time, regardless of what subsequent developments and scientific knowledge may show up. Ultimately, however, they will not be that protected, because they will be working in a transparent regime. They will feel that bit less comfortable if the Bill reaches the statute book.

Legally, the Bill will not make a seismic change or radically reduce mast developers' rights as some of us may wish. Culturally, however, the change could be significant.

Jim Dowd: In the context of cultural change, does the hon. Gentleman share my view that although this is one of the most sensitive and delicate issues for communities throughout the country, the uniform experience of Members of Parliament is that the mobile operators act with haughty and contemptuous disdain, when they ought to be engaging most closely with the communities that are alarmed by their proposals?

Dr. Pugh: The hon. Gentleman is right. Mast operators talk a better game than they play. They see Members of Parliament from time to time and tell them about their commitments, but as the hon. Member for West Suffolk said, when applications are made, particularly when they are sensitive, we are not always consulted.

We want cultural change and a swing in favour of local authority power. We want the siting of masts to be more collaborative and consensual, with a greater role for the local authority to say where they should go—for example, places where there would be less public opposition. I would like local authorities to play a more directive role, but the Bill does not do much to lead them in that direction. The hon. Member for West Suffolk talked about local authorities being only too willing, but he must be blessed in that respect. Local authorities in many parts of the country want a directive role, but there are some that are not so aggressive. For example, my own local authority seems to accept that the siting of masts in residential areas can be responded to with a shrug, whereas it prohibits masts on the end of a pier. Consequently, in my constituency the fish are better protected than the population.

The Bill is a first step forward, not a massive breakthrough. As the hon. Gentleman said, if he had drafted a more aggressive Bill, it would have been shot down in flames right at the start. It does, however, have real potential. It is a positive way forward, which could produce some kind of cultural change, and it should certainly have a Second Reading.

12.43 pm

Hugh Robertson (Faversham and Mid-Kent) (Con): I support the Bill that my hon. Friend the Member for West Suffolk (Mr. Spring) has brought before the House with his customary elegance and attention to detail. It is greatly to his credit that he has provided the House with an opportunity to debate this important subject, and I congratulate him accordingly.

I doubt whether there is a Member in the Chamber today who has not at some time or another had a letter, e-mail or phone call from a constituent concerned about the impact of mobile telephone masts on health or quality of life. Many will have experienced pressure groups in their constituencies campaigning on the issue. Members will undoubtedly recognise the complaints listed by my hon. Friend—nausea, dizziness, cancers, and, of course, critically, the fear of those complaints. The growth in those complaints has seemingly occurred in line with the increase in mobile telephone use, and the perception in the public's mind is that the two are linked.

The Bill would introduce several valuable measures that would protect individuals from the potential dangers of telecommunications masts. Relevant to all this—and in many ways the starting point for it—are the findings of the independent expert group on mobile telephones, chaired by Sir William Stewart, and published in May 2000. As the Stewart group found, there is no conclusive evidence of harm from emissions from mobile phones and telecommunications masts. However, the report did recommend a precautionary approach, which would indicate that the findings were far from certain. Indeed, how could they be? It is therefore important that we take the necessary precautions to protect people from potential harm.

Let nobody be in any doubt about the scale of the issue with which we are dealing. There has been a massive boom in the use of mobile phones in recent years. Figures from the Mobile Operators Association show that in 1997–98 there were 9.1 million UK mobile phone subscribers. By June 2001, that number had rocketed to 44.7 million. As at June 2003, the association noted that the number of UK mobile phone subscribers had topped 50 million people for the first time. I have also read that 6 per cent of all households already do not use landlines and rely solely upon mobile phones.

Naturally, the boom in mobile phones has led to an expansion in the number of masts across the country. According to the Mobile Operators Association, there are currently some 40,000 radio base stations in the UK. With the increasing number of mobile phone users—and the additional masts that will be needed to support the new third generation or 3G services—it is possible that this number could rise to 48,000 by 2007. That is a reasonable estimate, but it would mean many new installations across the whole country, at a time when Britain is perceived to be increasingly congested. It undoubtedly deserves some scrutiny.

The boom in mobile phone use has far surpassed the levels that were anticipated when the current planning rules relating to masts were introduced. It was as long ago as 1995 when the Town and Country Planning (General Permitted Development) Order, specifically part 24 of schedule 2, was brought into law, providing certain permitted development rights for licensed telecommunications operators. Obviously certain conditions apply to those rights—the mast cannot exceed 15 metres in height, it must not be erected in a national park, conservation area or area of outstanding natural beauty, and it must not have been denied permission by the local authority within the period allowed by the order.

I am no friend of red tape, but there is a definite and pressing need to examine closely the planning laws and issues surrounding the erection of new telecommunications masts. The Bill may not prove to be the perfect tool to overhaul the planning laws on this important issue. However, given proper consideration and amendment in Committee, it would provide a useful channel for a discussion of the planning laws and could end up as a strong addition to the statute book.

I once again congratulate my hon. Friend the Member for West Suffolk on all the work that he has done to bring this issue forward. The principle he proposes has my strongest support as a Front Bencher and as an individual Member of Parliament. I urge the Government to give the Bill a Second Reading and to allow the parliamentary time necessary for due consideration.

12.49 pm

The Minister for Housing and Planning (Keith Hill): I congratulate the hon. Member for West Suffolk (Mr. Spring) on his placing in the ballot for private Members' Bills, and on using this opportunity to secure a debate on an important topic that is of widespread interest to Members of the House and the general public and high on the Government's agenda. I listened carefully to his contribution, as I did to those of the hon. Member for Southport (Dr. Pugh) and the hon. Member for Faversham and Mid-Kent (Hugh Robertson), who I suspect may have been speaking from the Dispatch Box for the first time, in which case I congratulate him.

Before I deal with the substantive concerns of the Bill, I want to set this discussion in the wider context. It has been the Government's objective to create the most dynamic, competitive communications industry in the world, ensuring universal access to a choice of diverse services of the highest quality, and ensuring that citizens and consumers are safeguarded. There are 50 million mobile phone users in the Untied Kingdom—around 75 per cent. of the population. Take-up of this technology, which did not exist 15 years ago, has been at a remarkable rate. The UK is at the forefront of service provision of mobile communications technology and it has been estimated that the UK mobile sector contributes £18 billion to the UK economy, or about 2 per cent. of GDP.

This has been achieved by a careful balancing of the planning regulations and guidelines, which have facilitated the growth not only of existing but of new

[Keith Hill]

telecommunications systems, while seeking to keep the environmental impact to a minimum and addressing public health concerns. The Government believe that we have struck the right balance.

Let me assure hon. Members that very careful consideration was given to the current planning arrangements before they were introduced. The Stewart report on mobile phones and health, published in 2000, recommended that telecommunication development should be subject to the normal planning process, in order to improve local consultation. The Government considered this recommendation in detail and accepted the importance of ensuring that effective public consultation took place. As a result, in August 2001, we significantly strengthened the planning arrangements for telecommunications development. We increased the time for authorities to deal with prior approval applications from 28 and 42 days to a uniform 56 days, and strengthened public consultation requirements on prior approval procedures so that they are exactly the same as those for applications for planning permission. We also increased fees from £35 to £190 to enable authorities to carry out full public consultation.

Our revised arrangements for prior approval applications have the same consultation requirements as those for applications for planning permission. Therefore, we have met the concerns that led the Stewart group to make the recommendation for full planning permission.

Mr. Spring: I am sure the right hon. Gentleman will come to this point, but can he tell the House of any instance in which an application to erect a transmission mast has been rejected on appeal? He may have set out a theoretical framework for what happens in the planning process, but in practice nothing of the kind happens. I hope that he is not suggesting that it is happening, because it is not.

Keith Hill: I defer to the hon. Gentleman, and I will check on that point. If I may, I will write to him to indicate the Government's observations on the process. Nevertheless, I reiterate that the fact remains that the full procedures are in place, and the options for appeal are there under the proper provisions of the law.

The Bill aims to bring all telecommunications development under full planning control. That is simply not realistic. The prior approval procedures give authorities time to consider proposals, but consent is deemed to be granted if no decision has been made after 56 days, so that development is not delayed. This discipline is needed because many authorities are failing to meet their best value targets for determining planning applications. Furthermore, network operators estimate that only around 15 per cent. of installations are under their permitted development rights. Those installations are by definition the smallest and most discrete of developments. We do not want to restrict those rights, because local planning authorities need to focus attention on the developments that will have the greatest impact.

The current arrangements also have the effect of encouraging network operators to install smaller apparatus on existing buildings and structures wherever possible. That minimises the environmental impact of such developments. However, the fact that those small developments do not need planning permission does not mean that there is no public consultation. The code of best practice that was produced jointly by central and local government and the mobile phone industry is clear that every potential site is rated using the traffic light model. That model determines the level of public consultation that will be required if the site is selected for the installation.

The Government believe that limiting the rights of network operators to install telecommunications equipment would be detrimental to the ability of network operators to meet public demand for mobile services and would not materially increase or improve consultation with local communities.

Jim Dowd: My right hon. Friend says that every site is rated according to the traffic light model. I do not think that that is the issue. The issue is what the mobile operators do in response to that rating. When they get a clear red indication on the model, they do absolutely nothing. How are the public reassured by that?

Keith Hill: I hope to take up those issues, which I know are of considerable concern to my hon. Friend, in the course of our proceedings today. We can deal with those concerns in greater detail at that point.

The Bill would also remove the permitted development rights afforded to railway undertakings that allow them to build masts and install antennae for their communications systems. The recent concern about those permitted development rights results from the development of masts required as part of Network Rail's new safety system, known as the global system for mobile communications for railways—GSM-R.

Network Rail is upgrading its analogue radio systems network to a digital network. GSM-R will for the first time provide a national system of secure, immediate and direct driver-to-signaller communication across the entire network. The upgrade is primarily safety driven. It will implement a key conclusion of the Cullen investigation into and report on the Ladbroke Grove rail accident and facilitate compliance with European legislation.

On 10 September, the Office of the Deputy Prime Minister published a research study on permitted development rights from Nathaniel Lichfield and Partners Ltd. That is the first phase of a wide-ranging review of the General Permitted Development Order 1995. It includes a review of the operation of the permitted development rights available to railway undertakings, and consideration of whether a height limit of 15 m should be set for their masts in "sensitive" landscape areas, and whether prior approval should be required on their siting and appearance.

We are considering the report's recommendations carefully. Once we decide whether any of the suggested reforms should be taken forward, we will undertake a public consultation. I will, of course, encourage all interested Members to participate in that process.

If the Government decided that the permitted development rights granted either to mobile network operators or to Network Rail in respect of the erection of masts needed to be restricted, primary legislation

would not be the appropriate way of achieving that. Their permitted development rights are granted by the General Permitted Development Order, and any restriction should be by way of amendment to the order.

Let me address the provisions in the Bill that would require a planning application for a telecommunications installation to be accompanied by a statement that it conforms to the precautionary principle and a certificate setting out the range of the beam of greatest intensity. There is a clear distinction between the precautionary principle and precautionary approaches. Implementation of the precautionary principle was described in some detail in a Commission paper of February 2000. I want to say more about the detail of that shortly, but it is apparent that the requirements of the precautionary principle would fit poorly with any measures undertaken in respect of mobile communications equipment.

The precautionary approach taken by the Government in respect of mobile telecommunications is of practical measures that are achievable and, in many cases, implemented voluntarily. The precautionary measures adopted on the recommendation of the Stewart group included the decision to adopt the exposure guidelines for non-ionising radiation recommended by the International Commission on Non-Ionising Radiation Protection—ICNIRP—to which the hon. Member for West Suffolk referred in his speech. That important measure was adopted for public protection.

It is important to acknowledge that ICNIRP is an international body that puts considerable effort into developing comprehensive reviews of the available scientific information to provide a basis for recommendations on exposure guidelines for non-ionising radiation, including electromagnetic fields. The members of the commission are experts in their field and are supported by a number of standing committees, on epidemiology, biology, physics and optics.

The advice that ICNIRP gives on exposure guidelines comes from extensive consultation based on the totality of the available scientific evidence on possible health effects. For that reason, the guidelines are widely accepted around the world and are the basis for exposure standards in many countries, within Europe and further afield. Those international guidelines have been developed to protect everyone in the population—mobile phone users and those who work or live near base stations, as well as people who do not use mobile phones.

The term "the beam of greatest intensity" arises from a recommendation in the Stewart report,

> "in relation to macrocell base stations sited within school grounds, that the beam of greatest intensity should not fall on any part of the school grounds or buildings without agreement from the school and parents. Similar considerations should apply to macrocell base stations sited near to school grounds."

The group made the recommendation as it had been suggested that children might be especially vulnerable to any adverse effects of radiofrequency radiation and would have a longer time to accumulate exposure over the course of their life. The group acknowledged that some countries had prohibited the placing of macrocell base stations on sensitive sites, such as schools.

Although such a policy is easy to administer, Stewart did not believe that it always produced the desired effect, because of the way that emissions are beamed. A macrocell base station located near a school may cause higher exposure to pupils than if it were placed on the roof of the school building. The group thought that there was a better approach, which was reflected in its recommendation.

The Government considered that it would be difficult to adopt the recommendation, despite the arguments in the Stewart report. The concerns about the practicalities of adopting the recommendation including technological ones, such as the fact that it is problematical to define exactly where the beam of greatest intensity falls in all cases. It was also feared that adopting the recommendation would generate greater unnecessary anxiety about the siting of mobile phone base stations. People would inevitably ask why, if it was not acceptable for beams from base stations to be directed near schools, it should be acceptable near hospitals, homes or workplaces.

A base station rarely operates at the maximum licensed power and even if it did it would still have to comply with the international guidelines that were set, as I said, to protect everyone in the population. The Government believe that adopting the recommendation would have no practical benefit in decreasing the risk created by exposure to base station electromagnetic fields.

Furthermore, the ongoing audit of base station emissions near sensitive sites justified that decision. Ofcom—formerly the Radiocommunications Agency—has measured exposures around nearly 300 base stations, including those located on or near schools. In all cases, exposures were below—mostly thousands of times below—the guidelines. That should also serve to allay public concerns. For all those reasons, the Government do not support the intentions behind the provisions in the Bill that require that a planning application for a telecommunications installation be accompanied by a statement that it conforms to the precautionary principle and by a certificate setting out the range of the beam of greatest intensity.

The hon. Gentleman, in his detailed and well researched speech, raised a number of issues relating to PPG8, general health considerations and the precautionary approach, and I will say a few more words in response to the points he raised. The guidance in PPG8 says that health considerations and public concerns can, in principle, be material considerations in determining applications for planning permission and prior approval. In the first instance it is for the decision maker—usually the local planning authority—to determine what issues are material in any particular case and what weight to attach to them. Nevertheless, PPG8 states clearly that, in the Government's view, if a proposed mobile phone base station meets the international guidelines for public exposure—the ICNIRP guidelines—it should not be necessary for a local planning authority, in processing an application, to give further consideration to the health aspects and any concerns about them.

Let me say a few words about health and the precautionary approach. The Government, of course, take seriously public concern about the possibility of health effects being associated with telecommunications base stations. That is why we set up the independent expert group, chaired by Sir William Stewart, to

[Keith Hill]

consider the health effects of mobile phone base stations and transmitters. In respect of base stations, the report concluded that the

"balance of evidence indicates that there is no general risk to the health of people living near to base stations on the basis that exposures are expected to be small fractions of guidelines."

The Government have adopted the precautionary approach recommended by Stewart so, since the publication of his report, we have introduced standards to ensure that all base stations meet the international guidelines on public exposure set by ICNIRP. These guidelines are five times tougher in respect of public exposure than the National Radiological Protection Board guidelines previously used.

The Government's acceptance of a precautionary approach is limited to the specific recommendations in the group's report and the Government's response to them. It does not mean that individual local authorities should introduce their own precautionary policies for determining applications for mobile phone base stations; that would certainly be a recipe for confusion and uncertainty. However, we remain alert to public concerns and to the need for continuing research in these matters. That is why we have also launched a £7 million joint Government and industry research programme to investigate the health issues relating to mobile telecommunications and have made a commitment to keep the whole subject of mobile phone technologies under review in the light of further research.

I shall also say a few words about other forms of research. Reference has been made to Tetra—terrestrial trunked radio. The National Radiological Protection Board's independent advisory group on non-ionising radiation—AGNIR—published a report on possible health effects from Tetra in 2002. The report noted that the signals from Tetra-based stations, like their mobile phone counterparts, are not pulsed. There is, therefore, no reason to believe that signals from Tetra-based stations should be treated differently from those from other base stations. The report also found that exposures of the public to signals from Tetra-based stations are small fractions of international guidelines. Airwave mmO_2, which is rolling out the Tetra network for the police, is not a signatory to the 10 commitments, but it has its own version of the commitments and works to the guidelines in the code of best practice.

I am sure that hon. Members will also be aware of the recent Dutch TON study. The study from the Netherlands has examined the effects of radiofrequency signals from mobile phone base stations on feelings of well-being and cognitive functions. The results reported are important and need to be considered carefully. They also need to be confirmed by a different laboratory, as the authors themselves have emphasised.

On 14 May 2004, AGNIR published its report on "Health Effects from Radiofrequency Electromagnetic Fields". It fulfils a recommendation of the Stewart report to review the issue within three years.

With regard to exposures in the vicinity of mobile phone base stations, AGNIR examined data from a number of surveys and concluded that exposure levels are extremely low, and the evidence indicates that they are unlikely to pose a health risk. Nevertheless, AGNIR points out the limitations of published research and concludes that continued research is needed. The Government accept that the public have health concerns about mobile technologies and recognise that those need further study, which we are supporting.

The Bill's remaining provisions relate to base stations on property used by schools and medical facilities. They attempt to prevent operators from compulsorily acquiring rights to site installations on grounds used by schools, colleges and medical facilities. They would require county councils to revoke agreements to site telecommunications installations on sensitive locations, such as schools and medical facilities, and would allow for land previously compulsorily purchased for telecommunications use to be returned to its original owner without compensating the operator.

I remind hon. Members that the Stewart group report did not recommend that the erection of masts on or near schools be prohibited, or that existing masts be removed. As I stated, the report recommended that the beam of greatest intensity should not fall on any part of a school's grounds or buildings without agreement from the school and parents. I reiterate that Stewart did not recommend a moratorium on the siting of base stations on schools. As a result of the way in which omissions are beamed, a macrocell base station located near a school may cause a higher exposure to pupils than if it were placed on the roof of the school building.

The Government do not accept the arguments for directing the beam away from sensitive sites, but even if we did, it is impossible to understand the logic for the provisions. The Stewart group's report does not provide any basis for precautionary actions beyond those already proposed and accepted. It is our view that we should not implement additional precautionary policies. Of course, the development of modern communications systems inevitably leads to an increase in the infrastructure needed to support them, but the planning system already contains the necessary controls to ensure that such developments are carried out sensitively and with respect for the environment.

Mr. Spring: I put it to the Minister, in a wholly non-partisan and dispassionate way, that if he thinks that planning protection is actually working on the ground he is entirely mistaken. I also put it to him, again in a wholly non-partisan way, that the Government have a responsibility to react to the incidences of ill health ascribed to the transmission masts. That is what the precautionary principle is all about. The voluntary code is being abused wholesale by the telecommunications companies. It is a mess. I understand his position and acknowledge that he has been open and professional, but the Government have a responsibility to the people of this country to tidy up that mess. I hope that as a result of this debate he goes away and reflects on how to do that.

Keith Hill: I understand and appreciate the spirit in which the hon. Gentleman raises those concerns. I also appreciate his acknowledgment that the Government are taking the issues seriously. We recognise the public's concerns about the health implications of masts. We have worked very hard to get the best scientific evidence on which to make a judgment about the health impacts

of those masts. What is more, we are responding to research from abroad and in this country. Indeed, we are funding research in this country to continue studies into the public health implications of masts. Let me reassure the hon. Gentleman that we are also carefully monitoring developments in the localities where masts have been installed.

As the hon. Gentleman told the House, he has been the recipient of a huge volume of correspondence since he announced his intention to propose this measure. As the Minister for Housing and Planning, I, too, am in receipt of a considerable amount of correspondence, from members of the public and from Members of the House who are properly responding to the concerns of their constituents. Of course, that volume of correspondence encourages any reasonable Planning Minister, which I hope I can claim to be, constantly to ensure that official and other relevant parties test the performance of the operators in these matters. In addition, Ministers regularly meet the operators and make strenuous demands for the evidence on which they maintain their activities.

The Government are aware that this is an issue of great public sensitivity, and we are constantly on the alert with regard to it. The fact that we recognise those public concerns is exactly the reason that this country is a world leader not only in research and development in mobile phone technologies but in research on health concerns. I say again to the hon. Gentleman and to the House that we are keeping the whole area under the closest review in light of that further research.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 10, Noes 2.

Division No. 182] **[1:17 pm**

AYES

Dismore, Andrew	Skinner, Dennis
Flight, Howard	Spring, Richard
Hoey, Kate *(Vauxhall)*	Williams, Roger *(Brecon)*
Luff, Peter *(M-Worcs)*	
Mates, Michael	**Tellers for the Ayes:**
Pugh, Dr. John	**Mr. David Ruffley and**
Robertson, Hugh *(Faversham & M-Kent)*	**Mr. Eric Forth**

NOES

Hill, Keith *(Streatham)*	**Tellers for the Noes:**
King, Ms Oona *(Bethnal Green & Bow)*	**Ms Bridget Prentice and Gillian Merron**

It appearing on the report of the Division that 40 Members were not present, MADAM DEPUTY SPEAKER *declared that the Question was not decided, and the business under consideration stood over until the next sitting of the House.*

Rights of Way (Amendment) Bill

Order for Second Reading read.

1.28 pm

Jim Dowd (Lewisham, West) (Lab): With the permission and consent and, indeed, at the request of my hon. Friend the Member for Rossendale and Darwen (Janet Anderson), I beg to move, That the Bill be now read a Second time.

My hon. Friend is deeply sorry and sends her apologies to you, Madam Deputy Speaker, and the House for the fact that she is not here today to move the motion. All hon. Members experience, from time to time, an unfortunate dilemma and a conflict between our duties in the House and those in our constituencies, and she is currently in her constituency on a very pressing personal engagement. Rather than lose the opportunity today at least to air the principles underlying the Bill, she has asked me to step into the breach. I apologise to the House and to you, Madam Deputy Speaker, for the fact that you are getting the dustcart instead of the lord mayor's show today.

I know that my hon. Friend the Member for Rossendale and Darwen has a particular concern about the matters covered by the Bill in relation to her constituency, with its large concentrations of urban dwellings and industry flanked by beautiful countryside. Open green spaces are increasingly important resources for constituents who seek respite through countryside recreation and the associated benefits of fresh air, peace and tranquillity. Even though my own constituency is urban and part of inner-London and we do not have similar issues pressing there, it is a pressing matter for my constituents. They, like the constituents of hon. Members throughout the House, use the countryside more and more for recreation, especially if they live in urban areas for the working week.

The tranquillity of our greener areas is threatened by the invasion of scrambler bikes, bikes incorrectly but almost universally known as quad bikes, and four-wheel drive vehicles known as off-roaders. Irrecoverable damage is being done to sensitive land and it is becoming increasingly commonplace to see such damage owing to the inappropriate and inconsiderate use of those vehicles. Other rights of way users feel intimidated by convoys of vehicles, and reckless motorised use continues even through the winter months, turning many fragile countryside routes into deeply rutted and impassable mud baths.

Early-day motion 380 in the name of my hon. Friend the Member for Bassetlaw (John Mann) has been well supported by some 110 Members from all parts of the House. Although I know that some hon. Members would go as far as a complete ban on vehicles on rights of way, the Bill does not attempt to achieve that. It does not seek to prevent vehicles using the 4,500 km of recorded vehicular rights of way in England and Wales.

Use by vehicles of rights of way is not always in itself undesirable or damaging. There are already legislative provisions such as traffic regulation orders to regulate use where rights for mechanically propelled vehicles already exist.

Mr. Eric Forth (Bromley and Chislehurst) (Con): The hon. Gentleman no doubt has an intimate knowledge of

[Mr. Eric Forth]

the explanatory notes—in fact, I would not be surprised if he helped to draft them. I was rather puzzled by the sentence in paragraph 4:

"A public right of way for all vehicles may also arise where mechanically propelled vehicles have used a route for the 20 year period, even where that use is illegal."

Can the hon. Gentleman explain to me how illegal use has been allowed to continue for that length of time?

Jim Dowd: There is a passage in my notes that deals with that in part, and I shall come to it later. The right hon. Gentleman is aware that part of the reason for introducing the Bill is precisely the lack of clear regulation in this area. I shall come to some of the antecedents of that and some of the conflicts that it is creating. I share his view that the matter is subject to considerable confusion and needs clarification. The Bill presents us with an opportunity to adopt a partial, though not a complete, solution to the problem.

It is evident that existing motor vehicular use of the rights of way network will increase to unsustainable levels over the next 20 years. The figure of 20 years is used because there is a deadline of 2026—which is actually 22 years away—under the terms of the Countryside and Rights of Way Act 2000 for claiming historic rights to use highways and byways.

Many claims are already being submitted to local highways authorities to upgrade existing footpaths and bridleways to motor vehicular ways. Most alarmingly, the claims are generally based on the production of evidence of use by horse-drawn vehicles many years, if not centuries, ago.

Mr. Forth: Will the Bill's provisions be retrospective? I am interested that the hon. Gentleman says that there is a process whereby claims are now being submitted. He will know, because he understands these matters better than most, that there is always an issue with legislation such as this that seeks to put right something that is claimed to be wrong. Were the Bill to become an Act, would it have any retrospective effect in nullifying the claims already submitted and established?

Jim Dowd: As far as I know, there is no retrospection in the Bill. It is only a clarifying measure. However, having said that, I note that the Minister, who is far more intimately aware of its detail than I am, seeks to intervene.

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): People are sometimes confused about the date at which provisions take effect. The Countryside and Rights of Way Act 2000 put a limit on the date by which a claim could have been made in terms of a right of way existing because of use in the past, which was 2026. That means that a long way into the future there would be a degree of uncertainty. As I understand it, the Bill allows a period of 12 months from its coming into law. So, far from having any retrospective effect, it allows a window of opportunity for evidence to be put forward under the existing arrangements, but for a year rather than for some 25 years.

Jim Dowd: I am grateful to the Minister. Those are exactly the words that I would have used myself, but he has saved me the effort.

We are talking about establishing rights based on horse-drawn vehicles using tracks many years ago, which bears no resemblance to modern day use by powerful vehicles, sometimes weighing as much as 2 tonnes. This seems to be a perverse way to determine the accessibility of the rights of way network by motor vehicles.

The Government have recently consulted publicly on this issue in the consultation paper on the use of mechanically propelled vehicles on rights of way. Clearly, it is an emotive issue, which often creates conflict and ill-feeling between those who use mechanically propelled vehicles on rights of way and those who do not. However, I commend the Minister on a comprehensive consultation paper that directly confronts the issues of concern.

My hon. Friend seeks, through the Bill, to build on the proposals in that consultation paper. The Bill has a very simple purpose, which is to clarify those vehicular rights that can be recorded on local authorities' maps of rights of way, known as definitive maps, in England and Wales. At present we can only speculate on the extent of the historic evidence yet to be uncovered that would support claims in favour of their use by motor vehicles.

The Bill seeks to curtail claims for rights of way for mechanically propelled vehicles, known as byways open to all traffic, or, for those who like acronyms, BOATs. The impact is clear. When the Bill becomes an Act and its provisions are commenced, it will no longer be possible to add further byways open to all traffic to the rights of way network.

It may be helpful if I clarify how the Bill seeks to achieve that. The Bill limits the creation of any new public rights of way for mechanically propelled vehicles by ensuring that evidence of use by non-mechanically propelled vehicles in the future would not be sufficient to establish a public right of way for mechanically propelled vehicles.

The Bill also seeks to extinguish any unrecorded rights of way for mechanically propelled vehicles. This means that it will not be possible to rely upon any evidence of horse and cart use or an express dedication for such use to establish a right of way enabling motor vehicular use. But this historic evidence should not count for nothing. The Bill also provides for the recording of these rights as restricted byway rights—that is to say, rights on foot, on horseback or for non-mechanically propelled vehicles.

Mr. Forth: I am grateful to the hon. Gentleman for his generosity and the relaxed way in which he offers the Bill to the House on behalf of his hon. Friend the Member for Rossendale and Darwen (Janet Anderson). Can he reassure me that the claims that will be allowed for another 12 months, following the Minister's helpful intervention, will be considered on exactly the same basis as hitherto, and that the Bill will in no way seek to change the criteria that have been used to consider these claims?

Jim Dowd: I believe that I can give that reassurance. As I mentioned, the Bill does not seek to change the balance; it seeks to establish a system of regulating the competing claims. As I also pointed out, it does not seek to extinguish existing rights that have been established;

instead, it seeks to resolve conflicts between what could be perceived as the conflicting rights of users of footpaths and byways.

We are not discounting historic evidence. The Bill provides for the recording of restricted byway rights—rights for those who are on foot or horseback or are using non-mechanically propelled vehicles. That separates such byways from those that are open to all traffic rights. In most cases, recording rights under that category will ensure that rights of way are used in a way that reflects their historic past.

There are property owners or occupiers who rely on unrecorded public vehicular rights of way to gain access to their premises. They need to be protected from being landlocked. The Bill ensures that landowners and occupiers who are adversely affected by extinguishment of unrecorded rights in respect of mechanically propelled vehicles will retain those unrecorded rights to the extent that they need to exercise them in order to access their land. Of course, the provision would also extend to people who are legitimately visiting such owners or occupiers.

The Bill provides an opportunity for Members of the House to highlight their concerns about the use of motor vehicles on rights of way, and I am confident that the evidence will demonstrate that action is needed now if we are serious about having a sustainable rights of way network. The Bill is a major step forward in addressing the problems associated with motor vehicles in the countryside. It seeks not to ban vehicles, but merely to ensure that their future use is not dictated by past use that bears no comparison with the circumstances of today.

On behalf of my hon. Friend the Member for Rossendale and Darwen, I thank all the hon. Members who have helped her in preparing in the Bill and who have expressed their support, as well as those outside the House who have sent letters and e-mails expressing their support. I again thank the Minister and his staff for their considerable efforts and assistance in drafting the Bill, and I thank him for his decisive approach.

If the House, in its infinite wisdom, gives the Bill a Second Reading today, my hon. Friend the Member for Rossendale and Darwen will do all that she can to ensure that it achieves the further stages of its parliamentary progress—and she would do it in person, I am certain.

1.42 pm

John Mann (Bassetlaw) (Lab): A Bill that can unite in my area all farmers without exception, all horse riders without exception and dog walkers—I cannot confirm that it unites all dog walkers, because I have not spoken to all of them, but all whom I have consulted in many of the 80 villages around my constituency would warmly welcome a Bill such as this—is to be welcomed. Should a Committee consider the Bill, I shall earnestly offer my services to assist in its further progress.

I have one question, which I hope the Minister will answer, about what will happen if changes of the sort that are proposed should be introduced, whether through this Bill or other means. I want to ask about retrospective action, as it appears to me that in areas such as mine or the neighbouring constituency of Newark, where applications are currently under way, there needs to be clear guidance on the potential use of traffic regulation. When people wish to ride quad bikes and other such motorised vehicles, including motor bikes of all different kinds, licensed and unlicensed, legal and illegal, on the footpaths and bridleways of my area and that of the hon. Member for Newark (Patrick Mercer), such guidance is needed to ensure that we have the opportunity properly to put a case on our constituents' behalf in order to restrict such rights and allow people to get on with their lives in peace, rather than alongside the horrors of organised sport invading the countryside in an inappropriate way.

I hope that the Minister can consider providing some guidance, irrespective of the progress of the Bill, on how traffic regulation orders could be used by decent, law-abiding people in order to protect their rights.

1.44 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): The use of a loophole to convert more public paths into byways open to all traffic is a cause for concern. Conservative Members therefore welcome the Government's consultation on mechanically propelled vehicles, which closed in March, and we also welcome the Bill.

It is important to understand the scale of the problem. In England, there are about 188,000 km of public rights of way, of which more than 146,000 km are footpaths, just over 32,000 km are bridleways and 3,700 km are byways open to all traffic. An additional 6,000 km of roads are used as public paths or RUPPs—roads used as public paths—and they are currently being reclassified under the Wildlife and Countryside Act 1981.

Mr. Forth: I make a plea to my hon. Friend to talk in good old miles rather than these ghastly kilometres to which he seems so wedded. I know that he is a young man with his future ahead of him, but we old folk prefer miles because we do not understand kilometres. How much of that mileage is either in public ownership or is public land has not come out in the debate, and perhaps we can explore that point later with the Minister or in some other way. That distinction must be important, but when I examined the Bill quickly, I did not see it. Does my hon. Friend have any thoughts?

Mr. Ruffley: On my right hon. Friend's first point, I was as shocked as him to see a Conservative research department scriptwriter use kilometres. If my mathematics were quick enough, I would multiply the distance in kilometres by five eighths to get the proper figure in miles. However, my maths is not quick enough, and I must make some progress.

I have not examined or considered my right hon. Friend's second point about the proportion of mileage in private ownership as against public ownership, but it is worth delving into.

Alun Michael: I cannot help the hon. Gentleman on the proportions, but rights of way legislation deals with rights of way, and not with the ownership of land. On considerable amounts of private land, however, evidence of a right of way would, under the current

[Alun Michael]

arrangements, lead to a right of access not only for walkers and horses, but for motorised vehicles, so the Bill would benefit private landowners.

Mr. Ruffley: I am grateful to the Minister, and I hope that that helps my right hon. Friend.

Mr. Forth: Not much.

Mr. Ruffley: I could not answer my right hon. Friend's question, but I hope that the Minister's response is of some use.

The legal rights of access to RUPPs cause a great deal of confusion in the countryside. Many people believe that they have vehicular access to a route, when no such formal right exists. We believe that the Bill is not an attack on legally acquired vehicular access rights, but rather a renewed attempt to establish much needed clarity. The number of off-road vehicles has grown spectacularly over the past 10 years, and some estimate the increase to be more than 400 per cent. In that context, the need for clarification is all the more pressing.

It cannot be right that the use of a route centuries ago by horse-drawn carts can be used as evidence to grant access to mechanically propelled vehicles, which have a dramatic impact, particularly on unsurfaced roads. We believe that the loophole should be closed, and that the usage of a road over 20 years should not automatically give rise to vehicular access rights.

Mr. Forth: In our enthralling packed Friday debates in this place, we hear a lot about this or that group lobbying our colleagues. Has my hon. Friend been approached by any interest groups—walkers, horse riders, quad bike users, sport utility vehicle owners, people with horses and carts or perhaps even Prince Philip, as he drives his four, six or eight horses along with great skill—to argue one way or the other about the Bill, or is he completely in the dark?

Mr. Ruffley: Sadly, I have not been approached by the Duke of Edinburgh—but I have been approached in one of my many constituency advice centres by a man from Woolpit. I confess that I cannot recall his name, but he was extremely exercised by the prospect of the Bill biting and preventing him from using his quad bike on the highways and byways of mid and west Suffolk. I fear that what I am about to say, in what my right hon. Friend rightly described as this packed debate, will not be much to that man's liking—but perhaps he is not watching or listening, so I might get away with it.

In fact, I am supporting an official Opposition position, and I can say that we, as the official Opposition, have received many representations. Later in my speech, I shall take some time—

Mr. Forth: Oh yes, please do.

Mr. Ruffley: I am sure that my right hon. Friend will look forward to that part of my speech, when I shall outline some of the representations that have been made to us on both sides of the argument.

The use of routes by mechanically propelled vehicles does not inevitably cause damage, but there are many examples of damage being caused by trail riders and 4x4 vehicles. That has undoubtedly led to the enjoyment and amenity of the countryside being spoilt for many people. In my part of the fair county of Suffolk, there are many walkers of all ages who fear 4x4s and quad bikes tearing down quiet, bucolic country lanes or paths at great speed. That concern has been expressed not only to me but to many of my right hon. and hon. Friends.

The Ramblers Association has reported how green lanes have been scarred by trail bikes and four-wheel drives, at a cost both to those who use them and to those who try to maintain them. The problem is worst when conditions are wet, and large ruts can be gouged in paths.

Mr. Forth: Now that my hon. Friend has started to talk about wets and ruts, this is getting a bit more interesting, but has he any details or statistics on the number of people who have been injured by that phenomenon? As he develops his argument—I am sure that he is still only on his preliminary remarks—it strikes me that there is a distinct possibility that people using quad bikes, SUVs or other such vehicles, including even horse-drawn vehicles driven at speed, may be causing risk to innocents who are simply walking. Do we have any figures? Are they part of the argument?

Mr. Ruffley: It certainly would be an important part of the argument if I had those statistics to hand; my right hon. Friend makes a powerful point. I am always indebted, as are all of us on the Opposition Front Bench, to my right hon. Friend, because he has a brilliant capacity to ask the most telling and trenchant questions—and his latest intervention is true to form. It is a very important point. We should not just support or pass legislation willy-nilly: we have to drill down into the detail. Should the Bill obtain a Second Reading and go into Committee, I would expect that we would have more statistics to hand.

Alun Michael: It is difficult to provide statistics on that point, because statistics depend on the way in which information is collected. During the consultation, many people wrote to us about danger and injuries. The hon. Gentleman makes an interesting point about the wider issue of conflicts between different types of users, but the Bill would have only one narrow effect. It would mean that 12 months after it came into effect a claim could no longer be made that would allow use by motor vehicles on the basis of evidence of use by horses or horse-drawn vehicles many years in the past. The Bill would not introduce a complete ban, nor does it seek to try to prevent a wide range of different types of use. It would simply prevent the creation of a new right of way for motorised vehicles on the basis of historic use by horse-drawn vehicles.

Mr. Ruffley: I am grateful to the Minister, but it is worth pursuing my right hon. Friend's point. The Bill may address a narrow loophole but it is still a proposed piece of legislation, and we do not want to pass legislation for the sake of it. We must be convinced that it cuts out an abuse, rights a wrong or clarifies the law. My right hon. Friend makes an excellent point by asking

what evidence is available of loss of life or injury to walkers and others who may be incommoded by vehicles using certain country routes. How serious is the problem?

John Mann: I am sure that the hon. Gentleman will have read of the case earlier this year of the four-year-old boy in south Wales who was killed on one of these roads used as public paths—or RUPPs—by a motorbike travelling at great speed. Doubtless the hon. Gentleman will also be interested to hear of the concerns of hundreds of my constituents whom I met last weekend, in villages such as Clarborough. They fear injury, but also the disruption of their peace and quiet as they attempt to live their lives.

Mr. Ruffley: I was not questioning whether people were concerned about this issue. Many walkers and ramblers clearly support the Bill, not least for the reasons that the hon. Gentleman gives. I was making a slightly different point, which is that if we are to have good law based on a proper rationale, we need to test all the propositions. My right hon. Friend made a good point by asking whether we could quantify the occurrence of danger, injury or fatality. The hon. Gentleman gave a powerful example, about which I recall reading, but we need more empirical data before we make any final decisions on the Bill.

I congratulate my right hon. Friend on his typically forensic analysis. We do not want to pass laws only on the basis of good intentions: they must be founded on evidence.

Mr. Forth *rose—*

Mr. Ruffley: If my right hon. Friend will allow me, I will make some progress.

As I said, the problem is at its worst when conditions are wet. It leads to degradation of paths and routes, makes them difficult to use by walkers, many of whom are often deterred from returning to some areas, as they expect these motorised vehicles to return and disturb their peace as they go about their business walking along. The Ramblers Association states that the 85 miles of the Berkshire-Oxfordshire Ridgeway has suffered particularly badly from off-road vehicles, and the damage has cost Berkshire county council many thousands of pounds to repair.

Earlier, I promised my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) that I would refer to some of the representations that we have received. He might be interested to learn that there are arguments on both sides. There has been criticism of the Bill and its implications from the Trail Riders Fellowship—I do not know whether he is familiar with that organisation. In the consultation response to the Department for Environment, Food and Rural Affairs, it said:

"We are aware that the Minister continues to be lobbied by groups and individuals who wish him to totally eliminate the use of mechanically propelled vehicles from rights of way. We believe that the claims made in support of prohibition are very selective, misinformed and exaggerated"—

Alun Michael: It would be a great disservice to the House and the public were two things to be confused. One is the question of the suitability of rights of way for particular use—the hon. Gentleman referred, for instance, to the Ridgeway, in which I have taken a considerable personal interest. There is a right of way along the Ridgeway. The damage to the areas that he mentioned needs to be tackled via traffic regulation orders, which local authorities of a variety of political colours and MPs across three parties currently support. That is a coherent way of dealing with damage to a right of way. The Bill does not address those issues, and nor did the consultation, a response to which he was quoting. The Bill simply considers whether, if there has been use of a particular way by horses in the past, that should automatically lead to future use, after the 12-month post-implementation period, so that not only is there no backdating but there is a window of opportunity for using the current legislation. That is the only issue with which the Bill deals. It is important not to confuse the issues because organisations such as the Trail Riders Fellowship have been confused in making representations that have nothing to do with this Bill. The consultation to which he refers is much wider, and is not relevant to the specific proposals that we are considering.

Mr. Ruffley: I am grateful to the Minister. I hope that I am not missing anything, but it seems to me that the precedent that certain motorised vehicle users can now pray in aid—that a track had been used by a cart and horse for 400 years—which the Bill seeks to close off, is relevant. If that loophole is kept open, as the trail riders and others wish, they would be able to damage certain pathways and routes. Therefore, the suggestion by the trail riders that they should have a right to go down those routes and do what they like to the surface seems pertinent to the Bill. If the loophole is not closed, they will be allowed to go about their business and to cause damage. The ramblers to whom I will refer shortly object to that. Therefore, I am not quite sure why the Minister suggests that damage to some of those routes is not pertinent to the debate. If the loophole is not closed, more damage will be done. Is that not the point?

Alun Michael: The hon. Gentleman quoted responses in relation to general protection of rights of way and damage to rights of way that exist now. I made the point that traffic restriction orders are the means of dealing with that issue. The question in the Bill is simply whether it should be possible in future for people to claim a right of way for a motorised vehicle where the only evidence of previous use is that by walkers or horses, sometimes in the distant past.

Mr. Ruffley: I am grateful to the Minister. I do not think that we are disagreeing, because that is our understanding of the Bill. If that loophole is not closed, which the Bill seeks to do, it seems that there is potential for people who use motorised vehicles to pray in aid a precedent created by horses, for example, which would enable them to use their mechanically propelled vehicles and to cause damage. Therefore, if that loophole is not closed, there could be more damage to the countryside. That is the ramblers' argument.

May I continue quoting from the response of the trail riders to the consultation? I will be happy for the Minister to intervene if he thinks that this is not

[Mr. Ruffley]

pertinent to the Bill—I think that it is. One of the key arguments of those who oppose the Bill is that all vehicles that use rights of way do not necessarily use them in a careless and destructive manner. The trail riders and others think, fairly or unfairly, that they have been tarred with the brush of being destroyers of rights of way and of certain routes. They say:

"Legislative changes driven by such claims would be disproportionate to the problem and would bear down unreasonably on the law abiding and responsible. It would also be a replication of previous attempts to manage recreational use of countryside by tampering with legislation that have largely failed."

John Mann: How would the hon. Gentleman respond to the case that has been put in my constituency? It has nothing to do with the Ramblers Association or the Trail Riders Fellowship. If those rights of way were authorised and lawful, those wishing to go lamping and to case isolated farms such as that of my constituent, Mr. Geoffrey Wheatcroft—the story appeared in *The Sunday Telegraph*—would be able to do so. Concern has been expressed by 80 members of the National Farmers Union in my constituency and by the hon. Member for Newark (Patrick Mercer), the hon. Gentleman's Front-Bench colleague. They are worried not about organised trail riders but about the individuals who would have those rights and therefore would legitimately be in such areas on motorised vehicles, to the detriment of the security, safety and rights of the individuals living and working there.

Mr. Ruffley: The hon. Gentleman makes a powerful point. I repeat that the official Opposition are in favour of the Bill. I am merely trying to ventilate some of the different views. I was referring to the fact that some trail riders and British motorcyclists think that they have been hard done by. It is only fair to air their grievances. This is not a Bill that has universal support and there are arguments on both sides.

The British Motorcyclists Federation said:

"The consultation paper proposes measures that will curtail 'cowboy' usage. However to be effective in doing this it is likely that any legislation will shape the activities of sensible and authorised users."

Alun Michael: Does the hon. Gentleman accept that he is again talking about a consultation that ranged over a wide variety of issues, which go way beyond the limited elements covered by the Bill? By drawing in so many issues that are extraneous to the consideration of the Bill, he gives rise to the suspicion that the official Opposition have decided to talk out the Bill. It would be helpful and interesting to hear whether he has anything to say about the actual provisions of the Bill.

Mr. Ruffley: I am grateful to the Minister for that intervention. I do not agree that my references to the consultation are irrelevant to consideration of the Bill. As I said earlier, if the Bill is successful, it will close off a loophole and will, on balance, reduce the amount of motorised vehicles driven along some of the highways and byways of this country. If, on the other hand, the Bill does not go through, those wishing to use vehicular transport will be able to go down country routes by praying in aid the precedent of usage by horses, carts and so on over many generations. It thus seems to me that the general remarks of motorcyclists on the one hand and ramblers on the other about their view of their activities in the countryside, and their responses to the consultation, are extremely relevant, because the heart of the Bill is whether there should be more or less use of country routes by motorised vehicles.

Mr. Forth: Notwithstanding the bluster of the Minister, who obviously needs a refresher course in charm and persuasion, is my hon. Friend tempted by the thought that a better way to resolve a Bill such as this would be to test the will of the House in a Division, as the Government did on the last Bill? Does he recall that on six previous occasions this year, on Fridays such as this, it was Ministers who talked out Bills? If someone is still on their feet debating a Bill at 2.30 pm on a Friday such as this, it is more often than not a Minister.

Mr. Ruffley: As always, my right hon. Friend puts his finger on the point. I make no comment as to whether the official Opposition seek to talk out the Bill. As I am sure my right hon. Friend agrees, I am merely ventilating some of the issues, so that we can give a balanced reflection of who is for and who is against the Bill. The Minister has intervened twice to imply that my remarks were not pertinent to the Bill, but I believe that they are. Depending on whether the Bill goes through, there may be more or less use of motorised vehicles on country routes and that is what I am looking at.

I shall turn to what the Bill is trying to achieve and the more positive set of remarks about it, which have been amplified by the Ramblers Association. It referred to the Ridgeway and, although the Minister might intervene to say that this case should not be quoted in the context of the Bill, the views expressed reflect the opinion of ramblers generally on the principle of recreational motor vehicle use and how that might affect the use of the countryside by ramblers and others who wish to enjoy the highways and byways. It said:

"We are not campaigning for a ban on recreational motor vehicles, we are campaigning for a ban on their use on rights of way which came into existence before the motor car was invented, and have never been designed to support such use. There are many sites dedicated to off-roading where this activity can be enjoyed."

The Ramblers Association has expressed a fair and balanced view in support of the Bill.

The Friends of the Ridgeway and the Yorkshire Dales Green Lanes Alliance have also made supportive comments. The Friends of the Ridgeway said recently:

"The 'rights' arise from historical legal anomaly. Until the Countryside and Rights of Way Act 2000, UK law did not distinguish between motorised and non-motorised vehicles when it came to a consideration of rights of way. Once upon a time it was possible to drive through the centres of many of our towns and cities that are now pedestrian precincts. Sometime in the future we will look back on the banning of motor vehicles on The Ridgeway and see it as just another step in protecting the 'rights' of the majority".

The Green Lanes Environmental Action Movement—GLEAM—is yet another organisation that is in favour of the Bill. About 150 MPs and Members of the European Parliament of different parties are apparently honorary supporters of GLEAM.

Mr. Forth: Not today.

Mr. Ruffley: As my right hon. Friend points out, they are not here today. There do not seem to be many people who support the Bill in the Chamber today. None the less, its supporters appear to number more than 100.

Mr. Forth: In absentia.

Mr. Ruffley: Yes, in absentia, and demonstrably so.

Jim Dowd: They are on their way.

Mr. Forth: Using a byway.

Mr. Ruffley: There is a lot of sedentary intervention, but I will ignore that and try to press on.

Mr. Forth: I appreciate my hon. Friend's helpful analysis, because we need to hear the different views. However, before he concludes, will he give us his reaction to the Bill's explanatory notes? He has a distinguished record in the House as a custodian of the public purse and he may be alarmed, as I was, by paragraph 14 of the explanatory notes, which states:

"Local authorities may experience a surge of applications to record byways open to all traffic on their definitive maps before the legislation is commenced but their longer-term workload will be reduced."

Does my hon. Friend interpret that to mean, as I do, that there may be a considerable additional burden on the local council tax payer—yet again? The council tax payer will take little comfort from the fact that it may be reduced in the longer term, which never really arrives.

Mr. Ruffley: My right hon. Friend makes an important point. I hope that it will be picked up should the Bill ever be debated in Standing Committee. I know that he pays much attention to the resource implications of all legislation. We need full advertence as regards the cost implications of this Bill, as we do with all pieces of legislation.

It is important to ensure that there is a balance between the various users of the countryside, including those who walk in it and those who drive their vehicles down highways and byways. The Conservatives have a proud tradition of conserving that which is best. The beauty of the British countryside, not least in Suffolk, which is clearly the most beautiful county, should not be spoilt, but protected. We lean in favour of a regime that protects the environment from spoliation by vehicles. We are not against all vehicular use of byways, but on certain routes vehicles should not have untrammelled access as of right.

The loophole arising from the precedent set by the historical use of routes by vehicles such as horse-drawn carts exploited by those whose mechanised vehicles might despoil some of the lanes and routes needs to be considered. For that reason, we find merits in the Bill. On balance, it is an appropriate and proportionate response to a muddied—no pun intended—legal situation. We hope that the unjustified conversion of paths for vehicular usage can be stopped. In so doing, we hope that everyone can enjoy our cherished countryside free from disturbance and free from damage. We shall support the Bill should it be put to a vote.

2.22 pm

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I am grateful to the hon. Member for Bury St. Edmunds (Mr. Ruffley) for trying to tease out some of the things that would be affected by the Bill. When my hon. Friend the Member for Rossendale and Darwen (Janet Anderson) announced her intention to introduce such a Bill, I was unable to be in the Chamber to hear her remarks, although I know that she referred to the fact that I had explained the reasons for my absence. When I read what she had to say, I offered all the help that I could in pursuing her objective.

The hon. Member for Bury St. Edmunds raised a number of issues, some of which go wider than the Bill's scope. That is fair; a piece of legislation fits within a wider context. The consultation received many responses and raised many issues. In particular, I was pleased at the large number of Labour and Opposition Members who said that they thought the problem needed tackling in a comprehensive, proper and thoughtful way. They also said that they supported this specific measure.

The Bill is carefully measured. It effectively attempts to cap the extent to which the public right of way network is open to use by motor vehicles. Essentially, we are dealing with past vehicular use by horse-drawn vehicles long before the invention of the internal combustion engine. In many cases, roads and motorways started off by being used by horse and cart, but they have been subject to continuous use and the development of appropriate surfaces. We are concerned here with routes that have not been used by any sort of vehicle over many years and have never previously been used by mechanically propelled vehicles. Such use does not form part of the evidence for routes to be considered under the Bill.

I therefore emphasise the support for the limited nature of the Bill to underline the fact that, as was indicated in earlier interventions, it is not retrospective; it does not seek to curtail existing rights of way. It provides a window of opportunity for applications to be made under the current arrangements and for a year after the Bill reaches the statute book, rather than during a period that lasts until 2026, which is the provision in the Countryside and Rights of Way Act 2000. It merely means that, after that window of opportunity has closed, any rights of way that are asserted on the basis purely of walking and horse-drawn vehicles will give rise to the right to use that route on foot or in a horse-drawn vehicle rather than in a motorised vehicle—it will go no further than that.

I hope that, with those assurances on points of concern and in the knowledge that it will be widely welcomed as a small step in the direction towards a coherent means of properly protecting and using our rights of way, the Bill will receive the support of the House.

2.26 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): I suppose I should start by declaring somewhat of an interest, in that I am the happy owner of an SUV. Mine is a pretty little Jeep Wrangler of which I am inordinately proud. It is, of course, derived from the original second world war jeep and it is a true four-wheel drive vehicle. I have to confess, however, on behalf of my Wrangler, that it has never been off-road—it is a London-based SUV—so it has not yet been able to disrupt anyone's quiet or peace and sadly may never do so. I should put that on the record, though, because I have a potential interest in the contents of the Bill, rather than a present one.

I say for the sake of the record that the Minister has had the gall to stand up and say how many MPs support the measure—something that we often hear in the House on Fridays. You and I know, Madam Deputy Speaker, that at the last Division in the House, about an hour ago, only 12 MPs out of 659 voted, and looking around the Chamber now, there are 10 Members present. If we were to divide the House to establish the true level of support for the Bill, I would hazard that we might get 10 or 12 Members voting out of 659.

Jim Dowd: There are 11 Members here.

Mr. Forth: I had been intending to mention the hon. Gentleman, but I am happy to bring forward my praise for him. He points out that there may be 11 Members present, and I happily concede that.

As you know, Madam Deputy Speaker, I am something of an anorak. I still believe in what the House does and in the legislative process. I am here every private Members' Bill Friday, but sadly not many of my colleagues are. I am not impressed by those who say that this or that Bill has the support of many Members of all parties—100 here, 150 there. The true test of support for a Bill, in the legislative sense, is bums on seats or, to put it more accurately, bodies in Division Lobbies. To me, therefore, the proper measure of that support is when we divide the House and see how many people are here. Very sensibly, our forefathers set the quorum for the House at 40 Members. I do not think that it is asking too much to say that 40 Members should be present to make law. Let us clear all that nonsense out of the way before we even get started.

I had been about to sing the praises of my near neighbour, the hon. Member for Lewisham, West (Jim Dowd), who so persuasively introduced the Bill on behalf of the hon. Member for Rossendale and Darwen (Janet Anderson). He said that, were the Bill to make progress, the hon. Lady would be present on some future occasion to promote its interests. That is very encouraging, if I may say so. I am really rather pleased that a Member would be prepared to turn up to support his or her Bill at some stage. The hon. Gentleman did a magnificent job of promoting his colleague's Bill, and, who knows, we may yet find that he has persuaded the House—that remains to be seen.

Just to clear the decks before I get anywhere near my introductory remarks, never mind the substance of my speech—I am keen to follow others in making my little contribution to the debate—it emerged from the Minister's remarks that our aim today is to repair a cock-up by the Government. Apparently, the Countryside and Rights of Way Act—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on 16 July.

Remaining Private Members' Bills

TELECOMMUNICATIONS (PERMITTED DEVELOPMENT RIGHTS) (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Madam Deputy Speaker: Second reading what day?

Jim Dowd: I thank my hon. Friend the Member for Halton (Derek Twigg). That is the last time I do him a favour.

Friday 16 July, Madam Deputy Speaker.

To be read a Second time on Friday 16 July.

WILD MAMMALS (PROTECTION) (AMENDMENT) (NO. 2) BILL

Order read for resuming adjourned debate on Question [6 February], That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 15 October.

CRIMINAL JUSTICE (JUSTIFIABLE CONDUCT) BILL

Order read for resuming adjourned debate on Question [14 May], That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 18 June.

TELECOMMUNICATIONS MASTS (REGISTRATION) BILL

Madam Deputy Speaker: Not moved.

Royal Prerogative of Mercy

Motion made, and Question proposed, That this House do now adjourn.—*[Derek Twigg.]*

2.31 pm

Mr. Peter Kilfoyle (Liverpool, Walton): First, I should like to put on the record how pleased I am to have obtained this Adjournment debate. The matters it deals with might seem somewhat dated, but I think that they are as relevant now as they were when I first became aware of them some eight years ago. The debate arises from a previous Adjournment debate that I had the privilege to introduce on 7 March 2001.

At that time, I expressed my concerns about the release from prison of two career criminals, John Haase and Paul Bennett, 10 months after they had been sent down for 18 years for conspiring to supply class A drugs. To date, no one in the Government or their agencies has been able to explain satisfactorily to me how that happened. I hope that today's debate will enlighten us as to part of the process involved—the use of the royal prerogative.

Since that debate, I have met representatives of Customs and Excise and the Home Office—two of the principal agencies involved—but they have added nothing to my understanding of the breakdown in justice. I have to assume either that those concerned are ignorant of the wider context of the Haase-Bennett case, or that they inadvertently stonewalled me in respect of relevant information that I believe should rightly be placed in the public domain.

I am assured that, since the previous debate, Customs and Excise has changed its rules on the handling of informants—something for which I asked at the time and went into great detail about. However, a Customs and Excise officer, Mr. Kevin O'Sullivan, of the law enforcement drugs policy section, wrote to Sir Andrew Turnbull alleging that there is still a culture of malpractice and, indeed, criminal behaviour within Customs and Excise. I hope that that matter will be pursued and resolved.

When I initiated that debate three years ago, however, the Paymaster General told me that I had

"placed much information on the record."

I was told that she would ensure that the issue that I raised would be "properly scrutinised" and that I would be

"kept fully appraised of action that is taken and information that is available."

Finally, I was also told that I was

"making available additional information that requires a response, and I will assure that he gets one."—[*Official Report*, 7 March 2001; Vol. 364, c. 395–8.]

But, of course, I never did. Time moved on and so did Ministers. The forces of law and order remained mute on the travesty of justice that was the release of Haase and Bennett.

I had put on the record how Haase and Bennett set up stashes of guns from within prison to enhance their credibility as informants. I am talking about not just shotguns and small handguns, but assault weapons—AK47s, M16s, Kalashnikovs and Uzis. A large number of guns were set up in those stashes. Subsequently, the two men informed the authorities of where those guns were, thus enhancing their credibility as informants.

At the time, I pointed out that no convictions were involved in the retrieval of those guns. They were found in cars or empty houses. All the information came courtesy of Haase and Bennett from within prison while on remand. It beggars belief that those people could somehow be aware of those stashes in cars, which could be towed away and moved around, but they were always spot on, in the right place at the right time with the right weapons. Of course, the reason was that the stashes had been organised by them, through their confederates outside. That is common knowledge among the underworld fraternity in Liverpool, and I believe that it is commonly understood by the police.

In fact, I also pointed out three years ago that Scotland Yard's directorate of intelligence alerted the agencies to that scam. I believe that it was not new at that time. That information had come from a man known, oddly enough, as the Vulcan—a Turkish baba, or godfather, who was the Turkish connection in drug-dealing activities. I understand that he did the same thing when he was incarcerated in Italy, where he got himself out of prison by doing deals with the authorities in return for information on that kind of set-up gun stash.

No one questioned what was going on at the time because everyone was obviously a winner. The informants gained credibility. That was the purpose of the exercise. The officers involved could show the seized guns as successes. The media trumpeted position outcomes in the war against organised crime. However, I repeat that no one was ever convicted for involvement with all those guns. To anyone with any sense of what life is like on the street, the idea that those guns could somehow remain in the stashes for months and months, while those people were in prison, waiting for the informants to come along and say where they were just beggars belief.

When Paul Cooke, the men's Customs handler petitioned the judge in their case, David Lynch, it even caused consternation and outrage among some of Cooke's colleagues in the Customs and Excise squads—two squads were involved as it was such a big case—as it affected the arrests in a major crackdown on drug importation. I have spoken to members of those squads. They still do not understand why the recommendation was made to allow those two people out of prison. But of course, under normal procedure, Paul Cooke, the officer in charge, together with the defence counsel, approached the trial judge, David Lynch, to set out the reasons why they believed that those two people should be pardoned. In turn—again, under normal procedure—that information would be passed on to the Home Office for its consideration. Of course, the key in all this was the gun seizures—that was the supporting evidence.

Following that procedure, the net result was that the two prisoners were released under the royal prerogative. It was a very strange release, because there were only five pardons in 1996 in total—Haase and Bennett received two of them. I should have thought that, with such a small number of cases getting to that stage, there would be intensive scrutiny of the backgrounds to those cases,

[Mr. Peter Kilfoyle]

the people involved, the way in which their credibility had been established and how the guns had been seized by the police.

Jim Dowd (Lewisham, West) (Lab): It is unusual to intervene in such a debate, but the tale my hon. Friend is outlining is scandalous, to put it mildly. Can he remind the House of who was the Home Secretary when those releases were authorised?

Mr. Kilfoyle: That happened in 1996 when the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) was the Home Secretary.

What made the case so special as to merit the release of Haase and Bennett? My hon. Friend the Minister will rightly quote the judge. I know that he, in turn, quotes the arguments of what I would consider a rather undependable alliance of the defence counsel and Paul Cooke, the Customs and Excise officer in charge of what happened.

The repeated allegation on the streets of Liverpool—it is not a new allegation—is that in some way large sums of money were involved in arranging matters. After all, Haase and Bennett had it. The authorities had seized only half the stock of "brown"—heroin—from that importation. I put it on the record that the street value at the time was £18 million. They had a lot of money at their disposal, if that was the case, to buy weapons and to buy influence.

I should also put it on the record that one name that is always mentioned in this context is that of a local criminal, Simon Bakerman, a man who has done time for drug offences. He is the son of Warner Bakerman, who was also arrested on drug-related charges. I cannot argue the veracity of the claims that are made by people who I have already said are practised liars, well able to do deals, and always seeking to do deals to minimise the effects of the sentences handed down to them. Nevertheless, the allegation is repeated time and again, ad nauseam. It merits somebody, somewhere, looking into what, after all, would be conspiracy to pervert the course of justice. The people involved are not only well known to the underworld. They are well known to the police in the area, and I believe they are well known to senior members of national agencies.

That gives rise to the question that I am often asked: have those repeated allegations been investigated, and if so, what was the outcome? Back in 2001 when I first raised the issue, I asked a series of questions seeking information to fill in the blanks in this unsavoury tale. As the House has heard, the Minister responding for the Government at the time promised me answers, but sadly, for reasons that I am prepared to accept were in good faith, because the election came along and ministerial roles changed, I never got those answers. I repeat for my hon. Friend the Minister, to see whether he can be of assistance, some of the pertinent questions that go to the heart of the so-called information provided by Haase and Bennett in order to give credibility to their application for the royal pardon.

Was Paul Ferris interviewed about the gun purchases of Haase and Bennett? What information is available on John Lally, Dominic Donnelly and Roger Jordan in relation to the smuggling of a gun into Strangeways jail? Was a report compiled on the gun in Strangeways jail? Has it been or will it be published anywhere, and if not, why not? Was there a failure by Customs and Excise to liaise with Merseyside police about the arms stashes pointed out by Haase and Bennett while they were on remand? Finally, who in the Home Office, if anyone, made the recommendation that Haase and Bennett should be released back on to the streets to carry on their perfidious work?

Three years ago I asked for two inquiries. One was into the procedures of Customs and Excise for dealing with informers. As I have already said, I am assured that that has been done and the necessary changes effected. My second request was for an inquiry into those cases touched upon by Haase and Bennett and their information, relating in particular to their release, the basis for it and any questions arising from it, and also into cases where their evidence was allegedly used and was crucial in securing convictions.

There have always been problems with so-called supergrasses, and, as I have said before, criminals always argue that they are innocent of the crimes of which they have been convicted. Nevertheless, there remains a deep concern on Merseyside that no one in authority seems to care about the uncertainty surrounding the information allegedly provided by Haase and Bennett with regard to others convicted of serious crimes.

We live in an age of increasing violence and frequent resort to firearms on the street. That is a commonplace fact of life today in my home city, as it is in other cities in the United Kingdom, and it is a tragedy. Here is a case where hundreds of weapons were bought on behalf of Haase and Bennett and turned in to the authorities, yet no one appears to have asked the appropriate questions about the stashes and the arrangements surrounding them.

I cannot believe that everyone touching on this case missed the obvious. To a simple-minded lay person such as myself, there can be only two possible conclusions. The first is that Customs and Excise, the Prison Service, the police, the judiciary and the Home Office were all duped by Haase and Bennett. The alternative is that there was, at some stage, some truth in the allegations that bribery played a part in securing Haase and Bennett's release. I do not want to believe that. All of my instincts say that that is not possible. Yet I also find it difficult to believe that no one within the system smelled a rat in the way in which the gun stashes were set up. I just hope that today the Minister can throw some real light on this sordid saga, so that I can explain to my constituents why it is that these people were allowed out.

2.46 pm

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): I congratulate my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) on obtaining this debate and providing the House with an opportunity to discuss an issue that reaches back into our history.

By constitutional convention, the Home Secretary is, in England and Wales, responsible for recommending to the Sovereign the exercise of the royal prerogative of mercy. Indeed, the Home Secretary is personally involved in all decisions relating to any application for the use of the royal prerogative of mercy.

The Home Secretary's discretion in providing advice on the exercise of the royal prerogative has to be exercised having regard not only to the legal restrictions on the prerogative power, but to those imposed by constitutional convention and the allocation of ministerial responsibilities.

It might be helpful if I set out my right hon. Friend the Home Secretary's policy and powers, as well as the conventions relating to the royal prerogative, and the particular factors that have a bearing on the granting of the three different forms of pardon that exist.

A decision by my right hon. Friend to recommend the use of the royal prerogative of mercy to grant a free pardon is restricted to cases that meet the following conditions. The first is where it is impractical for the case to be referred to an appellate court, and the second is where new evidence has arisen that has not been before the courts, which demonstrates beyond any doubt that no offence was committed or that the defendant did not commit the crime.

The effect of a free pardon is that the conviction is disregarded to the extent that, as far as possible, the person is relieved of all penalties and other consequences of the conviction. Of course, only the courts have the power to quash a conviction, and length of sentence is entirely a matter for the trial judge. The sentencing process must be as transparent as possible. Only in the most exceptional circumstances would it be appropriate to recommend an exercise of the royal prerogative of mercy, subsequent to conviction, on the strength of mitigating factors that were in fact known to the sentencing judge. That is an important point to which I shall return later.

The criteria currently used by my right hon. Friend in considering whether to make a recommendation to Her Majesty appear to have been applied by his predecessors for the past 100 years. Those criteria reflect a proper regard for the constitutional position, namely, that the courts decide whether a person is guilty of an offence, not the Government.

Thus, the Home Secretary would not generally consider recommending the grant of a free pardon until an appeal had been dismissed or leave to appeal had been refused, and it would be impractical for the case to be otherwise referred back to an appellate court.

Three forms of the royal prerogative of mercy are used to grant pardons to convicted criminals. The first is what is commonly known as a free pardon, which in this context means that the pardon is free from any conditions. The last free pardon was granted in 1996 and involved summary driving offences. Hon. Members will recall that, at that time, there was no other form of redress for a miscarriage of justice in summary cases.

The second form is a conditional pardon, whereby the penalty is removed on condition that a lesser penalty is served. Back in the 18th century, this form of pardon was used to substitute transportation for life in place of the death penalty. With the withdrawal of capital punishment, such pardons are no longer required. Indeed, the last conditional pardon to be granted was given posthumously in 1993 in respect of the death sentence passed on Derek Bentley, although this did not, of course, pardon his conviction for murder.

The third form of the royal prerogative of mercy is what is known as a remission pardon. This provides for the mitigation of punishment by releasing a prisoner from having to serve some or all of the remainder of their sentence or releasing someone who has been subject to a monetary penalty from the obligation to pay all or part of it. Remission pardons are usually considered in cases where the applicant has provided assistance to the authorities or in recognition of meritorious conduct, such as saving the life of a fellow prisoner or a member of the prison staff. It is this form of pardon that I know is of particular interest to my hon. Friend, given his concerns about the cases that he has mentioned. It might be helpful, therefore, if I say a little more about how the procedures work in such cases.

In the case of an individual providing information or assistance to the authorities prior to sentence, it would be normal for those authorities to inform the trial judge of the nature and extent of the assurances given. The trial judge would then reflect these representations in any sentence handed down. In some cases, such as where doing that might draw attention to the fact that the offender had been very helpful to the authorities and in turn might place that particular individual at great personal risk, and especially where that risk might be life threatening, the judge may decide not to impose a reduced sentence but write instead to the Home Secretary asking him to consider the use of the royal prerogative of mercy.

When that happens, the Home Secretary should not simply take the information at face value, but seek a detailed report from all the authorities involved in order to satisfy himself as to the value of the assistance given, and indeed as to what use that information has been put, before going back to the trial judge for his opinion as to what level of reduction in sentence would be justified in the circumstances. In cases where information has been provided after sentence, the same processes should take place, in that the Home Secretary should seek a detailed report with regard to the validity and use of the information as well as any outcome that may have occurred.

With regard to recommendations for the use of the prerogative in respect of meritorious conduct, this would normally relate to behaviour in prison, such as preventing the suicide of a fellow inmate, rescuing prison officers during a riot, preventing a fire, or some similar highly creditable behaviour. In such cases, it would be for the prison authorities to confirm the action taken by the prisoner and to recommend a suitable period of reduction in sentence. In most cases, this is a matter of a few days.

My hon. Friend has reiterated his close interest in the cases of John Haase and Paul Bennett, both of whom were granted remission pardons in 1996. He has raised his concerns on a number of occasions in the years since; indeed, this is not the first Adjournment debate he has initiated on this particular topic. I appreciate my hon. Friend's deep disquiet that in this case both men—despite the sensitivities involved and the possible danger to themselves—decided to make public the fact that they had received a reduction in sentence. It will be of great concern to my hon. Friend and his constituents that those men continued, after their release, to engage in further serious criminal activity. I note, too, my hon. Friend's allegation that those two men had deceived the authorities in their efforts to obtain a reduction in sentence.

[Paul Goggins]

I know that the then Paymaster General wrote to my hon. Friend following the earlier debate, to assure him that Customs had re-examined its handling of the case and concluded that it had been dealt with appropriately. I also understand that earlier this year my hon. Friend met my hon. Friend the Economic Secretary to the Treasury to discuss his continuing concerns.

My hon. Friend asked a number of specific questions, but I am sure that he understands that I am unable to go into detail on the facts of those cases. In particular, I emphasise the well-established policy and practice that no one—whether they be the police, Customs, Home Office officials or indeed Ministers—should comment publicly on whether an individual has or has not given information in confidence to the authorities. However, the House should be in no doubt that the impetus for the reduction in sentence in those cases came entirely and properly from the trial judge, and in supplying material to the judge, Customs and the police were properly fulfilling their obligations to the court.

Indeed, the Court of Appeal in the case of Sinfield laid great emphasis on the public interest in ensuring remissions of sentences in such instances, making it clear that even if the defendant is a major criminal—as he was in that particular case—a reduction in sentence still remains appropriate. Given the concerns that my hon. Friend raised, he will want to know whether we are considering any changes to the procedures in relation to the use of the royal prerogative of mercy.

I know that my hon. Friend is aware that at the time of his Adjournment debate in March 2001, an internal Home Office review was in progress. The review was completed soon after the debate and, although the conclusions were never made public, I can inform the House that they confirmed an earlier decision of the then Home Secretary that the royal prerogative of mercy should not normally be used to shorten sentences in recognition of information supplied to the authorities and known to the trial judge at the time of sentence.

The review did not, however, conclude that the prerogative should never be used in such circumstances, given that there may be very rare cases in which it is important for the Home Secretary to retain this discretion. Take, for example, a case in which co-defendants were all sentenced together in open court for the same offences, and where all might expect to receive the same or at least very similar sentences. It might simply be too obvious, not to say dangerous, to be seen to be lenient with just one. There can be particular difficulties when co-defendants plead guilty, but not all have given assistance, since a marked disparity of sentence may be impossible to explain, and any attempt to explain it would put the informer and their families at risk and so discourage informers from giving assistance.

I am led to understand that there have been recent improvements in the way customs officers handle their informants. The Butterfield review of criminal investigations and prosecutions, conducted by Customs and published in July 2003, revised arrangements for handling human intelligence sources. These new arrangements were put into place in September 2003 and extensive new law enforcement training commenced in April this year.

There have, of course, also been legislative changes that have affected the use of the royal prerogative of mercy and provided alternative means of redress. Prior to the implementation of the Criminal Appeal Act 1995, the only way that those who were wrongfully convicted had to remove the stain against their character was to seek a free pardon. Now, such people are able to appeal against summary conviction to the Crown Court and in the case of indictable offences to the Appeal Court. If they are unsuccessful, they can also seek the assistance of the Criminal Cases Review Commission. The commission, having investigated an allegation of injustice, may, if it determines that it is appropriate, refer the case back to the Court of Appeal.

That has clearly reduced the need to resort to the royal prerogative of mercy, and as a consequence no free pardons have been issued since 1997, when the Criminal Cases Review Commission came into being. Remission pardons have continued to be granted, but as my hon. Friend is aware from replies to recent questions that he has tabled, they are extremely rare, and only five have been granted since 1997, excluding grants for meritorious conduct in prisons.

The royal prerogative of mercy is, therefore, used only sparingly, and only in cases that are truly exceptional in character, in which no other route of redress is available.

It should not surprise any of us when public controversy accompanies a remission pardon. The cases are rare, and the people involved are convicted offenders who have sometimes committed very serious crimes. I appreciate, therefore, not least in relation to his constituency responsibilities, why my hon. Friend continues to press his concerns, and I remain happy to respond should he have further questions in future.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

House of Commons

Monday 24 May 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Olympics 2012

1. **Mr. Andrew Love** (Edmonton): If she will make a statement on progress on infrastructure in the Thames gateway in respect of London's bid for the 2012 Olympics. [174891]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): A master plan prepared earlier this year by the London Development Agency set out plans for the lower Lea valley. They are designed to accommodate staging the Olympics in 2012. Outline planning permission is being sought for those proposals.

Mr. Love: May I, on behalf of the House, add to the congratulations to the bid team on making the shortlist? May we also thank Barbara Cassani for her leadership and congratulate Lord Coe on taking on that mantle for the future?

The International Olympic Committee's report expressed concern about transport infrastructure. I know that the Government are about to invest £600 million in the Thames gateway; indeed, we were told earlier this week that they have earmarked £17 billion for transport infrastructure in future years. Can my right hon. Friend confirm that she will be working with her Ministers to ensure that the poor state of London's transport highlighted in the report will be dealt with?

Tessa Jowell: Yes, of course, there is close co-operation across Government on all aspects of the bid, including those that relate to transport for the Olympics. It is worth making the point that, by 2012, £17 billion will have been invested in London's transport. We will have the channel tunnel rail link during the Olympics, the dedicated link from King's Cross down to Stratford, a 45 per cent. increase in capacity on the Jubilee line and no fewer than 10 railway lines serving Stratford station, so we have a lot to be proud of in the transport infrastructure that we will be in a position to offer visitors to London when they come to the Olympics in 2012.

One final point, Mr. Speaker. I know that my hon. Friend has been very concerned to ensure that the regeneration effects benefit his constituents. He will therefore welcome the investment that the lower Lea valley regeneration intends to make in a retail park, for the benefit of jobs in his constituency.

Mr. Nick Hawkins (Surrey Heath) (Con): In echoing what the hon. Member for Edmonton (Mr. Love) said in paying tribute to Barbara Cassani and her work with Lord Coe, does the Secretary of State recognise that while all Members on both sides of the House want the Olympic bid to succeed, we want to see progress with the City of London in terms of the business support that it can give to the infrastructure? Does she recognise that that has perhaps not been given sufficient priority? Does she also recognise that there is concern among people in east London that there is a shortage of facilities, particularly in terms of swimming—a sport in which I have a personal interest, as she is aware? Does she acknowledge that that too can helpfully be addressed?

Mr. Speaker: Order. No one is going to win any Olympic prizes for the length of their questions.

Tessa Jowell: Thank you, Mr. Speaker.

I would obviously like to join in what Members on both sides of the House want, which is to congratulate and thank Barbara Cassani, who is still very much part of the bid team, but also to welcome Seb Coe's leadership. The hon. Gentleman is absolutely right: swimming facilities will be an important benefit of the bid, and the aquatic centre will be one of the first Olympic facilities to be developed. On business support, I met the CBI just two weeks ago. He is absolutely right that London's businesses want to support the bid and they have already made a handsome contribution to the cost of it. That is to be welcomed.

Mr. Tony Banks (West Ham) (Lab): My right hon. Friend knows that many facilities for the Olympic games are located in my constituency of West Ham, where there is enormous support for the bid. The legacy use of those sports facilities, if they are built, is pretty crucial, particularly that of the 80,000-seater Olympic stadium. What discussions has she been able to have with the football clubs of London that could use it, such as West Ham, Tottenham and perhaps, given its ambitious plans, Chelsea?

Tessa Jowell: I thank my hon. Friend for that question. I know that some preliminary discussions have been held with a number of football clubs that might take on the responsibility for and the tenancy of the main Olympic stadium, but I also want to underline the welcome that his constituents give to the prospect of the Olympics. For this purpose, the world divides into those who want to win and those who want to whinge. His constituents want to win, and if we work together, pull together and realise the possibilities that the Olympics can bring to London we will win, but too many people are whingeing on the sidelines. They will damage our bid.

Miss Julie Kirkbride (Bromsgrove) (Con): We on the Conservative Benches would like to begin by offering a warm welcome to Lord Coe as chairman of the 2012 bid. We also want to pay tribute to Mrs. Cassani for putting together an excellent technical bid and an excellent team. But we wonder why, given Lord Coe's past as a British Olympian, the fact that he is well known in the international sporting arena, and that he is a politician, he was not the first choice. However, he now has a very important job to do. Notwithstanding the first response that the Secretary of State gave to the hon. Member for Edmonton (Mr. Love), will she come to the Dispatch Box, bearing in mind the International Olympic Committee's criticisms of our transport arrangements, and guarantee that the east London line will be constructed in time for the Olympics, and that the upgrade of the Jubilee line will take place in time, too?

Tessa Jowell: On the hon. Lady's question about the east London line, feasibility studies are currently under way, both by the Strategic Rail Authority and Transport for London. The outcome of those studies will be considered as part of the spending round, so there will be no decision on funding for the east London line until the summer. We have always made it absolutely clear that the east London line would greatly enhance the hosting of the Olympics, but it is not essential to a first-class transport plan for the Olympics.

From memory, although I stand to be corrected, Lord Coe did not submit his name first time around. What we have, however, is Barbara Cassani's legacy, which was to set up the team, and now Lord Coe, who we hope will take us past the winning line in July next year.

Miss Kirkbride: I am sure that the 2012 bid team will have noted what the Secretary of State says about transport links, but there were other criticisms in the IOC report that she might also wish to address. For example, on Government support, we came eighth out of nine among the bidding cities, and on public support, we came ninth out of nine. The Secretary of State might like to consider whether she should stop whingeing about the whingers, and the Minister for Sport and Tourism should stop telling Londoners that they need to be disciplined about their attitude to the British Olympic bid and start winning the hearts and minds of the British public for a London bid for 2012.

Tessa Jowell: Of course, the 2012 bid team and all those who have a role to play, including Members on both sides of the House, will examine carefully what the International Olympic Committee said about the London bid. It is a constructive intervention, not one that should deter us. It is also worth recording that London came from nowhere and is at the moment standing third. There is little distance between the first three cities. In fact, we scored better than Paris on environmental conditions, we are equal with Paris on accommodation, finance and Government support, and we are better than Madrid on safety and security. There is an awful lot going for the London bid, and I hope that at every opportunity she will talk it up, not talk it down.

Andrew Mackinlay (Thurrock) (Lab): I invite my right hon. Friend to look at the Order Paper, on which she will see that the question relates to the Thames gateway and infrastructure, and I invite her to consider that the boundaries of Greater London are wholly artificial and ridiculous, and that they relate to 1963. The Thames gateway includes Thurrock, where there is room to breathe and people are enthusiastic about the Olympic bid. Not only do we want a slice of the action but it would be in her interest, and that of my hon. Friend the Member for West Ham (Mr. Banks), if she were to look eastwards rather than just to the few miles round the centre.

Tessa Jowell: I take seriously my hon. Friend's advocacy for Thurrock. *[Interruption.]* Exactly. I greatly look forward to visiting it next month.

Archaeology

2. **Tim Loughton** (East Worthing and Shoreham) (Con): What assessment she has made of the all-party archaeology group's report on the state of archaeology in the United Kingdom. [174892]

The Minister for the Arts (Estelle Morris): The Government welcome the all-party archaeology group's report. Its recommendations will form a useful contribution to the ongoing review of heritage protection.

Tim Loughton: I welcome the Minister's comments, but her predecessor undertook to give a formal response to the report, and it has been out since January 2003. May I bring to her attention two points in it? First, the Illicit Trade Advisory Panel, which was set up in 2000, has been successful in its recommendations. The trouble is that only three of those 16 recommendations have so far been put into practice, and she is now recommending winding it up. Will she reconsider that? On the portable antiquities scheme, will she agree to accept an all-party delegation of those of us who are concerned that the Government should take the scheme fully under their wing after the funding ends in 2006? It has been so successful, as I saw in my area in Sussex last Friday, that it is in danger of being swamped as a result, and the Government need to take it under their wing and fund it properly after 2006.

Estelle Morris: I take the point about the report having been published in January last year. I believe that my right hon. Friend the Minister for Media and Heritage met the all-party group last October—I stand to be corrected if I am wrong—and I will pass the hon. Gentleman's comments to him.

I share the hon. Gentleman's enthusiasm for what the portable antiquities scheme has achieved, but all I can say now is that the funding is secure for another one or two years. Obviously we cannot make an announcement until we have the results of our spending review bid, but I hope very much that the Government will be able to bear the costs. The Department has put in £1.5 million so far. I shall say no more for the moment, but I will probably report in the autumn.

I shall shortly meet the chairman of the Illicit Trade Advisory Panel. I want to discuss with him what will happen following representations he has made to me. Perhaps I shall have further news after that meeting.

Mr. Tam Dalyell (Linlithgow) (Lab): Are the Government giving a friendly response to recommendation 7 on the framework and funding of the portable antiquities scheme?

Estelle Morris: I personally am giving it an exceptionally friendly response. The problem is persuading other Ministers to give a more friendly response to it than to other bids.

The £1.5 million invested by the Department is not a huge amount, but it has achieved a great deal. There were 87,000 finds last year, and 20,000 people are now taking part in the activity, of whom 4,000 are children. I think it would be a shame if the scheme did not continue. Perhaps my words will fall on favourable ears.

All I can say now is that the bid is there and the intention is to continue the funding. It would be silly to say more than I have dared to say thus far without knowing exactly what will happen to our settlement in the next spending review. More risk than that I am not about to take.

National Lottery

3. **Mr. Hugo Swire** (East Devon) (Con): How much is unallocated in the national lottery distribution fund. [174893]

The Minister for the Arts (Estelle Morris): The NLDF holds about £2.65 billion, of which less than 4 per cent. is unallocated. Forward commitments made by lottery distributors total £3.6 billion, making the fund 32 per cent. over-committed.

Mr. Swire: That is a welcome move in the right direction, but it still fails to meet the figures planned by the Government as long ago as 2002. As a matter of principle, however, is it not iniquitous that so much money can still be held centrally when up and down the country there are good causes, some of them time-limited? In my constituency the Weavers' Tales celebrate 250 years of carpet-making in Axminster, while the Norman Lockyer observatory in Sidmouth is crying out for money to improve access. Everywhere in the country are good causes for which local people want funds that currently sit invested and centrally held. Can the Secretary of State not give the Heritage Lottery Fund and other distribution bodies clearer guidelines so that the money can be given back to those from whom it originally came?

Estelle Morris: The Secretary of State has done exactly that. All lottery distributors receive guidance on not holding back too much in reserve. We should not give the impression that money that is waiting to be spent sits in the coffers owing to inefficiency. This is about managing cash flow as much as anything else. As I said in my answer, the fund is 32 per cent. over-committed. In reducing the reserves, we want to ensure that we spend what we can reasonably spend this year, and not make worthwhile projects throughout the country wait until next year or the year after.

The National Audit Office is currently considering what balance it is appropriate for distributors to hold. I think that its report, which will appear in the next few months, will give us extra ammunition in making sure that the distributors do not retain funds centrally. I should put on record, however, that they are held by the distributors and not by Government.

Mr. David Watts (St. Helens, North) (Lab): Can the Minister assure me that any surplus funds will be spent on the arts—on sport rather than the arts, and will not be wasted on schemes for the London lobbies?

Estelle Morris: I much preferred my hon. Friend's initial comment; indeed, perhaps I should ask you to introduce a new rule, Mr. Speaker, stating "no corrections allowed". At the moment, the distributors themselves keep the money, and the real issue is where the interest on funds that are held is spent. There is a formula for the giving of lottery money to distributors, and currently there is almost an incentive for them to hold on to the reserves, given that they also keep the interest. As my hon. Friend will know from the relevant document, we intend to ensure that that interest is shared equally among all the funds. If I had time, I would list the many benefits of giving such money to the arts—not just for luvvies, but for people throughout the country in all communities, rural and urban. Indeed, without arts funding this country would be a much poorer place.

Mr. David Tredinnick (Bosworth) (Con): The Minister will be aware that in the east midlands, and in Leicestershire in particular, there is concern that less than the average number of bids from the region are successful. Why are we discriminated against in this way?

Estelle Morris: It is impossible to discriminate in terms of bids because the Government do not control the number of bids coming in, but the hon. Gentleman makes a very interesting point. On outcomes, the situation in the east midlands may well resemble that in my own constituency, in that it does not get what one might call its fair share of lottery fund money. The Government, together with the lottery distributors, have already embarked on the fair share initiative, through which we will work very carefully with those areas that are not receiving a fair amount of money.

I should point out that if the hon. Gentleman feels that applications from his area are not forthcoming, the lottery distributors would be more than happy to meet him, and perhaps to work jointly with his constituency and the neighbouring constituencies to encourage grass-roots organisations to make bids. If they do not make the bids, they cannot get the money. The hon. Gentleman has highlighted a very important point, and I very much hope that he will respond to that invitation. Lottery distributors are more than willing to work with any Member of this House to increase the number of bids from under-represented constituencies.

Alistair Burt (North-East Bedfordshire) (Con): Why is the bureaucracy associated with efforts to get money from

the lottery so difficult to deal with? Does the Minister agree with the criticism offered by my local schools and Bedfordshire county council, which said that it has been exceptionally difficult to get lottery distribution money for new sports facilities from the New Opportunities Fund? Indeed, when the fund was set up in 2001, it was allocated a budget of £500 million, but until last month only £10.4 million had actually been spent.

Estelle Morris: We do need to reduce bureaucracy; indeed, there is nothing more frustrating than people being put off making bids because they feel that the process will prove too bureaucratic. My right hon. Friend the Minister for Sport and Tourism tells me that the programme to which the hon. Gentleman refers is now ahead of schedule. However, there have been bureaucratic problems, and I hope that they have been sorted out. In respect of the awards for all initiative, for example, the waiting time from application to making the grant has been significantly reduced. All lottery distributors are aware of the problems associated with too much form filling and lengthy waiting times for the making of decisions. I take seriously the point that the hon. Gentleman makes, and we need constantly to keep our eye on the situation, and to do all that we can to reduce form filling and bureaucracy.

Playing Fields

4. **Mr. Andrew Robathan** (Blaby) (Con): What assessment she has made of the work of the playing fields monitoring group; and if she will make a statement on its monthly list of planning applications for building on playing fields. [174894]

The Minister for Sport and Tourism (Mr. Richard Caborn): Before I answer the question, Mr. Speaker, may I thank you and all Members of the House for agreeing to start the Westminster mile—hopefully, Roger Bannister will be involved—on 16 June from Abingdon Green? The BBC's Sport Relief is a very good charity, and I hope that many Members will participate in the event.

The Government have convened a meeting of the national playing fields monitoring group on 27 May to assess the work of the group and to discuss its future role. The Government will continue to publish playing fields statistics annually rather than monthly, because annual statistics provide a comprehensive picture of our progress in protecting these important resources.

Mr. Robathan: The Government set up the monitoring group only four years ago to report monthly on planning applications for the development of playing fields, so when it meets on Wednesday, will the Minister explain why it has not met for nearly a year? When the Secretary of State said in a speech in March to sports colleges that

> "There is a great deal of misty-eyed sentimentalism about playing fields",

and when she sneeringly spoke of

> "critics clinging to a world of jumpers for goalposts and small boys in the park",

was she dismissing the value of healthy outdoor activity and the importance that most people attach to a large number of playing fields?

Mr. Caborn: We have explained many times from the Dispatch Box that we will have a dialogue with the National Playing Fields Association. We will consider the need to look at indoor facilities, too. Change has been significant since we brought in new rules about playing fields and made Sport England a statutory consultee. Well over 90 per cent. of all the applications referred to it end up providing equal or better facilities. In 2001–02, there was £270 million of investment and 447 new facilities were provided, and the year after, nearly 500 new facilities were provided. Since 1995, Sport England has created more than 320 new sports pitches and improved over 520 facilities, and that is just Sport England—that does not include local authorities and many other organisations that are involved in playing fields.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Mr. Speaker, I was most disappointed to hear that you would not be running the mile. I will be happy to help if you do, hopefully next year.

Does my right hon. Friend agree that we need much more rounded statistics and much more depth in our learning? When I was chair of East Midlands Sport, many applications that came to us led to improved facilities. We should have rejected, where possible, the 10 per cent. where there was no improvement. Can the monitoring group ensure that, where there is no improvement, the bids are rejected because we need to see more playing fields? Will he recognise that, where bids will lead to improvements, they should be supported because, in many cases, particularly in my constituency, we have seen vast improvements and greater participation, which is the key to all this?

Mr. Caborn: I could not agree more. To that end, in July, we will be rolling out for the first time ever a facilities database. I have asked Sport England to come down before that starts in July and to present that to all Back Benchers. It will be available for about four or five hours on the day before we launch it, so that every hon. Member will be able to see what sports facilities are in their area.

The database will be updated regularly. I hope that, by the end of this year, local authorities and others will be able to use it to ensure that they can see supply and demand in their area, a point that was referred to by my hon. Friend. For the first time, we will be able to make informed decisions about the type of investment that is going into sports facilities across the board.

Mr. Boris Johnson (Henley) (Con): The Minister said in response to my hon. Friend the Member for Blaby (Mr. Robathan) that there had been significant change in respect of playing fields since the Government came to power in 1997. That is certainly true. They came to power saying that they would halt the sale of school playing fields to arrest the decline of sport in schools, since when the number of applications to sell playing fields has gone up every year. Last year—this is the most relevant statistic—of the 807 successful applications, 440 led to the total extinction of those facilities. Given the threat to sport in schools, particularly contact sports, from litigation and all kinds of other matters, against which Ministers say not a peep, will the Minister now tell the House what

measures he has in mind—apart from encouraging people to run down concrete roads, and apart from an annual meeting of the playing fields monitoring group—to arrest the sale of playing fields?

Mr. Caborn: I welcome the hon. Gentleman to the Dispatch Box. May I now inform him why no one should vote Tory again if they support playing fields? The planning applications that were made when his Government were in power were to shut playing fields. The planning applications for investment of £500 million are to build new facilities—we have to have planning applications to build new facilities. The simple answer to his question is: do not vote Tory—they will shut your playing fields down.

Amateur Sports Clubs

5. **Mr. Parmjit Dhanda** (Gloucester) (Lab): If she will make a statement on the take-up of rate relief support for amateur sports clubs. [174895]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): As of the end of April this year more than 1,100 local amateur sports clubs had registered with the community amateur sports club scheme. That scheme provides such clubs with an 80 per cent. relief on their non-domestic rates as part of a whole package of benefits intended to promote community and grass-roots sport. My hon. Friend will be aware that two clubs—a rugby club and a bowling club—in his constituency have opted to take advantage of the scheme.

Mr. Dhanda: I thank my right hon. Friend for her answer and I am pleased to hear about the 1,100 clubs, including no less august bodies than the Gloucester Old Boys rugby football club and the Gloucestershire Spar bowls club, that have taken advantage of the scheme. I also congratulate my right hon. Friend on introducing a simple one-page form for rates relief, which has made a huge difference and encouraged more clubs to apply. I urge her to use that as an example of good practice, cutting bureaucracy across government.

Tessa Jowell: I thank my hon. Friend. We are beginning to make progress on take-up and I hope that Members throughout the House will urge their local sports clubs to register in this way because of the tangible benefits and money to be saved, which can then be reinvested and spent on grass-roots sport. That is the objective: to promote participation and to improve facilities for grass-roots sport. I am very glad that my hon. Friend has recognised the success of the scheme.

Miss Anne McIntosh (Vale of York) (Con): I welcome the scheme and pay tribute to the contribution that it is making, but does the right hon. Lady not agree with the hon. Member for St. Helens, North (Mr. Watts) and me that after the reduction and raiding of the sports part of the lottery funding, there is not the same amount of money coming into sport, particularly for rugby clubs, such as the York club at Clifton Moor. What more can the Secretary of State do to encourage clubs to invest when they have lost that source of funding?

Tessa Jowell: I do not accept the hon. Lady's assertion. Over three years, £1 billion is going into new sports facilities. That is a proud record, which outstrips anything that any Government have done in the past. Yes, every lottery distributor has faced a reduction in the level of lottery income, but the hon. Lady will have noticed, as I have, that the last quarter's figures reported by Camelot, showed an increase in lottery sales for the first time. That is good for good causes, good for sport and good for the sports clubs in the hon. Lady's constituency.

Jane Griffiths (Reading, East) (Lab): Does my right hon. Friend agree that the rate relief scheme is excellent news for amateur clubs such as the Palmer park velo cycling club in my constituency? Does she also agree that, if the London Olympic bid is successful, we should look not only east, as my hon. Friend the Member for Thurrock (Andrew Mackinlay) has suggested, but west to Reading where the Palmer park velodrome would be proud to host the world's finest cyclists?

Tessa Jowell: I thank my hon. Friend for that generous offer. She makes an important point—that the benefits stemming from the Olympic bid will not be for London alone, but will help sport across the country. The community amateur sports club scheme is one practical way of extending the benefit.

Licensing Act

6. **Mr. Desmond Swayne** (New Forest, West) (Con): If she will make a statement about the implementation of the Licensing Act 2003. [174896]

The Minister for Sport and Tourism (Mr. Richard Caborn): The timetable for full implementation of the Licensing Act 2003 is dependent on parliamentary approval of the draft guidance to local authorities, which was laid before Parliament on 23 March. If Parliament is content, we expect to complete the implementation of the Act around late summer 2005.

Mr. Swayne: What will the fees be for licences under the new regime? If the Minister cannot tell us the fee level now, when will he be able to tell us?

Mr. Caborn: We are in discussion with the Local Government Association and others in the industry. I hope to be able to announce the fees in the not too distant future. We have already given an indication and I do not believe that it will prove to be far from the mark.

Mr. Kelvin Hopkins (Luton, North) (Lab): My right hon. Friend is aware that several Labour Members are concerned that the new licensing law may not necessarily bring about a reduction in harmful alcohol consumption. Will he keep the new law under careful and close scrutiny with a view to reforming it yet again if it appears that it has brought about increased levels of harmful consumption rather than a reduction?

Mr. Caborn: All those consulted broadly agree with the 2003 Act. There is a misunderstanding about the extension of the flexibility of licensing. The police have said clearly on every occasion that they believe that the

flexibility will bring alcohol-related crime down. All the indications to date within the UK—including Scotland, where the instance of such crimes has fallen—are clear. We have run three experiments. Over the new year period in the capital at the millennium, for example, we found that crime came down by 6 per cent. as a result of the 36-hour opening. I repeat that all the experience so far suggests that greater flexibility will reduce crime.

Mr. Adrian Sanders (Torbay) (LD): One side effect of the Act for the professional football clubs—the Government have a good record of support for association football—is that stewards have to be trained, and the cost that has been cited is £500 a steward, which is an enormous amount for small second or third division clubs. Is the Minister aware of the problem?

Mr. Caborn: I am very aware of it. Several organisations representing the stewards have written to me, and I am seeking clarification from the Home Office. I assure the hon. Gentleman that we are pushing very hard and we will try to ensure that assurances given in the other place are adhered to.

Mr. Bill O'Brien (Normanton) (Lab): I welcome the Act, but some social and sporting clubs believe that the interpretation is such that their associates and visitors will not be able to participate in the social well-being of the club or purchase or partake of any beverages there. Is my right hon. Friend aware of that, and what does he intend to do about it?

Mr. Caborn: Again, I am very aware of it, and I must have signed off something like three dozen letters this weekend on what is clearly a misinterpretation by the English Golf Union concerning membership of golf clubs. In fact, there is very little variation from the previous Act. It is basically status quo for the over-18s, although there is a tightening for under-18s in clubs. There should be no change for golf clubs or indeed any other sports clubs.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): It is all very well the Minister saying that the problem seems to have gone away. The English Golf Union wrote to us only today saying that it is still not happy with his and his civil servants' so-called interpretation about why, under the guidance and under the Act as written, many golfers who are neither members of other qualifying clubs nor guests in the strict definition of that term will not be able to buy a drink on the 19th hole.

Mr. Caborn: The English Golf Union has not got back to me personally on that. Nothing has crossed my desk—if it does, I will hope to answer the point more fully. I reassure the hon. Gentleman that the position remains the same as under the previous Act, when the 19th hole was quite well watered—and I expect that it will continue to be quite well watered in the future.

Football

7. **John Mann** (Bassetlaw) (Lab): What discussions she has had on consumer and worker involvement in the future of the football industry. [174897]

The Minister for Sport and Tourism (Mr. Richard Caborn): My right hon. Friend the Secretary of State and I have met representatives from a number of organisations involved in football to discuss a range of issues, including, in broad terms, the recommendations of the all-party group's report on English football and its finances and the Independent Football Commission's annual report 2003. We will release the outcome of those discussions when we respond to both reports.

John Mann: Having left Bradford City at the knacker's yard, Geoffrey Richmond is now advising his son and others who are currently selling off the assets of Leeds United football club, and doubtless intending again to pay themselves handsome consultancy fees in the process. We have also seen Leicester City failing to pay 90p in the pound on its tax liability, yet still affording to go to La Manga for a week last season. The next time a football club goes into administration, will the Government take action to ensure that the taxpayer gets proper value for money by taking a slice of the club and handing it over to the supporters, allowing them to have some ownership of their team?

Mr. Caborn: My hon. Friend makes his points with some passion. It was this Government who set up Supporters Direct, which has given sound information to many fans and seeks good governance for football. Many of us believe that football is very important for our communities, so we will continue to work with Supporters Direct. When a club goes into administration, that is dealt with by the authorities, and it is for them to act as they see fit.

Bob Russell (Colchester) (LD): I thank the Minister for his response. Does he agree that another area of professional football that needs examining is the parasitic behaviour of agents? Whenever football transfers are carried out and salaries are creamed off, should not the sum taken out of the game and given to those parasites be made clear, so that supporters know exactly where the money is going?

Mr. Caborn: The wake-up call for football was what happened with ITV Digital, and I believe that the nationwide league, with its chair, Mr. Brian Mawhinney—[HON. MEMBERS: "Sir Brian!"] Thank you for that correction. Sir Brian is looking into the whole question of corporate governance, and has brought forward a number of actions that would bring about better governance. I note that the premiership is also considering such questions. The two reports that I referred to earlier bring into focus many of the points that hon. Members have raised, and we shall respond to them in due course.

Ian Lucas (Wrexham) (Lab): I am sure that the Minister is aware of the current difficulties of Wrexham football club, where the post of chairman is vacant—I mentioned that in case it might interest him. He probably will not be aware, however, that this very evening, consumers, workers and supporters who are concerned about the position of the club are meeting to found an organisation called Wrexham First, to ensure that the future of the club lies within its community rather than in the hands of property developers. What

are the Government doing to embed such organisations and clubs in their communities, rather than in the hands of those who seek to exploit football clubs for property motives, and for their own commercial ends?

Mr. Caborn: As I have already said, we set up, or rather funded, the organisation Supporters Direct, and my very strong advice to Wrexham and those trying to rescue the club is to take counsel from Supporters Direct. I have no doubt that it will give them information that they will be able to work on to ensure that the club continues to play a major role in its community.

Stonehenge

8. **Mr. Robert Key** (Salisbury) (Con): What matters were discussed when the Minister for Media and Heritage met the head of UNESCO at Stonehenge on 17 May. [174898]

The Minister for the Arts (Estelle Morris): Mr. Matsuura, director general of UNESCO, requested to see Stonehenge during his informal visit to the United Kingdom last week. He had a tour of the Stonehenge world heritage site with officials of English Heritage and the National Trust. My right hon. Friend the Minister for Media and Heritage, as the Minister responsible for world heritage sites, joined him to visit the stone circle itself.

Mr. Key: I am grateful for that information. All DCMS Ministers, whichever House they come from, are always welcome in my constituency, as is the director general of UNESCO. Can the Minister give an unequivocal commitment that, subject to planning conditions, the developments of the road in the world heritage site and the new visitors centre at Stonehenge are firmly in the Government's programme, that there will be no backsliding and no instructions from the Treasury, and that both will be completed?

Estelle Morris: I understand the hon. Gentleman's eagerness to ensure that firm commitments are made on this subject. Indeed, my officials tell me that we have got further with the current set of proposals than ever before. It is good news that the inspector's report was delivered a week ahead of schedule, which shows that in terms of time, we are still on target. I assure the hon. Gentleman that the developments are firmly in our spending plans for 2008, assuming that all planning applications and consents go accordingly.

Mr. Don Foster (Bath) (LD): I welcome the work that the Government are doing with UNESCO to support cultural heritage at Stonehenge and elsewhere, but when the Minister for Media and Heritage met people from UNESCO, did he take the opportunity to discuss ways, in which we could do more, through UNESCO, to support cultural reconstruction in war-torn countries such as Iraq? Does the Minister therefore think that it would be vital to persuade the American Government to do what we have done recently—*[Interruption.]*

Mr. Speaker: Order. That has nothing to do with Stonehenge.

Football

9. **Mr. Peter Pike** (Burnley) (Lab): What steps she is taking to encourage and support professional football clubs to develop community links and involvement. [174899]

The Minister for Sport and Tourism (Mr. Richard Caborn): The Government are working with the Football Association, the Football Foundation and other partners to encourage professional football clubs to develop stronger community links with schemes such as football in the community and playing for success.

Mr. Pike: My right hon. Friend has been to Turf Moor several times in the past 12 months, and I know that he has recently met directors and other representatives of Burnley football club; I believe that he is going to Turf Moor again soon. Does he not agree that the way forward for football clubs such as Burnley is to become community clubs, as they are anxious to do, and to form supporters trusts? Is it not that type of policy, rather than some of the others that we heard about earlier, that need the encouragement and support of the Government and local government if local football clubs are to succeed and survive into the future?

Mr. Caborn: I could not agree more. Burnley is a fantastic football club, and has always played a role in the community, and I hope that the discussions to make it a strong community club again are successful. We bash professional football quite a lot, but statistics show that every year 40,000 pupils take part in Playing for Success. Many young people have gained from that experience, and nearly 1 million people have contact with football in the community. Professional footballers do a great deal of good work in their communities, and help the sport at grassroots in many ways, so we ought to commend the Football Association, the premier division and the Football League.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Redundant Churches

20. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What the policy of the commissioners is in relation to redundant churches for which dioceses have found no suitable alternative uses. [174911]

Second Church Estates Commissioner (Sir Stuart Bell): Depending on the quality of the building, the commissioners have to decide between vesting the church in the Churches Conservation Trust for preservation or, as a last resort, demolishing it.

David Taylor: Since 1969, 10 per cent. of Anglican churches have been lost as places of worship. Over 300 have been demolished, of which one quarter were listed buildings. Does my hon. Friend agree that the Churches Conservation Trust should be given greater resources to protect threatened churches, especially in rural areas,

where alternative uses are difficult to find? Their historic interest, architectural quality and landscape value, however, are often of the utmost importance to local communities. How will those communities benefit if a sale does take place?

Sir Stuart Bell: I am grateful to my hon. Friend for his question. To date, 332 high-quality and important churches have been passed to the trust, and 366 have been demolished. A sum of £33 million has been raised since 1969 from the disposal of redundant churches, 80 per cent. of which has been put back into the dioceses for the use of the living church, to answer the point made by hon. Friend. We have passed £6.4 million to the Churches Conservation Trust, which we finance jointly with the Department for Culture, Media and Sport. As my hon. Friend is asking for money, and as the Minister for the Arts is in the Chamber, let those who have ears hear his question.

Mr. John Bercow (Buckingham) (Con): Does the hon. Gentleman not agree that demolition is a counsel of despair and an admission of failure? Would he not further agree that in almost every imaginable scenario, with a degree of commitment and imagination it ought to be possible to refurbish an otherwise redundant church so that it can be made available to young people for amateur dramatics or other useful indoor activities?

Sir Stuart Bell: I am grateful to the hon. Gentleman. He should understand that redundant churches are demolished only as a last resort, and we are keen that they should be used for community purposes. In fact, that is one of the options that we have developed positively in the interest of local communities, and we take into account other factors before any decision on demolition is made.

Mr. Gordon Prentice (Pendle) (Lab): What about the graveyards next to abandoned or redundant churches? I find it very dispiriting indeed to see neglected and overgrown graveyards when the Church is spending money on bishops' palaces. It does not, however, have the money to maintain graveyards.

Sir Stuart Bell: Yes, of course, redundant churches sometimes have a cemetery next to them. The use of the word "graveyard" gives away the hon. Gentleman's age and experience. No one, of course, wants graves to fall into such a condition, and every effort is made to maintain those cemeteries in keeping with the Church's commitment and in keeping with the wishes of people whose lost ones are buried there. We will do our very best to take into account the point made by my hon. Friend.

Wayleaves

21. **Mr. Hugo Swire** (East Devon) (Con): What study the commissioners have made of moneys owed to church properties resulting from wayleaves. [174912]

Second Church Estates Commissioner (Sir Stuart Bell): I am sure the hon. Gentleman knows that I am an expert on wayleaves. The Church Commissioners, however, have not made such a study.

Mr. Swire: Many dioceses have benefited enormously from wayleave payments from private utility companies. The diocese of Exeter has received £33,500 from BT and Western Power, Salisbury received £18,500, St. David's in Wales got £10,000 and Wells cathedral £4,500. I am sure the hon. Gentleman would agree that those are all welcome moneys to hard-pressed ecclesiastical organisations. None the less, many ecclesiastical organisations remain unclear or uncertain as to their entitlement to wayleaves from public utility companies. Will he endeavour to spread the word to encourage them to go after wayleaves, to get the money that they are surely due?

Sir Stuart Bell: A wayleave is a terminable right of way over or under land, for which a rent is normally paid. Typically it would be used for an electricity supply line or some such. I did tell the hon. Gentleman I was an expert on the subject. The rural portfolio of the commissioners generated net rents of £6.1 million and capital receipts of £10.1 million last year. On the question whether there should be a study, we do not have a problem with the collection of wayleaves, so no study is necessary. However, on the pertinent point of the hon. Gentleman's question, I shall do my very best to ensure that all parishes understand the benefit that can come to them from wayleaves.

Parish Priests

22. **Miss Anne McIntosh** (Vale of York) (Con): How many parish priests were recruited in the first quarter of (a) 1997 and (b) 2004. [174913]

Second Church Estates Commissioner (Sir Stuart Bell): The ministry division of the Archbishops Council does not record ordination figures on a quarterly basis. However, I can tell my hon. Friend—the hon. Lady has put so many questions to us over the past few years that she is now an hon. Friend—that in the whole of 1997 there were 262 newly ordained stipendiary deacons available for deployment, compared with 333 in 2003.

Miss McIntosh: I welcome the large upturn in recruits to parish priesthood. I hope that he will join me in recording the valuable role and the pastoral care that rural vicars in particular provide, especially in constituencies such as the Vale of York which suffered so much during the foot and mouth crisis and subsequently. To what does the hon. Gentleman attribute the change? Does he believe that it will continue for the foreseeable future?

Sir Stuart Bell: I am grateful for the hon. Lady's comments and her support for clergy, especially in her constituency, where I know she spends some time and follows these matters carefully. Although the number now deployed is up, there is still likely to be a fall in the stipendiary clergy due to retirements. That fall is from 9,109 in 2003 to 8,691 in 2007. However, the Church's commitment and the commitment reflected in the newly ordained stipendiaries is a reflection of a commitment to faith in the 21st century.

Mr. Peter Pike (Burnley) (Lab): Is it not a fact that because the Church cannot afford ministers these days, fewer are coming into the ministry and many churches depend on retired ministers to meet their commitment to hold holy communion services on a Sunday?

Sir Stuart Bell: I surmise that the fact that there is a difficulty in securing clergy for every church is due to the numbers of clergy, rather than to the stipend levels. The stipend levels for clergy of incumbent status in 1996–97 were £13,940 and £18,110 respectively. The figures now are £13,910 and £17,140, so the issue of money is taken care of, but the number required is still a problem.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Elections

23. **Bob Spink** (Castle Point) (Con): What representations the Commission has received regarding increasing participation in elections. [174914]

Mr. Peter Viggers (Gosport) (Con): I am advised by the Electoral Commission that it has received numerous representations suggesting how participation in elections might be increased from a broad range of individuals and organisations.

Bob Spink (Castle Point) (Con): I am grateful to my hon. Friend for that answer. Does he share my deep concern about the low turnout that we may experience in the European and local elections that are to be held on 10 June? Does he also share my concern about the potential for misuse, manipulation and corruption through postal balloting? What is the Electoral Commission going to do to protect us from manipulation of the postal ballots?

Mr. Viggers: The expansion of postal voting since 2000 has allowed large numbers of voters to participate in elections at a time that is convenient for them, but my hon. Friend is right to focus on safeguards. In its publication "The Shape of Elections to Come", the Electoral Commission set out a range of measures that it believes should be implemented. Some of those measures have been introduced, but others have not, including the key proposal of individual registration of voters.

Mr. Harry Barnes (North-East Derbyshire) (Lab): Increased participation in absolute terms, if not percentage terms, could be improved by electoral registration, which was the last point that the hon. Gentleman mentioned. What is the Electoral Commission doing to increase registration to overcome the problems? Perhaps it could extend the provisions on rolling registration, which the Government introduced in 2000.

Mr. Viggers: It is the view of the Electoral Commission that individual registration and ensuring that the register of voters is accurate are key to our democracy. As I said, the key point in the view of the Electoral Commission is individual registration, but the hon. Gentleman makes an interesting point, and it will be noted.

Mr. David Heath (Somerton and Frome) (LD): Has the hon. Gentleman had the opportunity to read the seventh report of the Select Committee on the Office of the Deputy Prime Minister: Housing, Planning and Local Government, which investigated postal voting? The report, which would have been valuable to the House during its consideration of the recent Bill introducing all-postal pilots, makes some very good suggestions for countering fraud, including not only individual voter registration, which he mentioned, but increased resources for electoral officers, the establishment of a national database and dissemination to police forces of information on electoral offences. Can the Electoral Commission now work with the Select Committee to develop those recommendations and, it is to be hoped, to persuade the Government to introduce them?

Mr. Viggers: Yes, the Electoral Commission believes that the Select Committee report is indeed valuable. As for the commission's own activities, following consultation with returning officers and political parties, it has recently released a draft code of conduct for candidates and party workers relating to postal voting. The code will be finalised later this year, following assessment of its use in the June elections.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Housing

24. **Sir Sydney Chapman** (Chipping Barnet) (Con): What the Church Commissioners' policy is for developing their housing estates. [174915]

Second Church Estates Commissioner (**Sir Stuart Bell**): All the Church Commissioners' investments are managed according to their statutory responsibility to ensure the best long-term return from a diversified investment portfolio.

Sir Sydney Chapman: I am grateful to the Second Church Estates Commissioner for that policy statement, but in relation to developing the estates, can he give some specific examples to show what part the commissioners are playing in improving the housing stock of this country by their policy?

Sir Stuart Bell: Middleton house in Pimlico was upgraded and repaired in April 2003, and part of the Waterloo estate was completed in March this year. Work in Vauxhall began last autumn. Work differs between the estates, but, generally, the work that we carry out involves new or repaired roofs, windows,

external repairs and improved communal areas. Some £19 million has been spent or committed to those three estates, and there is other ongoing work.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Boundary Review

25. **Mr. Anthony Steen** (Totnes) (Con): If he will ask the commission to take steps to ensure that as part of the current boundary review process, all parliamentary constituencies are as near to 70,000 constituents as possible. [174916]

Mr. Peter Viggers (Gosport) (Con): The Electoral Commission does not have any responsibility for the process of reviewing parliamentary constituency boundaries. Section 16 of the Political Parties, Elections and Referendums Act 2000 provides for the function to be transferred from the respective boundary commissions to the Electoral Commission, but this provision has not yet been implemented.

Mr. Steen: In view of the statutory duty of the boundary commission to ensure that all parliamentary constituencies are as near to 70,000 people as possible, can my hon. Friend explain how the playing field has become totally lopsided, and why 48 per cent. of parliamentary seats are either below 65,000 people or above 75,000? Is this a matter that he could take up with the boundary commission? Does he think that it is a coincidence that 43 per cent. of all the seats with fewer than 65,000 people are held by Labour incumbents?

Mr. Viggers: The facts that my hon. Friend reports are interesting, but I have to say on behalf of the Electoral Commission that it currently has no responsibility in that area.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church Commissioners' Website

27. **Mr. Robert Key** (Salisbury) (Con): How many (a) hits and (b) unique visits per day were received by the Church Commissioners' website in April 2004. [174919]

Second Church Estates Commissioner (Sir Stuart Bell): I can tell the hon. Gentleman that the Church Commissioners' website is part of a Church of England family of sites, which currently receives some 3 million hits a month.

Mr. Key: I look forward to hearing that that figure has jumped to 6 million, because the Church of England lags some way behind other churches in this respect. I hope not only that adequate resources will be provided centrally for the Church Commissioners' website, but that every encouragement will be given to all dioceses to use their websites much more effectively than at present.

Sir Stuart Bell: The hon. Gentleman makes an encouraging suggestion. I can tell him that the commissioners' website continues to develop. In 2003, guidance on the commissioners' residential lettings policy and available properties was added. I shall carry the hon. Gentleman's recommendation back to the Church, and I hope that he will see something exciting and interesting in the months to come.

Deepcut Barracks

3.30 pm

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Right hon. and hon. Members will be aware of the incident that took place in Iraq today. I am sure that they will understand that since the families of those involved are in the process of being informed, I cannot add any detail to the Foreign Secretary's statement in Brussels earlier today. However, I am sure that the House will join me in extending our condolences to the families of the two individuals who were killed and our best wishes for a speedy recovery to the person who was injured. British civilians are doing a valuable job in bringing stability to Iraq, and it is deeply shocking that they should be attacked in this way by the enemies of peace and democracy.

In the armed forces personnel debate on 13 May, I informed the House that I intended shortly to make a statement in response to the report of the Surrey police into the four tragic deaths at Princess Royal barracks, which was published on 5 March this year. I am grateful for this opportunity to do so.

It weighs heavily with me as to why we are here today. Between 1995 and 2002, four young people died tragically before their time. For the families of Privates Sean Benton, Cheryl James, Geoff Gray and James Collinson, these have been long and difficult years. I recognise that I cannot experience their grief, but I understand it and again pass my condolences on to them. The Army shares their sorrow. I also recognise that in some respects the families have not been as well treated as they should have been. My right hon. Friend the Secretary of State for Defence has apologised unreservedly for those failings, and I repeat these sentiments today.

I am grateful to the chief constable of the Surrey police for his report, which made the clear recommendation that the Ministry of Defence should consider a broader investigation into first, whether the risks identified at Deepcut are replicated across the wider Army Training and Recruiting Agency and how those may relate to the issues of self-harm, suicide and undetermined deaths; secondly, how the Army's care regime may be improved further; and thirdly, how independent oversight might help the Army to define and maintain appropriate standards of care for young soldiers.

The report also acknowledges the positive approach taken since August 2002 and states that

"if Army systems of accountability continue to be developed, then systemic and cultural change may be achieved and sustained."

That refers to the report by the deputy Adjutant General and the creation of the Army learning account—a systematic mechanism to learn and apply lessons that was put in place in 2002 following the tragic death of Private Collinson. In addition, on 3 October 2002, I commissioned the director of operational capability to conduct an audit of initial training across the armed forces. That was a hard-hitting, cross-cutting report that generated rigorous self-examination and was followed by a reappraisal last summer.

Those reports generated a comprehensive action plan against which progress could be measured. I can report that of the 58 recommendations, 48 are implemented and progressing satisfactorily and the remaining 10 are being addressed. They include improvements in staff to trainee ratios and improved welfare facilities. As right hon. and hon. Members will be aware, both those documents have been placed in the Library, as will be the report of the further re-appraisal planned for the autumn.

That commitment to improvement continues. I can announce today that I have committed further investment of more than £23 million to the training system. That will provide further instructor training, further improvement of supervisory ratios and increased opportunities for the use of recreational facilities and other welfare projects.

I believe that the work put in train as a result of the director of operational capability's appraisals and the deputy Adjutant General's report through the Army learning account, of which 25 of 26 actions have been completed, is significant. The publication of those reports and the supporting papers to the Surrey police report reflect our commitment to openness, improvement and accountability in the delivery of initial training across the armed forces.

The calls for a broader inquiry and independent oversight are difficult issues that I have had to consider carefully. The armed forces are rightly renowned for their ability. The performance of our servicemen and women in the most demanding operational situations is ample evidence of that. Such performance rests on rigorous training, which encourages character development, the acceptance of responsibility, discipline and the determination to succeed in adversity. However, I also recognise the need for public reassurance that the training is properly conducted and that the young men and women who join our armed forces are properly supported during that formative stage in their lives.

For that reason, we have decided to appoint the adult learning inspectorate—the ALI—to conduct independent inspection and oversight of the armed forces' training establishments. As hon. Members know, the ALI has a statutory responsibility to examine and report on the quality of education and training for adults and young people. It is entirely independent of the Ministry of Defence and is a widely respected body.

A memorandum of understanding will be drawn up with the ALI for an annual rolling programme of independent inspections to include the initial training establishments. The first inspection will begin in the autumn this year. I have asked for the first inspection to focus on initial training across all three services and to look specifically at care and welfare. It will include Deepcut. There will be no no-go areas. The inspectorate will report to Ministers by Easter next year and that report will be published. That will be followed by a rolling programme of inspections, which will cover all aspects of service training, including initial training and the environment in which it is conducted. It will include delivery of the training as well as the care and welfare of trainees. For the first time, all aspects of our training will be benchmarked against national standards and good practice. This will help reduce risks faced by young trainees not only in the Army but in all three services.

[Mr. Adam Ingram]

We must ensure that improvements are sustained. The ALI's recommendations will be tracked centrally in the Ministry of Defence. The inspectorate will be empowered to revisit areas to check on implementation of agreed recommendations and to ensure that progress is maintained. Throughout the process, its staff will have direct access to me if they have concerns that their recommendations are not being properly considered.

I believe that the ALI's involvement will enable us to build substantially on the work that we have already done, ensure continued and sustained improvements and enhance the transparency of what we are doing. It will complement the quality training provided by the armed forces and provide wider reassurance. It represents a positive and prompt response to the Surrey police recommendations.

I am aware also of the calls by the families and others for a public inquiry into the four deaths. I understand why the families and others feel strongly about a public inquiry, but we need to be clear about what a public inquiry would seek to achieve. I recognise that the families want to know exactly what happened to their loved ones and why.

In the first three cases, there have been investigations, coroner's inquests and subsequent intensive police reinvestigations. The Surrey police found no evidence to indicate any prospect of a prosecution directly related to the deaths. Private James Collinson's case, from the start the subject of an investigation by the Surrey police, has yet to be heard by the coroner. The coroner's inquiry will be held in public and is the proper place to examine the circumstances of sudden deaths.

The courts have made it clear that the coroner can and should make sure that the jury reaches a conclusion on all the central issues of a case and that the court considers relevant wider factors. We will of course co-operate fully in the forthcoming inquest, as we have done with other inquests.

I have weighed all these factors carefully. I do not underestimate the depth of feeling and the passion of the families who lost loved ones at Deepcut, but I am not persuaded, given the intensive investigations and inquiries, and the new measures that I have put in place, of what more a public inquiry would achieve. I know that this will be disappointing to the families but I hope that right hon. and hon. Members will recognise the openness and robustness of the approach that I am reporting to the House today.

I have made no secret of the fact that improvement was needed in the initial training regime, and we have now given the initial training system across all three services a thorough audit and overhaul. The audit led to substantive, sustained measures to improve it. With the closer engagement of the adult learning inspectorate, further audits will take place. This will ensure accountability and external oversight for the future. We have the finest armed forces, and they consistently act as a force for good in the world. The bravery and achievement of our service people on operations is testament to that. That would not be the case if the system that trained them was fundamentally flawed—quite the reverse. The gallantry shown by our personnel on operations bears testament to the underlying quality of the people we recruit, of the training that they receive and of those who provide the training. Like all large systems, this one needs improvement and regular maintenance, and I am determined that it will receive both.

Mr. Gerald Howarth (Aldershot) (Con): May I thank the Minister of State for providing me with an advance copy of his statement? I should also like to associate Her Majesty's Opposition with his remarks about the bombings in Baghdad involving British causalities today, and with his tribute to the very fine work that British civilians are doing on the reconstruction of Iraq.

The deaths of the four young people while training to take their place serving in Her Majesty's armed forces is, above all, a terrible personal tragedy for each of the families concerned. The hearts of all of us in the House, not least those of us with children of our own, go out to those parents and families. It is also, as the Minister suggested, a tragedy for the Army, because it has damaged public confidence in its ability to fulfil its required duty of care towards the young men and women in its charge—a duty which I know it takes very seriously.

We note the Government's decision to introduce some independent oversight. Perhaps, for the better assistance of the House, the Minister could remind us of some of the individuals involved in the adult learning inspectorate. Who runs it, for example? Who are some of its key members? Will he also ensure that those in the agency, who will be given substantial powers of inspection, will be familiar with the way in which the armed forces operate and with the need for the robust training of which he spoke? Will he publish the memorandum of understanding that he is about to sign with the agency? How does the Minister see the role of the current Defence Select Committee inquiry into more or less the same thing as he is setting up with the adult learning inspectorate, and will he ensure that the Committee's report is made available to the inspectorate in due course?

During a debate in Westminster Hall last month, the Secretary of State cited the higher incidence of suicide among young males under the age of 20 in the Army compared with society at large, and said that he would order further studies. How are those studies progressing? The Minister of State stated that lessons had been implemented since 2002, but is it not the case that there have been no fewer than six internal inquiries into the Army training regime, some of which predated the recent deaths, and that too little was done to implement the resulting recommendations? In particular, the report by Lieutenant-Colonel Haes in 2001 criticised the shortage of supervisors. What is the ratio of supervisors to recruits at Deepcut today? Above all, has the Ministry of Defence accepted the serious charge levelled by Lieutenant-Colonel Haes that

"the Army Training and Recruitment Agency is failing in certain aspects as a result of reduction in the military workforce and increased obligations"?

Ministers cannot go on demanding of our armed forces that, in the words of General Lord Guthrie, they do

"more and more with less and less".

What action has been taken to ensure that young recruits do not have unsupervised access to live ammunition?

Finally, the Surrey police noted in their excellent report:

"It is important to recognise the significant challenges faced by the Army in reconciling the potentially conflicting demands of maintaining a necessarily robust training regime, designed to sustain it among the most professional armies in the world, while at the same time discharging its duty of care to young recruits".

Young recruits such as 18-year-old Trooper Christopher Finney of the Blues and Royals, who was awarded the George cross for his bravery in Iraq, are testament to the overall success of the Army's training mission. As a nation, we can be justly proud of the magnificent job that Britain's young men and women are doing today in Iraq.

Mr. Ingram: I am grateful to the hon. Gentleman for both his opening and his closing remarks. He highlighted the true excellence of our training system, which produces such high quality young men and women.

The hon. Gentleman asked whether the MOU relating to the ALI will be published, and the answer is yes. He also asked about the ALI, which is a Government body responsible for raising standards of education and training for young people and adults in England by inspecting and reporting on the quality of learning provision. It is well resourced and highly respected, and people with particular experience staff it, but it says that it must bring in people with particular expertise to assist it in its new role, which is why it must increase its staff. The process commences in the autumn, and the hon. Gentleman will understand the need for a pause after the announcement to allow the ALI to obtain the expertise it needs.

The hon. Gentleman says that the House of Commons Defence Committee inquiry is similar to the ALI inquiry, but it is not. The HCDC report can cover any matter, and I cannot direct what it examines—nor should I be able to—and I am not responsible for its course. My ministerial colleagues and I are responsible only for addressing any key issues it raises, so the HCDC's position is different from that of the ALI. The ALI reports directly to a Minister, and the MOD directly resources it. If it makes recommendations, the MOD must address them and examine how it can best implement them. The difference between the ALI and the HCDC is fundamental, although we welcome the HCDC inquiry and look forward to its conclusions.

The hon. Gentleman also mentioned the Haes report, but he could have referred to all the reports, which cover a considerable time. We have published the documents in order to ensure transparency. Lessons were learned, but in many cases the solutions were sadly not implemented. It is worth bearing in mind paragraph 4.20 of the Surrey police report, which states:

"Surrey Police has not sought to link any of these risk factors",

which were mentioned in previous reports,

"specifically to the four individual deaths."

The report goes on to make other points, too.

The hon. Gentleman asked about the ratio of supervisors to recruits at Deepcut. Ratios differ depending on the type of training establishment. The immediate improvements that have been implemented established a ratio of about 1:38, which is believed to be appropriate and is the level that should have been maintained over previous years.

The hon. Gentleman asked about training with live ammunition, by which I suppose he also means handling firearms. Those matters must be dealt with properly, but he understands that we are training soldiers, not social workers. At some stage, soldiers must be trained, because they must use firearms and live ammunition confidently. The training system is robust, and I think that the hon. Gentleman agrees with my opening comment that it is tried and tested. Failures have occurred, but we are addressing them, and we must get them right.

Mr. Kevin McNamara (Hull, North) (Lab): May I associate myself with right hon. Friend the Minister's opening remarks about the tragic deaths and woundings in Iraq?

There will be a great deal of disappointment and, indeed, anger at the decision not to hold a public inquiry. The Deepcut families, along with those from Catterick and beyond, will feel deeply disappointed, because they want to know why and how their loved ones died.

The thing that joins together all these families is a failure to provide mechanisms for effective inquiry and investigation of the deaths and often the cavalier treatment of the families seeking further information. Is my right hon. Friend aware that as a result of his statement the families will be seeking a judicial review based upon the Army precedent? Will he bear in mind that there will be grave suspicion about the point that he has raised over the independent examination of training procedures? It will not be fully independent of the MOD. It will not be established by legislation. The process will not be seen as other than an examination of training courses. It will not be seen by the families as a way of dealing with individual cases.

Finally and specifically, is my right hon. Friend aware that there will be great disappointment that in his statement he made no reference to the need to have an independent means of complaint by recruits and others that is outside the chain of command, which would enable their grievances to be properly examined?

Mr. Ingram: As my hon. Friend has said, I recognise the anger and disappointment that there will be following my statement. At a meeting that I had with my hon. Friend and the families, I tried to walk them through why I had come to this particular conclusion. We must look at the past and consider the impact of that on the present and the future. We have to separate out these particular issues.

I was able to point out to my hon. Friend that he is part of a campaign in which some are saying that there have been 1,748 unnatural deaths in the Army since 1990 and are arguing that all of those deaths should be subject to some form of inquiry. I appreciate that there might be a narrowing down to another number. Where would such a public inquiry end, how long would it take, what would it achieve and how would it impact upon the present and the future? I had to consider how to make things better. We are putting thousands of young people through the training regime year upon year and I cannot wait for a public inquiry. I want to do things now if things need to be improved upon. That is why I have decided to appoint the adult learning inspectorate. Its

[Mr. Ingram]

work will be fully independent. It is a calumny to suggest that because something is not laid down by statute there cannot be independence and that those involved cannot be robust, cannot be interrogative and cannot criticise a Government Department. I do not accept that.

The ALI will be given resources. If it is felt that that is not happening, the ALI will have immediate access to me as a Minister. If there is a blockage within the Department, I want to know what is going on. I have no doubt that the ALI will make sure that the public are aware if there are any failings on the part of the MOD. We will be held to public account.

My hon. Friend asked about an ombudsman for the armed forces. I think that that is a step too far because there is a chain of command. The armed forces are a unique set of people—there is no doubt or question about that. They are asked to do things that no one else is asked to do. That respect of the chain of command is vital. We have a zero tolerance policy towards bullying, harassment and racial discrimination. Does that mean that we are perfect? No, it does not. Does it mean that we can try to be better? Yes, it does. I think that the ALI is an important step towards achieving that. My hon. Friend said that the families may wish to seek a judicial review. That is a matter for them and the courts.

Mr. Paul Keetch (Hereford) (LD): I thank the Minister for an early sight of the statement. I concur with him on sending condolences from the House to those members of the armed forces and British citizens who have been killed today in Iraq.

I welcome the statement but like other hon. Members I am disappointed. We should note the great work that has been done by hon. Members on both sides of the House in pursuing these matters. The families have been so stoic and so strong in their campaign.

On behalf of the Liberal Democrats, I welcome what the Ministry of Defence has already done—the Army learning account, the audit by the director of operational capability and, today, the £23 million addition for training. Will the Minister tell us whether that is for the Army specifically or whether it will be used across all three armed services?

I also welcome the adult learning inspectorate report. Again, can the Minister for the armed forces say whether it will carry out a one-off inspection of training bases or is that inspection to be ongoing? If so, for how long? While I accept that that is all very good for the future, the central question as to what happened in the past has not been addressed. I suspect that none of us is any closer to knowing what happened at Deepcut.

I too pay tribute to our armed forces for their professionalism and gallantry, and I accept that their training has to be different from any other, but sadly, I suspect that eventually there will be some form of independent inquiry into what happened at Deepcut, although that will come after more delay, more heartache and more legal wrangling. Does the Minister not believe that it would have been better to have announced such an inquiry today—better for the families, better for the MOD in the long run and, most importantly, better for the members of our armed forces?

Mr. Ingram: I am grateful to the hon. Gentleman for his opening comments. He asks what the £23 million is for. I indicated in the statement broadly where it would go—into the initial training environment. It will go where it is primarily needed in those areas. The balance has to be struck and like all resources, they have to be properly allocated.

The hon. Gentleman also asks about whether the ALI will make one report or whether this will be the first of a series. Again, I made that clear, I hope, in my statement, a copy of which I gave to him. There will be an initial inspection during which the ALI will visit Deepcut. It will make a report by Easter, so there will be a six-month study period after which there will be a rolling programme of inspections. Again as I said in my statement, the ALI will also be entitled to go back and look at what it has already studied, ensuring—if a recommendation has been made and we have said that something will be fixed—that it has the right to reinvestigate.

I am surprised that the hon. Gentleman takes the view that he does not know what happened at Deepcut. I suggest that the Surrey police report tells us a lot. What we cannot do is say with certainty precisely what happened. He is of the view that a public inquiry will be able to achieve something that Surrey police did not—after 900 interviews and taking 1,500 witness statements—and decide that there is new evidence. Well, I have to say that the Surrey police report, after 15 months of investigation, has given us a good overhaul and examination. I recommend that he read it again; it may help him.

Mr. Ronnie Campbell (Blyth Valley) (Lab): The Minister is aware that I raised a case last week regarding Catterick camp. I understand the idea of an independent review, but it would not make any difference to the recruit whose case I raised. When he went to see his commanding officer—the Tuesday after I raised it on the Monday—he was told that his career was in jeopardy. He was told by the military police, in front of his mother, that his career could be in jeopardy. I can tell the Minister now that he has left the Army. If that is the attitude at that level, how can an independent inquiry, or anything independent, get to the bottom of anything that goes on in the Army?

Mr. Ingram: I am sorry to hear about that series of events. When my hon. Friend raised them with me, we immediately launched an investigation of the circumstances. I have not had a report on that, but his words today will again be subject to examination. It is a matter of regret that the young person has decided to leave the Army.

Mr. Campbell: He was told his career was in jeopardy.

Mr. Ingram: I am not saying that my hon. Friend is not telling me accurately about the matters that have been reported to him, but I have to find out the veracity of this from the other side, as we all have to do: when we are dealing with any constituent, we should try to seek

the balance to the argument. It may prove to be the case that what he says is right. If that is the case, it is unacceptable.

Mr. Nick Hawkins (Surrey Heath) (Con): First, may I associate myself with the Minister's words about the tragic deaths in Iraq and, of course, the four deaths at Deepcut in my constituency?

Does the Minister agree that Surrey police have done an excellent job in producing such a thorough report? Will he recognise that in my constituency there is huge support for our local regiment, the Royal Logistic Corps? The senior officers now at Princess Royal barracks, Deepcut, who have been responsible for the co-operation with the Surrey police investigation, but were not, of course, the senior officers in command at the time of any of the deaths, have had an enormously difficult job to do, both in terms of retaining local confidence in the Army and in rebutting a great deal of uninformed, prejudicial and sometimes even hysterical media reporting. Will the Minister recognise that those local people who support the Army want the Royal Logistic Corps to stay in our area, want the Princess Royal barracks, Deepcut to have a good future and are concerned about the risk that, in order to remove an embarrassing name, Deepcut might be disposed of? Is he prepared to examine that and, if necessary, meet me and leading local councillors and council officers, to discuss the long-term future of the Army in my area?

Mr. Ingram: I echo the hon. Gentleman's sentiments about the Surrey police. It was a thorough investigation. They honestly recognised the failings of the civilian police in matters of this nature in the opening section of the report. The civilian police should take immediate primacy in all such investigations and it is a matter for the civil courts to deal with through the coroner's inquest or whatever else may follow. I repeat, however, that the 15-month report, with 900 witnesses and 1,500 witness statements, was, without question, very intensive.

The hon. Gentleman is also right about the officers, non-commissioned officers and instructors of the RLC at Deepcut. I have spoken to many of them and I know how hurt they are by all this. When criticisms are made, we must examine the past and the impact on the present and the possible future. We put thousands of young people through that training system, not just at Deepcut but elsewhere, and those who are recruited into that process, and those who run it, must have certainty about its quality. As has been recognised in statements to the House, there is a high quality that is evidenced by what is produced. As to the future of the barracks, my hon. Friend the Under-Secretary of State for Defence has responsibility for training establishments and I am sure that he will be only too happy to meet the hon. Gentleman and whoever else he may want to bring along at the appropriate time.

Mr. Michael Jabez Foster (Hastings and Rye) (Lab): My right hon. Friend will know that his decision to deny a public inquiry will distress people such as my constituents, Harry and Linda Benton, who still need to find an answer to what happened to their son, Sean. My right hon. Friend said in his statement that the place for that was within the inquest system. Is he really suggesting that, after eight years, the only answer is to reopen inquests so that they may get to the truth?

Mr. Ingram: Yes, I am. I have faith in the coroners' system. Now, with the European convention on human rights, the Government can take great credit for putting into place that corpus of law, which defined how such bodies should operate in the interests of victims to get at the truth and examine key areas. One of the cases, that of James Collinson, has still to be considered by the coroner and I suggest that we should wait to see what comes out of that. Clearly, if there are criticisms of the MOD or matters that we have to address, we must take them on board. To those who may think that that is already the case, I have to say that that is not a proven case and we must wait for the findings of that inquest. Legal remedies are open to others if they wish to return to the civil courts.

Annabelle Ewing (Perth) (SNP): I associate myself with the remarks about the tragic deaths in Iraq made at the outset. Since James Collinson was found dead at Deepcut on 23 March 2002, his mother Yvonne and his father Jim are no nearer to finding out the truth as to how and why their 17-year-old son died. Surrey police have apologised to all four families for not maintaining primacy in the investigation and for delegating that to the Army. The Army concluded that it was suicide after only three days, with no proper forensic evidence gathering having been carried out. Does the Minister therefore accept that, by refusing a public inquiry today, he is prolonging the anguish of the Collinson family and the other families, who will now be forced to go to the courts to seek a ruling on the issue? Surely this is manifestly unjust and fails to restore public confidence in the Army and the MOD.

Mr. Ingram: I do not accept that there is distrust of, or lack of confidence in, the Army. Some feel that they have a particular grievance because of the sad tragedies with which they have had to deal, but that should not be extended across the whole community. To do so would constitute an unfair criticism.

The hon. Lady is right that the Collinson family are no nearer to discovering the truth. The inquest is a mechanism by which that may be achieved, but whatever course is adopted, there is no certainty that the truth will materialise. Perhaps we shall never get to the truth.

The hon. Lady mentioned the investigation into James Collinson's death, which is being conducted by the special investigations branch and the Royal Military Police. Following a meeting only an hour and a half ago I have checked again and found that the Surrey police did have primacy, as they should have had in the other three cases.

The hon. Lady said that the lack of a public inquiry was prolonging the agony. I could have decided—and have been asked—to arrange an inquiry into only one case, into all four, into 50 or into some greater number. An inquiry into that greater number would have been very long-running, while an inquiry focusing on a specific group would no doubt have led to repeated judicial requests to open the lines of inquiry elsewhere.

[Mr. Ingram]

It is important to ensure that we employ the right processes. I would have expected the hon. Lady to acknowledge all we have done through the report—the director of operational capability, the Army learning account and the new adult learning inspectorate. She should at least give us some credit for taking on the issues and trying to make things better.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I pay credit to my right hon. Friend for introducing openness and accountability to the initial training regime, but will he acknowledge that openness and accountability, and indeed the duty of care, should extend beyond that regime and must follow young people when they go into their units and regiments so that their parents can be reassured about the responsibility of the Army? When, tragically, a young person such as my constituent Derek McGregor dies in barracks, his family too should be able to get the answers they so desperately need.

Mr. Ingram: I agree and I think that that applies to any untimely death. We have a responsibility to try to give the best possible information to the families of victims. I approve of my hon. Friend's approach, but there is unquestionably a strong duty of care and responsibility throughout the armed forces, for the simple reason that if there were not, we would have a failed, broken system. Soldiers depend on a command structure that knows what it is doing and can deal authoritatively with difficult situations. Providing proper resources will help to ensure that people work as a cohesive team as far as is possible. The chain of command has that duty of care and I think that it is discharged extremely well. We are not perfect. Mistakes will happen, and when they do we must find out the truth.

Mr. Robert Key (Salisbury) (Con): Of course, our hearts go out to those killed in Iraq and especially to the families of the young people who lost their lives at Deepcut. Does the Minister agree that the Adjutant-General and his staff are delivering for this country the best military training available anywhere in the world? If, like me, the Minister has spent time with the Army training regiment in Winchester or at the Army foundation college in Harrogate, he will have been amazed at the commitment of those young people and their families, who have complete confidence in the Army. It would be a travesty if this tragedy led to a lack of confidence among the families of young people who are considering joining the military.

Mr. Ingram: I agree entirely with the hon. Gentleman. That is why I wrote to more than 200 Members of this House and the other place to invite them to visit training establishments. To date, only about 12—a handful of Members—have taken up that opportunity, although several proposed visits were cancelled. I wish that everyone would make such a visit. Like the hon. Gentleman and me, they would find at those establishments tremendous commitment right through the command structure—not just among instructors but, importantly, among the young people. I had the privilege of being involved in a passing out parade and talking to the parents. They spoke of how the young ones whom they gave into the care of the Army were turned around into mature, forward-looking, confident and well-trained young adults with a future ahead of them. We could all learn from making such contact.

Mr. Eric Joyce (Falkirk, West) (Lab): I welcome my right hon. Friend's remarks about the potential improvement in systems. Of course, it is true that all systems can be improved, but does he agree that it is vital that we do not forget that the Army Training and Recruiting Agency is an enormously successful training organisation and that its training regime is among the most systematic of any employer, not just in this country but in the world? It is precisely that on which the performance of our troops in the field is built and based.

Mr. Ingram: My hon. Friend's experience gives him intimate knowledge of this issue. He is right about ATRA, which is not only a high achiever but respected worldwide for what it achieves. That is why we are consistently asked to help other countries to develop training regimes that meet the high standards and quality that we set. There is nothing more that I can add to that eulogy. There is much in ATRA's training regime of which we can be proud.

Lembit Öpik (Montgomeryshire) (LD): I am encouraged that all the letters, parliamentary questions, Prime Minister's questions and meetings, along with the Adjournment debate on this issue, have finally caused some movement in the Ministry of Defence. Nevertheless, does the Minister accept that resisting a public inquiry into the four deaths at Deepcut just because of the many other deaths in the Army simply is not acceptable? The Government should be willing to investigate any death in uncertain circumstances. Does he recognise that we are calling for a public inquiry into the four deaths at Deepcut specifically to answer the question of why and how these young people died? Does he accept that if one's child were shot five times in the stomach or twice in the head, one would reasonably expect the Government to leave no stone unturned in answering the question whether the death was the result of murder, manslaughter or suicide and why it happened?

Finally, Bob Quick, author of the fifth report and deputy chief constable of Surrey police, confirmed to me today that, although it may not be appropriate for him to define the type of inquiry, he believes that it must be broad and independent. Does the Minister accept that we need to investigate the past in order to understand the future? Does he further understand that if the Government refuse to provide an inquiry of their own volition, they are likely to be forced to do so by a court?

Mr. Ingram: I appreciate the intensity of interest and effort on the part of the hon. Gentleman, who has been very active on this issue; indeed, he and I have discussed it many times privately, on the Floor of the House and elsewhere. I am intrigued by what he said about the comments of Bob Quick, the senior police officer involved. Mr. Quick is not saying that what we are doing is wrong and I doubt whether the hon. Gentleman asked him that question. Mr. Quick would recognise that we

have a well-structured approach to dealing with the current and future situation; indeed, that is what the Surrey police asked of us. They asked for a broad inquiry into the duty of care regime and for oversight, both of which the ALI will provide. I do not wish to get into an unnecessary conflict with those outside this House who are commenting on the matter, but I shall find out just what the view of the Surrey police is.

In trying to find out the facts of the situation and why someone died in a given set of circumstances, the police engaged two independent forensic teams of experts to look at that, so that one could check on the other. They could not come to the firm conclusions that other people may have come to. Some of those people have experience but have not published their findings. Others may just have a view on all this. Through their intensive and comprehensive approach, the police have trawled over all this, both in forensic terms and in speaking to all the people about the day of, or the day prior to, the sad event. Therefore, I recommend that those who have not read the Surrey police report read it and await the inquest into James Collinson's death.

Harry Cohen (Leyton and Wanstead) (Lab): The reasons for the four deaths at Deepcut remain obscure, which is unsatisfactory, but may I question the Minister on two aspects of his statement? First, I welcome the role that he is giving the adult learning inspectorate. That concerns training, but what about improving counselling for members of the armed forces? Counselling should not be seen as a sign of weakness. For example, people in the upper and middle classes use it regularly. Why cannot we have improved counselling?

Secondly, the Minister acknowledges that the families were treated poorly. Why cannot we have better treatment? Will that be addressed so that families are treated better when there is a bereavement? For example, can we have bereavement counselling, a 24-hour link to a liaison officer for the unit concerned and access to all the information in relation to a death?

Mr. Ingram: My hon. Friend raises two important issues. He raises first the ALI's role and implies that it will be interested only in the training modules that young people will undertake. That is not the case. It will look at care and welfare aspects, too. It is not for me to direct the ALI on how to do that—my role is only to establish the mechanism by which it can be done—but I am sure that it will approach it on the basis that, for people to be best trained, they need to have a roundness of environment. Again, those in the armed forces are in unique circumstances. That is why they will bring in specialists to assist them in their understanding of all that.

My hon. Friend is right about the better treatment of families. We have recognised that the Deepcut families were not well treated. We cannot rewrite history but it sits heavy on us that those things happened and that certain things were said that should not have been said. What I have tried to do in terms of this is to meet with the families. We have learned in the recent past—this is the approach that we now have—that we need to have a better and quicker system of communicating with families and a more sensitive way of dealing with them and that we need to give them the best support we can. They have given their loved ones into our care and we have a duty of care to them as well.

Simon Hughes (Southwark, North and Bermondsey) (LD): As another supporter of the armed services, may I say that people will be grateful for the Minister's constructive suggestions, but they have not gone any way to answering the questions about the recent past? Two of the three inquests have returned an open verdict. I would be grateful if he considered looking over the history of the Stephen Lawrence case, where the Home Office resisted an inquiry, saying that there was a prosecution option and an inquest option, but eventually gave in and there was great benefit from the public inquiry. In the Marchioness case, the responsible Department resisted an inquiry, saying that there was an inquest option and a prosecution option but gave in, to the great benefit of everyone The case and demand for the inquiry will not go away until the families have their chance in public to put the questions that they want to put and those responsible have the obligation in public to answer those questions.

Mr. Ingram: I recognise that, but we should not take one given set of circumstances and say that, when something goes wrong anywhere within government, we should automatically proceed to a public inquiry. I think that we are moving inexorably towards that—people are arguing for that. It has been reported to me that, in the "Today" programme this morning, there were three items relating to the MOD and what was the request on each of those issues? It was for a public inquiry.

We cannot run the Government on the basis of public inquiries. They may be good for lawyers, but they are not for the good governance of this country.

I remind the hon. Gentleman about the Surrey police report. He will have read it and know how exhaustive it is. He will also know that the evidence gathered is not for Ministers. I have not seen the evidence; it is a matter for due process. If a coroner has decided that one case is still to be determined through an inquest, let us wait and see what comes out of it. The hon. Gentleman's suggestion that it may not go away may be right, but he may be wrong. It may, in that particular case, be resolved.

Mr. Harry Barnes (North-East Derbyshire) (Lab): The case mentioned by my hon. Friend the Member for Blyth Valley (Mr. Campbell) raises an important question: how can we enable troops facing abuse from their colleagues or superiors to become whistleblowers to the adult learning inspectorate? Will the process be restricted to training? In the past, I have had to put anonymous complaints to the Minister because my constituents did not want their details revealed. I realise that, when complaints are anonymous, it makes it more difficult to do anything about them. It is easier for my right hon. Friend to deal with cases when he knows what the information is, where it applies and to whom it

[Mr. Harry Barnes]

relates. It is important for complaints to be followed up and for troops to be assured that their complaints will be dealt with independently.

Mr. Ingram: My hon. Friend misses a fundamental point. The adult learning inspectorate is not the only organisation that will be doing this and it has a much bigger remit in the day-to-day care of individual trainees. In each and every establishment, young people will have access to welfare services—to the chaplaincy and other ports of call—and be able to report any matters that concern them.

I hope that my hon. Friend accepts that we have zero tolerance towards bullying and harassment, but I must make the point that that will not stop bullying. It will not stop it in the Army, any more than it will stop it in the BBC, the health service or other walks of life. Bullying goes on out there; what we must do is put in place mechanisms that encourage people confidently to raise their concerns and take them forward. My hon. Friend mentioned the case referred to by my hon. Friend the Member for Blyth Valley (Mr. Campbell), but I have already answered his question. We will find out exactly what happened there. If those events did occur as recounted, they are unacceptable.

Mr. Mike Hancock (Portsmouth, South) (LD): Can the Minister give an assurance that the ALI will be given every support and resource to enable servicemen and women who have left the armed services because of problems that they experienced during their recruitment to provide evidence. It should be done through a confidential phone line or another process whereby they are actively encouraged to present their experience.

I echo the views of many hon. Members in expressing my disappointment about the fact that a public inquiry is not being established. It was apparent throughout the Deepcut activities that a duty of care applied to the armed forces in respect of those young people and their parents—and they failed miserably to exercise that duty. Is the Minister certain that what happened will never occur again—that a 17-year-old who might later be found to have a psychological disorder that made him unsuitable for work in the armed forces will not be given a loaded weapon with live ammunition and sent out on guard duty alone?

Mr. Ingram: The ALI will be given every support and resource. The screening of trainees is one of the issues that are being considered. However, it is not an exact science and that applies to all walks of life—even, I would suggest, in this place. It is not easy to identify people who cannot take stress and who may react in a particular way under pressure or because of other factors. We cannot screen out everyone through those processes. The hon. Gentleman is asking for the impossible.

In terms of singleton guard duty, that will not be the case for young 17-year-olds.

Hugh Robertson (Faversham and Mid-Kent) (Con): I associate myself with the remarks made about Iraq and with the Minister's comments—and the dignified response of my hon. Friend the Member for Aldershot (Mr. Howarth)—about the tragic events at Deepcut.

How will the Minister ensure that efforts to improve the care of young men and women at a very vulnerable stage in their career do not impact on the Army's ability to deliver relevant and tough training—precisely the sort of training that attracts thousands of people to the armed forces and, critically, saves lives on operations afterwards?

Mr. Ingram: The hon. Gentleman has an intimate knowledge of these matters. He is right that a fine balance must be struck. We cannot run the armed forces in a politically correct way, to use the jargon. The situation is unique, because we put people in harm's way and expect them to kill on our behalf. We have to train them in very particular ways. I am not an expert in that, but I have every confidence in those who perform that role on our behalf. I repeat that many thousands of the young people who go through the training are of the highest quality. Some may not make it in life, but many have been given opportunities that they would never have thought of had they not joined the armed forces. I pay tribute to all that is done within the training regimes, to all the commanding officers, the instructors and everyone involved in the process.

Points of Order

4.25 pm

Lembit Öpik (Montgomeryshire) (LD): On a point of order, Mr. Speaker. I notice that the *Daily Mail* has a report under the title "Watchdog to combat the Army bullying", which accurately predicted the content of today's statement. One of the good things about the campaign as a whole has been the trust among parents, MPs and the Department in maintaining confidentiality, so that disturbs me. May I ask, through you, that the Minister—I do not believe that he leaked or spoke to the press himself—ensures that there is no prospect of any such leak from those in the know, because wherever we stand on the specifics of the case, such leaks are detrimental to the overall spirit of trust that we have in general enjoyed among all the parties?

Mr. Speaker: I cannot institute an inquiry, but I can say that the Minister came to the House and I appreciate that.

Mr. Tam Dalyell (Linlithgow) (Lab): On a point of order, Mr. Speaker. Both the Minister and the Opposition spokesman referred to Iraq during the statement, but I sensed that you would not wish the subject to be pursued in detail on this occasion. Given the seriousness of the situation, may I gently suggest that perhaps the Department for International Development, the Foreign Office or the Ministry of Defence should make a statement to the House tomorrow on events in Iraq?

Mr. Speaker: I have no doubt that the matter will be considered.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Mr. Speaker. Is there anything you can do to protect the relevance of the House? You will know from a glance at the business that is about to commence that we face the absurd prospect of debating the 12 groups of new clauses and amendments that you have selected in only four and a half hours. By my calculation, that is something like 25 minutes per group, and at least two of the groups contain 25 amendments and new clauses. This is in danger of bringing of the House into disrepute, and I wonder whether it is not time to look at all this again and find some way of not getting into the position of neglecting our duty properly to examine legislation.

Mr. Speaker: The right hon. Gentleman could not be accused at any time of neglecting his duty, but his point of order is simply taking more time out of the main business, because it is not a matter for me.

Orders of the Day

Civil Contingencies Bill

As amended in the Standing Committee, considered.

New Clause 11

SCOTLAND: CROSS-BORDER COLLABORATION

'(1) Where a person or body listed in Part 1 of Schedule 1 has a duty under section 2 or 4, the Scottish Ministers may make regulations—

(a) permitting or requiring a person or body listed in Part 2 or 4 of that Schedule to co-operate, to such extent and in such manner as may be specified, with the person or body listed in Part 1 of that Schedule in connection with the performance of the duty;

(b) permitting or requiring a person or body listed in Part 2 or 4 of that Schedule to provide information, either on request or in other specified circumstances, to the person or body listed in Part 1 of that Schedule in connection with the performance of the duty.

(2) The Scottish Ministers may issue guidance about a matter addressed in regulations under subsection (1).

(3) Where a person or body listed in Part 2 of Schedule 1 has a duty under section 2 or 4, a Minister of the Crown may make regulations—

(a) permitting or requiring a person or body listed in Part 1 or 3 of that Schedule to co-operate, to such extent and in such manner as may be specified, with the person or body listed in Part 2 of that Schedule in connection with the performance of the duty;

(b) permitting or requiring a person or body listed in Part 1 or 3 of that Schedule to provide information, either on request or in other specified circumstances, to the person or body listed in Part 2 of that Schedule in connection with the performance of the duty.

(4) A Minister of the Crown may issue guidance about a matter addressed in regulations under subsection (3).

(5) If a Minister of the Crown makes an order under section 5(1) imposing a duty on a person or body listed in Part 1 of Schedule 1, the Scottish Ministers may make an order—

(a) permitting or requiring a person or body listed in Part 2 or 4 of that Schedule to co-operate, to such extent and in such manner as may be specified, with the person or body listed in Part 1 of that Schedule in connection with the duty;

(b) permitting or requiring a person or body listed in Part 2 or 4 of that Schedule to provide information, either on request or in other specified circumstances, to the person or body listed in Part 1 of that Schedule in connection with the duty.

(6) If the Scottish Ministers make an order under section 5(2) imposing a duty on a person or body listed in Part 2 of Schedule 1, a Minister of the Crown may make an order—

(a) permitting or requiring a person or body listed in Part 1 or 3 of that Schedule to co-operate, to such extent and in such manner as may be specified, with the person or body listed in Part 2 of that Schedule in connection with the duty;

(b) permitting or requiring a person or body listed in Part 1 or 3 of that Schedule to provide information, either on request or in other specified circumstances, to the person or body listed in Part 2 of that Schedule in connection with the duty.

(7) A person or body shall—

(a) comply with regulations or an order under this section, and

(b) have regard to guidance under this section.

(8) In this Act, except where the contrary intention appears—

(a) a reference to regulations under section 2(3) includes a reference to regulations under subsection (3) above,

(b) a reference to regulations under section 2(4) includes a reference to regulations under subsection (1) above,

(c) a reference to regulations under section 4(2) includes a reference to regulations under subsection (3) above,

(d) a reference to regulations under section 4(3) includes a reference to regulations under subsection (1) above,

(e) a reference to an order under section 5(1) includes a reference to an order under subsection (6) above, and

(f) a reference to an order under section 5(2) includes a reference to an order under subsection (5) above.'.—*[Ms Blears.]*

Brought up, and read the First time.

4.28 pm

The Minister for Crime Reduction, Policing and Community Safety (Ms Hazel Blears): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss Government amendments Nos. 82 to 89.

Ms Blears: I am delighted to have the opportunity to participate in this debate. I want first to put on the record my congratulations to my hon. Friend the Minister for the Cabinet Office, who cannot be with us this afternoon because he is on paternity leave as the proud father of a daughter, Eve, I think, born about 10 days ago. I am sure the House would wish to join me in that.

I am very much looking forward to the debate this afternoon. Having briefed myself fairly rapidly over the weekend, I know that the Bill has already undergone a huge amount of scrutiny, including pre-legislative scrutiny and two forms of public consultation. There is a plethora of information before us, but I am sure that we will have more extremely good scrutiny this afternoon.

As the House will be aware, the Government, working closely with the devolved Administrations, seek to ensure that civil protection is delivered in a coherent fashion throughout the United Kingdom. New clause 11 and Government amendments Nos. 82 to 89 seek to address the issue of cross-border co-operation and information sharing.

Co-operation and information sharing are absolutely fundamental to effective civil protection arrangements. Emergencies are no respecters of boundaries, and it is important that collaboration take place across borders as well as within them. The amendments that I now propose follow from further discussions that the Government have had with the Scottish Executive. We have looked again at the circumstances in which co-operation and exchange of information should take place, and have concluded that a number of changes to the Bill are required.

As a product of the devolution settlement, in this Bill, Scottish responders not exercising reserved functions come under the jurisdiction of Scottish Ministers. Local responders in England and Wales—and responders performing reserved functions in Scotland—come under the jurisdiction of UK Ministers. At present, Scottish Ministers can require Scottish responders to co-operate with other Scottish responders, and UK Ministers can require English, Welsh or UK-wide responders to cooperate with each other, but there is no power to require cross-border co-operation and information sharing.

I am sorry that the hon. Member for Orkney and Shetland (Mr. Carmichael) is not in his place today, as he highlighted the lacuna in the legislation in Committee. It would appear to be an important gap in our legislative armoury.

Mr. Richard Allan (Sheffield, Hallam) (LD): I am grateful to the Minister for crediting my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) with having picked that point up in Committee on 29 January, with his typically detailed eye. Unfortunately, he had a constituency engagement today that he could not cancel, but he is devastated not to be here. I hope that the Minister will understand.

Ms Blears: I am sorry to hear that he is devastated, but we are grateful to him for his sharp and keen eye. I understand that proceedings on the Bill have been non-partisan, and I am happy to continue in that vein and give credit where it is due.

An example of the problem is that if the Maritime and Coastguard Agency required information held by a chief constable or a local authority in Scotland, there is currently no power for Ministers to require such disclosure. I understand that two other organisations that exercise reserved powers in Scotland—the Health and Safety Executive and the British Transport Police—could have similar problems. There is also currently no means of imposing an obligation on responders to collaborate across borders. When planning for any incident—not just a terrorist incident, but perhaps a plane crash or spread of an infectious disease—it is important that all relevant authorities be familiar with each other's plans, whether or not there is a national boundary separating them. There need to be clear powers to ensure that that happens.

New clause 11 and amendments Nos. 82 and 83 will allow Ministers to ensure that such collaboration takes place, thereby ensuring the coherence of the UK civil protection framework. Amendments Nos. 84 to 86 supplement these provisions by ensuring that the general provisions in the Bill relating to enforcement and information sharing apply to cross border situations.

Given their respective roles in managing the civil protection framework across the UK, it is also important to ensure that communication between the UK Government and the Scottish Executive works well.Amendments Nos. 87 to 89 are technical amendments intended to clarify the requirement to consult each other where that is appropriate. The effect of those amendments is to establish a clear requirement on UK Ministers to consult Scottish Ministers when making provisions affecting responders exercising functions in Scotland. There is also a clear requirement on Scottish Ministers to consult UK Ministers when making any order under part 1 of the Bill. That will ensure that, while the UK Government and the Scottish

Executive have responsibilities in the Bill that rightly reflect the devolution settlement, they will exercise those responsibilities in a coherent and consistent fashion.

Mr. Oliver Heald (North-East Hertfordshire) (Con): I associate the official Opposition with the good wishes to the Minister for the Cabinet Office and his wife and baby girl. I am sure that he will find this a busy time, although not, I hope, as noisy as it is in Parliament—although you never can tell with babies.

In Committee we had a detailed discussion of the relationships between the parts of the United Kingdom in connection with emergencies and the way in which they should be tackled under parts 1 and 2 of the Bill. The principle of reciprocity, and of ensuring that each part of the United Kingdom was capable of responding effectively, was discussed at considerable length by all members of the Committee, including my hon. Friend the Member for Ribble Valley (Mr. Evans), who made a great deal of it, and the hon. Member for Orkney and Shetland (Mr. Carmichael), who has already been mentioned.

Our particular concern was that in border areas there are, for example, hospitals, strategic health authorities and other authorities that provide services on both sides of the border. The Minister has mentioned one or two of the other authorities, such as maritime authorities and the Health and Safety Executive. We were keen that the Bill should make such arrangements more transparent than they originally were, and I am pleased that it has been possible, in consultation with the Scottish Parliament, to agree on more effective and better defined wording. I welcome the new clause and the amendments, but I hope that the Minister will be able to give a bit more detail about how the arrangements would work—with a hospital authority, for example.

Mr. Allan: I, too, associate myself with the good wishes that have been offered to the Minister for the Cabinet Office. We shall miss him today, and also my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael), because in the good-humoured proceedings in Committee they traded lawyerly tales about places in Scotland of which I know nothing. It is a pleasure to be able to speak about the first group of amendments on a note of concord, rather than the discord that we often experience in the House.

The amendments are indeed welcome. My hon. Friend the Member for Orkney and Shetland had asked me to draft some amendments to pick up the issues that he raised in Committee; I am relieved that the Government have been able to do that, so that I did not have to tackle the job myself. We identified the problem, but the solution was clearly going to be complex in drafting terms, and the amendments before us deal adequately with that complexity.

I am pleased that the Minister cited word for word the example offered by my hon. Friend in Committee. There is a true spirit of cross-party co-operation when the Minister's speech quotes elements of Opposition Members' concerns when she responds to them. That reflects the fact that my hon. Friend precisely identified a difficulty with the original wording, and I am comforted by the Minister's assurance that her amendments seek to address that precise difficulty. There is no more to be said about this group of amendments. I welcome them.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Minister said that there had been consultations with the Scottish Parliament. Were there similar consultations with the National Assembly for Wales? The Assembly says that the problem is that

> "the Bill does not take into account the constitutional and practical implications of devolution in Wales and does not provide the National Assembly with adequate powers to ensure the proper preparation and implementation of emergency plans in Wales."

That is not a party view; it comes to the House from the appropriate Committee—the Local Government and Public Services Committee, chaired by the appropriate Minister. The Committee continues:

> "The contradiction implicit in having political accountability for matters for which legal responsibility has not been devolved has since been recognised, with the Welsh Assembly Government requesting the transfer of animal health and welfare powers to the Assembly. The Secretary of State for the Environment, Food and Rural Affairs has confirmed that the UK Government does not expect to have difficulty with this proposal and the transfer of powers is now scheduled for autumn 2004."

A specific example of the constitutional contradiction that is written into the Bill appears in clause 9, which allows Ministers of the Crown to require category 1 and 2 responders to provide information on compliance with part 1 of the Bill and to specify how and when such information should be provided.

At present, however, the Bill does not require the UK Government even to notify the National Assembly that they are obtaining such information from agencies in Wales. Many such bodies obtain funding from the National Assembly, and work in partnership with it to deliver services in devolved areas. As a result, their performance in those areas is already monitored by the National Assembly.

The Local Government and Public Services Committee believes that the Bill should be amended to confirm that monitoring powers under clause 9 will be given to the National Assembly for Wales or at the very least to require the UK Government to consult the National Assembly before exercising those powers. The Committee recommends that part 1 should be amended to confirm that the powers of the National Assembly regarding Wales are roughly equivalent to those given to Scottish Ministers regarding Scotland. In turn, that would remove the need for clause 15, which requires the National Assembly to be consulted or give its consent before Ministers or the Crown act under certain provisions in part 1 relating to Wales.

Similarly, to ensure that practical issues arising from an emergency in Wales can be dealt with swiftly and efficiently, the Committee recommends that clause 19 be amended to allow the National Assembly to make emergency regulations concerning events or situations. I shall not deal with the matter at further length, because time is short, as the right hon. Member for Bromley and Chislehurst (Mr. Forth) has pointed out. However, I wanted to put the issue on the record, as Ministers in Cardiff and the Committee have been asking for the change. If the Minister cannot give me a reply today, I

[Mr. Elfyn Llwyd]

should be grateful if she could write telling me what consideration and what meetings, if any, have taken place on those important issues.

Mr. Eric Forth (Bromley and Chislehurst) (Con): I am glad that the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) has disrupted what was becoming a cosy, consensual, self-congratulatory session all-round. I always become suspicious when Front Bench spokesmen congratulate one another on how marvellous everything has been, how productive their discussions have been, how wonderful the Committee debates were, and generally what a jolly good job they have all done. The hon. Gentleman has, in his inimitable way, put his finger on the downside of devolution. That is not what he meant to do, but he has done so none the less.

We have been told all too often about the wonders of devolution and how our relatively small country will do so much better if it is broken up into its constituent parts. We have extra bureaucracies, additional Governments and Assemblies and so on, and for the first time, a statute has set out how difficult such an arrangement can be.

It is a great challenge in a genuinely integrated state to respond to the horrors of terrorism, but it is much more difficult to do so when we must deal with the multifarious bureaucracies that we have been crazy enough to set up in the United Kingdom. Proposed subsection (1)(a), for example, says that regulations may be made

"permitting or requiring a person or body listed in Part 2 or 4 of that Schedule to co-operate, to such extent and in such manner as may be specified, with the person or body listed in Part 1 of that Schedule in connection with the performance of the duty".

That is just for starters, and sets the tone for pages of jargon that attempt to identify the ways in which we will achieve the laudable aims that the Minister set out at the beginning of our debate—collaboration, familiarity with each other's plans and so on. However, we must remember that we are discussing a complex set of organisations that, in normal circumstances, it would be difficult to encourage to co-operate with one another, including category 1 responders—local authorities, emergency services, health services and so on—and category 2 responders, including electricity, gas, and water and communications suppliers, railway and underground companies, airports, harbours and highways.

All these will be expected to share each other's plans and, no doubt, each other's aspirations, to collaborate and co-operate in what will inevitably be the most difficult imaginable circumstances—and that against a background of the fact that we have deliberately and gratuitously created, some would argue, artificial and unnecessary borders and lines of demarcation within this small country under the rubric of devolution.

4.45 pm

Here for the first time we have a very real problem created by devolution and, incidentally, some hidden costs, I suspect. In all the wallowing in mutual and self-congratulation that we heard a moment ago, I did not hear anybody mention costs. Does anybody imagine that the process will be cost free? Has the Minister given an estimate, or has she even been asked what the costs will be? Maybe one of those who spent such a delightful time in Committee teased that information out. I hope they did; it certainly was their duty to do so. If members of the Committee did not do any teasing, this is the time for us to do some teasing on Report.

We are entitled to know, albeit in general terms, the likely cost of all the collaboration and co-operation, given what we expect to emerge from the complex working not only of the schedule, but of the new clause and all that goes with it. Surely if the provisions are to be made to work properly, not only are the Scottish Executive and the relevant and parallel English ministries involved, but all the category 1 and category 2 responders, all of which are being asked to do something additional, over and above what they would have done before, if, as we are led to believe, the work of the Committee was so valuable in identifying the additional work that had to be done to make the collaboration and co-operation that much more effective.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): There is a way of short-circuiting that. The Scotland Act 1998 and the Government of Wales Act 1998 are not entrenched legislation—we do not have such a thing. All the consultations could be bypassed by making the Act a United Kingdom Act and giving the authority to the central authorities in Whitehall.

Mr. Forth: I am grateful to my hon. Friend. That is an intriguing thought. We could undevolve, if I might express it in that rather inelegant way, those functions that we considered essential to deal properly with the sort of contingencies that we fear might arise under the Bill. That at least would be a consideration. Just as an aside, my own favoured approach would be that from time to time we should offer people further referendums to ask them whether they still want what some of them, at least, voted for those years ago in terms of devolution. I am very keen that the people of London, for example, be offered a further referendum—

Madam Deputy Speaker (Sylvia Heal): Order. That may well be of interest to the right hon. Gentleman, but we ought to be debating in a little more detail new clause 11—

Mr. Forth: More detail? Certainly, Madam Deputy Speaker. Delighted for your—

Madam Deputy Speaker: —rather than referendums.

Mr. Forth: I thought that might tease the House a little, Madam Deputy Speaker, but your instructions are for me to go into more detail. How can I possibly ignore that? Let us get on with the detail, shall we? Having just run round the course fairly briefly, we can now really get down to what it is all about.

Under "Category 1 Responders: General"—this is the detail of the schedule that is referred to in the new clause—the local authorities enumerated in relation to England are county councils, district councils, borough councils—at least, the schedule states "a London borough council". I wonder whether the other unitary

authorities have been missed out. The schedule does not mention them. We have county councils, district councils and a London borough council, the common council of the City of London and the council of the Isles of Scilly. We then come, in relation to Wales, to county councils and a county borough council. Presumably that subsumes the others as well.

Already it is clear that there is a complex of local authorities at various levels that are tasked as category 1 responders to participate in the process that the new clause envisages. We now have the potential to begin to see—this is the point I was making before I got side-tracked into referendums, which I will leave for another day—what the real cost could be.

With regard to costs, I always stand to be corrected by those who spent so much time in Committee doing such useful work in collaboration with one another, as we have been told. Perhaps they know or have some idea of the additional costs of the tasks identified by the new clause.

Mr. Llwyd: The right hon. Gentleman is absolutely right that the key to whether the Bill will work is extra resources. Questions were asked many times about that issue. During pre-legislative scrutiny, approximately 200 responders made the same point, and answer there was none.

Mr. Forth: I am grateful to the hon. Gentleman. I have always had my suspicions of pre-legislative scrutiny. I know that we are all supposed to say that it is a wonderful thing and that we should have lots more of it, but one sometimes wonders about it. Sometimes it identifies more questions than answers, and this is a very good case in point. It should be possible to pursue those questions during the parliamentary process, but given the time restrictions, there may not be the opportunity to do so. None the less, we have plenty of time to consider the amendments before us. That is why this is a very appropriate point for us to rehearse yet again the question of costs.

Mr. Shepherd: On inquiry as to whether Walsall metropolitan borough council had made an assessment of the cost implications, my emergency planning officer said:

"The full impact of the Act will not be fully assessed until the regulations come out—the detail. The regulations will give a clear idea of the impact on local authorities."

I do not think that the Government are in a position to give any indication of the cost.

Mr. Forth: Oh dear; it is worse than I thought. We are being asked yet again to sign a blank cheque.

Mr. Heald *rose—*

Mr. Forth: It appears that my hon. Friend is about to give us the details of that cheque.

Mr. Heald: My right hon. Friend is making an important point about money. The Government say that they are not increasing the funding and that the civil grant, which deals with civil contingencies, will remain at the same level this year as last. It is hard to reconcile that position, however, with the extra duties that are being imposed on councils in the new clause.

Mr. Forth: Should we be allowing the Bill to proceed if we are completely ignorant of the likely costs? Would we not be failing in our duty as the custodians of the taxpayer's interests if we were to pass the Bill, admirable though its intent may be, without any idea of what it will cost either at local authority level, as my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) pointed out, or at a broader level, as my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) implies? Furthermore, as the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) indicated, we do not have any idea about the National Assembly for Wales or his local authorities.

Mr. Jonathan Djanogly (Huntingdon) (Con): I believe that councils throughout the country are holding staged events to put the procedures to the test, so the costs will probably become a lot more apparent over coming months. My right hon. Friend may therefore have a very good point in saying that we are looking at the issues too early, as the costings will not be available until the councils have carried out those procedures.

Mr. Forth: In that case, this is a bit like horses and carts. We are apparently producing some very complex legislation. Let us be in no doubt that the new clause is extremely complicated and ambitious in what it seeks to do. The Minister outlined what it seeks to achieve in terms of collaboration, mutual exchange of information, co-operation across borders and the like. All those intentions are admirable—let us hope that the arrangements will work effectively—but there must be a cost. Training must be required and channels of communication must be opened up. No doubt, that will be complicated—I mention this only in passing—by the different legal systems in England and Scotland, which may well be relevant.

Mr. Heald: But is not the dilemma that my right hon. Friend faces, and we all face, that it is vital that we have a proper structure for civil contingencies? The structure in part 1 cannot work without new clause 11, and given the urgency of the situation and the need for the action, surely it has to go ahead?

Mr. Forth: That may or may not be the case. I must confess that the proposition that something "has to go ahead" always worries me, because I like to know a little more about the facilitation or underpinning involved in doing so.

Mr. Allan: I have every sympathy with the right hon. Gentleman's general point about the overall cost of the legislation, about which we, too, have expressed concern, but I suggest to him that the new clause will be a cost-saving measure. Under the Bill as originally drafted, the problem was that no Scottish local authority could be empowered to give information to a body such as the Maritime and Coastguard Agency, which would have had to go and get it for itself.

[Mr. Allan]

Although we have concerns about the general scope of the Bill, I think that the new clause will be a net cost saver.

Mr. Forth: The hon. Gentleman makes a good point, as far as it goes. "Empowerment" is a wonderful word—a very Liberal Democrat word—that sounds good when one says it, but that is not what new clause 11 is about. It is about "permitting"—a good old-fashioned word that is far better than "empowerment"—or "requiring". I am focusing on the "requiring" part because that usually means additional effort, which usually means additional cost. Empowerment or permitting could be cost-free, I suppose—although even then, it is conceivable that additional costs might be involved in empowering a body that desperately wants to share information with another, but is otherwise unable to do so.

Let us consider the matter from a different angle. The other day, we heard that the new Home Office headquarters that is rising magnificently before our eyes in Marsham street is no longer big enough because the number of Home Office bureaucrats has increased so much over the past few years that that brand-new, state-of-the-art building, which is not yet completed, cannot house them all.

Madam Deputy Speaker: Order. Perhaps the right hon. Gentleman will address his remarks to the new clause under discussion.

Mr. Forth: I was about to suggest, Madam Deputy Speaker, that perhaps the Home Office could second some of its bureaucrats to the authorities that will be required under new clause 11 to produce collaboration, co-operation and communication. Having probed a little on the surface the problems that could arise from the new clause, I am trying, in my usual way, to be helpful. Instead of putting the cost burden on to these hapless category 1 and category 2 responders, why does not the Home Office release, on secondment or permanently, some of its burgeoning numbers of bureaucrats to assist in the process that new clause 11 requires of those responders? That is an idea to conjure with. Without going into what on earth they are all doing and why they will not fit into the new building—that is a matter for another occasion, Madam Deputy Speaker—it gives one pause for thought.

All in all, I find this rather unsatisfactory. Fine words and fine aspirations give us all pleasure, but surely we are here to satisfy ourselves, on behalf of the taxpayer, that what is being done is proper and appropriate, of reasonable cost, and justified in terms of burdens on the taxpayer. I should have thought that all those things normally go together. Frankly, I am rather shocked to find that the Bill has reached this advanced stage without our being given any idea whatsoever of what its true cost will be. As the hon. Member for Meirionnydd Nant Conwy helpfully pointed out, even the much vaunted pre-legislative scrutiny process did not elicit that information. Throughout the pre-legislative process and the legislative process—in Standing Committee and, now, on Report—we have been unable to extract from the Government any idea of the likely additional cost to the taxpayer.

It may not only be the taxpayer but the consumer, because the category 2 responders include utilities, transport and so on. One would imagine that, unless the Government were going to give them some sort of grant—I very much doubt that—the burden was likely to fall on the consumer, who is one and the same as the taxpayer. The costs may therefore come under a different, more stealthy heading.

Madam Deputy Speaker: Order. The right hon. Gentleman once again strays rather wide of the new clause. Discussion of the Bill's overall provisions, including cost, may be raised on Third Reading.

Mr. Forth: I am always delighted to follow your guidance, Madame Deputy Speaker. I like to keep some ammunition for later—I do not like to use it all at once. Given that many groups of amendments remain to be considered and that we have some four hours in which to do that, I will follow your guidance. I hope that the Minister can help us with some of the questions that I have asked. I am sure that we all look forward to probing much more deeply into these matters as our proceedings continue.

5 pm

Ms Blears: I was about to say to the hon. Member for Sheffield, Hallam (Mr. Allan) that there was a danger of a little too much consensus, so I am delighted that the right hon. Member for Bromley and Chislehurst (Mr. Forth) has brought us down to earth with a bump.

The hon. Member for North-East Hertfordshire (Mr. Heald) asked about the way in which, for example, hospital authorities might collaborate across borders. I am sure that he knows that well established mutual aid arrangements already exist everywhere in the United Kingdom. In the health service, there is often a great deal of cross-referral from primary to secondary and tertiary care. That is as true in the border areas as in the rest of the country. There are well established schemes between local responders. The new clause helps to clarify the position even better than the custom and practice that already existed. I therefore hope that the hon. Gentleman is reassured.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) raised issues about Wales. Obviously, discussions have taken place with both devolved authorities to get the Bill right. It is important that the relationships between England and Scotland and England and Wales and, indeed, throughout the United Kingdom, are appropriate and that people play their appropriate role. As I said, a fundamental part of the Bill is about coherence, consistency, collaboration and information sharing. There is a proposal to draw up a concordat with the National Assembly for Wales and with the Scottish Executive to set out the way in which that might work in practice. The hon. Gentleman's point about information sharing could properly be considered in that concordat. A proposal to amend the Bill at this stage is probably disproportionate. The issue that he properly raised can be tackled in regulations, guidance and the concordat between the relevant parties.

The hon. Gentleman obviously knows that to have that communication between Her Majesty's Government and the National Assembly, whereby

regulations are made that apply to bodies within the Assembly's jurisdiction, a Minister of the Crown has to seek the Assembly's consent. In other cases, in which a UK Minister legislates for Wales, consultation must take place between the two bodies. Clearly, there is a framework for dialogue and exchange of views. I hope that the hon. Gentleman is reassured that, provided those channels of communication are kept open and we have a proper concordat to which reference can be made openly and transparently, people will be assured that the Welsh position is properly protected.

I take it that the right hon. Member for Bromley and Chislehurst does not seek at this point to reopen the devolution settlement. Clearly, it is important that we get the right balance between the decisions that Her Majesty's Government make and those that are the proper province of the devolved Administrations. We have tried to achieve that in new clause 11 and amendments Nos. 82 to 89. We want to ensure that, where we have devolution—we clearly have devolution, which was the will of the people—Scottish Ministers can take the necessary actions, Ministers in England and Wales can take the necessary actions and there is a proper meeting of minds and consent. It is not beyond our wit to work together. We must do that in different regions, even of this country. In many cases, there is a need for cross-regional collaboration and information sharing. We must also ensure that the plans mesh well together. It is right to do the same thing in Scotland and Wales.

The right hon. Gentleman mentioned the costs of collaboration. Often, the most cost-effective thing to do is to work together to share information. Insufficient collaboration or consistency can be extremely costly in financial and human terms. Indeed, I am sure that we would all express concern if different people were doing a series of different things that did not join up. This is about working smarter, and using our imagination to ensure that we get this absolutely right.

Significant extra funds have been put into the civil defence grant in recent years, and before coming to this debate I asked for a couple of figures that might prove illuminating. In the past seven years, the grant has risen by 31 per cent., whereas in the last seven years of the previous Conservative Administration it fell by 42 per cent. I am not keen to make partisan points, but it is important for the House to have that information.

Mr. Heald: Does the hon. Lady accept that people are concerned that the grant has not increased since 2002, and that it is not set to increase because the Government's plan is to keep it at its present level? People are worried about how councils will do their work—with all the extra burdens, including the seven new duties imposed on them by the Bill—if they do not have the money.

Ms Blears: I note that the hon. Gentleman is concentrating on this last year, as opposed to the previous years that I mentioned. He will know, however, that local authorities have always supplemented the civil defence grant because they see it as part of their responsibility to lead their communities and to take care of them. This has never been simply a ring-fenced grant to which local authorities make no contribution. Furthermore, the Bill deals with an organisational framework, rather than with the specific duties placed on authorities. Several Conservative Members suggested that we needed to work through the guidance and regulations. We are talking about events that are difficult to predict, so we need to work through what some of the costs might be.

Mr. Llwyd: I mentioned earlier that about 200 responders had mentioned this issue. The Minister might say of local government, "Well, they would say that, wouldn't they?" However, when faced with a decision to cut either their social services budget head or the civil defence one, many local authorities cut the civil defence budget. It has been the Cinderella service in local government. If we are going to get local authorities up to speed and to change the culture by putting in place a proper civil defence structure, the resources will have to follow.

Ms Blears: The hon. Gentleman makes the important point that this is an area of increasing salience, particularly in the light of the threats that we face in this very changed world environment. However, local government in general has had significant real-terms increases in its settlement, certainly over the past few years. He postulates an argument about decisions to make cuts in social services, education or civil defence, but local authorities have, for the first time in a long time, received significant increases in the grant available to them. They ought, therefore, to be able to take on these responsibilities. He will know from his own area that local government services are improving across the piece, whether in education, social services or housing. It is important that local authorities continue to be able to fund those services.

I know that local government has concerns about these issues, and the hon. Gentleman mentioned the 200 respondents who raised them with him. It is absolutely right that we should continue to talk to the Local Government Association and, when we see what the increased burdens might be, that we seek to address them. That will be a fundamental part of the spending review 2004 process.

Dr. Vincent Cable (Twickenham) (LD): Is it the Government's position that these new statutory obligations on local authorities will result in cost neutrality? Or will they result in increased costs, which the Government will have to look at new ways of funding?

Ms Blears: Yes, we accept that extra pressures might well occur if we ask local authorities and other responders to work differently, to collaborate and plan together and to raise their games on civil contingencies, and we are in discussions with the Local Government Association to establish what those additional pressures might be. It would take a robust business case for the Government to acknowledge such additional pressures, which the spending review process would address. As I said to the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), it is not a matter of making cuts in one department or another, because the issue must be considered in the context of the significant real-terms increases for local government as a whole.

Patrick Mercer (Newark) (Con): I have listened to the Minister's remarks about local authorities' preparations to deal with the Bill's strictures with interest. A number of emergency planning officers to whom I have spoken tell me that the civil defence grant will barely cover the exercises, to which we shall undoubtedly return, for this financial year. Unless they are allowed to conduct the exercises, they cannot implement suitable measures when an emergency occurs. They are even more concerned that next year's civil defence grant is being frozen at this year's level, which is, in other words, a real-terms cut. I hope that the Minister will reassure me that she has heard similar views and that she is addressing them in a practical way, rather than a theoretical way.

Ms Blears: I have already indicated that discussions are ongoing between representatives of those organisations, and I am sure that the excellent exercises that are taking place with local government and a range of responders will continue. Local government is keen to make sure that communities are properly protected and that preparations are made, and I therefore have no doubt that those discussions will continue. We will seek to address those pressures where the business case is robust and where the increase is identifiable.

I am sure that the figures for 2002–03 were repeatedly quoted to the hon. Member for Newark (Patrick Mercer) in Committee: an extra £330 million provided for the Office of the Deputy Prime Minister, the Home Office and the Cabinet Office to examine civil contingencies; an extra £56 million provided for the new dimension project in the fire service; an extra £85 million provided for the Department of Health to consider chemical, biological, radiological and nuclear issues; and an extra £84 million provided for the police. I am not saying that those figures are the be all and end all of financial pressures, but it is hard to make the case that the Government have been slow to provide extra resources, given that in the past seven years of this Administration funding for civil contingencies has increased by 31 per cent., compared with the 42 per cent. decrease in the last seven years of previous Administration.

Mr. Djanogly: The Minister discusses increased funding, but she does not mention local authorities—in her earlier comments, she mentioned the Government's generosity to local authorities. It is important to make the point that funding for local authorities to cover civil contingencies has increased from £14.4 million to £19 million. Starting from a low base, funding has gone from peanuts to that paltry figure, and it must be increased yet again.

Ms Blears: I hope that this debate does not turn into an auction, because I shall be forced to refer to the shadow Chancellor's plans to cut public expenditure, and I do not want to enter that territory today. Whether the shadow Chancellor plans to cut £18 billion or £180 billion—

Madam Deputy Speaker: Order. I have allowed some latitude in the debate, but we should return to new clause 11.

Ms Blears: I am delighted to do so, Madam Deputy Speaker.

I addressed the issues relating to funding raised by the right hon. Member for Bromley and Chislehurst (Mr. Forth).

Mr. Shepherd: On the cost to local authorities, Mr. Boyd, the emergency planning officer in Walsall, attends briefing sessions for the emergency services on CBRN issues and terrorist attack, and is concerned that the emergency services have received more than £100 million to spend on decontamination equipment and training for its officers, but the local authority has received nothing. The emergency services expect local authority staff to attend the scene of such an incident.

Madam Deputy Speaker: Order. New clause 11 concerns cross-border collaboration with Scotland, and I ask hon. Members to refer to it in their deliberations.

5.15 pm

Ms Blears: I do not have anything to add, except to commend new clause 11 and amendments Nos. 82 to 89 to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

EMERGENCY VOLUNTEER RESERVE

'(1) There shall be an Emergency Volunteer Reserve.

(2) The Secretary of State may by order made by statutory instrument make provision in respect of the Emergency Volunteer Reserve.'.—*[Patrick Mercer.]*

Brought up, and read the First time.

Patrick Mercer: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 11, in page 3, line 8 [Clause 2], at end insert—

'(h) consult with humanitarian or voluntary organisations through the development of plans maintained under paragraphs (c) and (d) to such extent and in such manner as a person or body listed in Part 1 or Part 2 of Schedule 1 shall think fit.'.

No. 12, in line 36, after 'consult', insert

'with any humanitarian or voluntary organisations or'.

No. 13, in line 41, after 'collaboration', insert

'with any humanitarian or voluntary organisations or any other specified person or body or class of person or body'.

No. 14, in line 44, after 'delegation', insert

'to any specified person or body or class of person or body including any humanitarian or voluntary organisations'.

No. 15, in line 46, at end add

'or with any humanitarian or voluntary organisations'.

No. 16, in page 4, line 5, after 'Schedule', insert

'or to any humanitarian or voluntary organisations'.

No. 17, in line 7, after 'body', insert

'(including any humanitarian or voluntary organisations)'.

No. 76, in page 5, line 5 [Clause 4], leave out 'business' and insert 'organisation'.

No. 77, in line 8, after 'commercial', insert 'voluntary and community'.

No. 18, in line 8, after 'activities', insert 'or community activities'.

No. 19, in line 20, at end add

'save that a charge may not be made to any organisation carrying out community activities'.

No. 20, in page 11, line 23 [Clause 17], at end add—

'"community activities" means activities in fulfilment of any charitable, benevolent, or philanthropic purpose,

"humanitarian or voluntary organisations" means any voluntary organisation, charity or other body which contributes to civil protection arrangements on an international, national, or local basis which is identified as such by any person or body listed in Part 1 or 2 of Schedule 1.'.

Patrick Mercer: I am sorry that the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster is not here, although I am sure he is absent for an extremely happy reason. The new clause and amendments Nos. 76 and 77, which stand in my name and that of my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), go to the heart of the Bill.

It is fair to say that the Government were a trifle surprised in Committee by some approaches taken by Conservative Front Benchers not to the powers and theory of the Bill, but to the practicalities of delivering it. The new clause and the amendments address the muscle and the manpower that will be required physically to put those powers into practice in horrible events such as those for which we are preparing. I hope, therefore, to range not too far and wide, but essentially over the matter of a volunteer reserve and the involvement of the multifarious voluntary organisations, which I have no doubt we will depend on heavily in the event of a disaster.

The Government have rightly identified the problem—it could be anything from a natural disaster to something horrendous such as a dirty bomb inspired by terrorists that kills perhaps thousands of people. They have also rightly identified the fact that powers need to be put in place to deal with that. We have a Bill before us, and Conservative Members are happy to support many parts of it. We have tried to take a non-partisan and largely supportive approach, but there seems to be a lacuna between the problem and the powers. I have already identified the problem; it is one of delivery.

I do not believe that the Government have thought about the practicalities of the problem in any detail. There is no doubt that local authorities will be empowered to deal with the problem in theory; there is no doubt that category 1 and category 2 responders will be identified and told what powers they have to deal with events on the ground. However, who, physically, will do that?

A cursory glance at the emergency services in any of our constituencies would show the Government how parlous the preparations are. Let us take the example of my constituency of Newark, which, I trust, is unlikely to be attacked by terrorists. It was clear six weeks ago when I spoke to Newark fire service that not a single member of it had received any training whatever to deal with chemical, biological, radiological or nuclear emergencies. It is clear that the pumps we have available in Newark could respond for only a few hours in the event of an intensive incident.

Ten pumps must accompany one of the immediate response vehicles that the Government have put in place to whichever part of the country is the scene of an emergency. There is no doubt that we would quickly run short of the manpower required to take either the fire, police or ambulance service through a sustained emergency. There is no doubt that, very quickly, it would be impossible to replace policemen—they would be exhausted, particularly if they were wearing protective clothing and trying to operate despite all the difficulties of a CBRN attack.

I do not know whether the Minister has ever operated under such conditions, but I can assure her that wearing one of those suits is extremely difficult and that trained and well prepared staff, no matter how many of them the Government believe they have prepared, will quickly become degraded and impossible to replace.

What have the Government done about providing an additional work force? We are told glibly that the 60,000 or 70,000 regular Army, Navy and Air Force personnel in this country at any one time, depending on emergencies, would be called on to help, particularly in the event of a chemical, biological, radiological and nuclear attack. The fact remains that there are no standing plans to use our regular forces, despite the fact that every man Jack and woman Jill has received this sort of training.

Mr. Forth: As my hon. Friend develops that theme, does he not agree that the physical disposition of those highly trained personnel is inadequate to cover the entire country? Given that such events, by their very nature, could occur anywhere, even were we lucky enough to have a centre of trained military excellence, most of the country, sadly, would not be within easy reach of those excellent people should the worst happen.

Patrick Mercer: I am most grateful to my right hon. Friend for that helpful intervention. As usual, he is absolutely right. In fairness, that is probably why the MOD has not tried to tie down its regular forces in great detail. Due to the overstretch of our regular forces, the fact remains that an indeterminate number will be available in this country should an incident occur.

What have the Government done to increase the availability of manpower? Curiously, just before the Committee stage of this Bill was completed, the civil contingencies reaction force, more than two years after the events of 11 September, was finally declared operationally ready. A cursory glance at the CCRF, however, shows that it was far from ready. Interestingly, I note that we spoke on 28 January about this very event, on exactly the same day that Private Kitulagoda of the Rifle Volunteers was killed in action. He was indeed a member of the civil contingencies reaction force. He came from Devon, and his duties were to respond to an incident in the area of Plymouth or Exeter, and yet he was killed in Kabul by a British-born suicide bomber. If the Government have raised that very modest number of territorials and reservists specifically for those duties, why on earth are they posting those soldiers, sailors and airmen overseas? Why are they concentrated on Basra

[Patrick Mercer]

and Baghdad rather than Bermondsey or other areas where they may be necessary? The answer is simply that the Government have made no coherent plan to provide additional manpower in the event of this sort of incident.

That is why we propose the raising of an emergency volunteer reserve—*[Interruption.]* In response to the sedentary intervention from the Government Front Bench, the intention is not to raise a Home Guard, but to contribute to the British Red Cross or other organisations that already exist. The plan that I suggest is simple: those who have a desire to volunteer and who have skills to contribute to the country should be allowed to do so. A category A responder might be an off-duty surgeon, who would take the training necessary to bring him or her up to scratch, and put himself or herself on a register of willingness or availability, and in the event of an incident occurring, that surgeon might come forward either to reinforce medical staff, or to take the place of those who are exhausted. At the other end of the spectrum, a category F responder might be someone without a specific skill, and without much time to spare, but who would be available, on being contacted by text message, to help the police or other emergency services in the event of an emergency.

I do not understand why the Government did not think the scheme through more carefully. It would be cheap and relatively easy to impose. Training would be practical. Above all, it would mop up the huge reserve of volunteers who I have no doubt would be ready and willing to come forward in these circumstances.

Mr. Allan: When we discussed this in Committee, there was some concern about the overlap between the hon. Gentleman's proposal and the existing voluntary sector organisations. Now his thoughts seem to have evolved. Can he confirm that he is talking about co-ordinating bodies such as the Red Cross and St. John Ambulance rather than about some substitute for them?

Patrick Mercer: I thank the hon. Gentleman for his intervention. I am interested to note from the mayoral election plans that the Liberal Democrats have taken not just the idea but the term "emergency volunteer reserve" and decided to bend it to their own purposes—shocking behaviour!

Let me answer that perspicacious intervention by reading something about what happened in Madrid.

"Within minutes of the bomb explosions on the terrible morning of 11th March, Spanish Red Cross volunteers were on the scene. Over the following 24 hours and beyond ... 900 volunteers provided medical care, psychological support and handled enquiries from the public. 52 ambulances, 26 transport vehicles and mobile blood collection units run by the Spanish Red Cross worked in close collaboration with the statutory services. Volunteers supported many bereaved families ... 61 requests for information on missing persons were received from abroad and dealt with through the International Red Cross Message and Tracing service."

Here is the rub:

"The Spanish Red Cross was able to make such an exemplary response to this tragedy because in Spain the voluntary sector has a formal role in the civil protection framework. The Spanish voluntary sector plays an integral part in emergency planning and is designated to be involved in rescue, medical care, information and communication, and emotional support."

The Joint Committee on the draft Bill recommended that

"a statutory duty be placed upon Category 1 Responders to consult with and involve relevant voluntary organisations in civil contingency planning."

It also recommended that

"Category 1 Responders be given flexibility to identify and consult with the most relevant voluntary organisations in their area."

Yet those points were not included in the Bill.

We propose that we should raise—in addition to the voluntary organisations that already exist—an emergency volunteer reserve that would overlap and interlock with the existing voluntary organisations, and that the voluntary organisations should be brought much more closely into line with the standing blue-light services. That would bring about much more integration of training, approach and operational procedure.

I have no doubt that Labour and Liberal Democrat Members will want to deal with amendments Nos. 11 to 17 and 18 to 20. I want to say a little more about amendments Nos. 76 and 77, tabled by my hon. Friend the Member for North-East Hertfordshire and me. We feel that we should recognise all the good work of organisations such as the British Red Cross, the Women's Royal Voluntary Service, the Salvation Army and St. John Ambulance.

We should recognise the potential of these organisations, and the fact that if we were to use them in a much more sensible, coherent and thoughtful way, although the Government would not get a service for nothing, they would get a wholly trained, thoughtful and thoroughly well-motivated organisation for an absolute pittance. If that were integrated with the emergency volunteer reserve that I outlined, the Government would not be in their current difficult position.

5.30 pm

Helen Jackson (Sheffield, Hillsborough) (Lab): Amendments Nos. 11 to 17 and the associated ones relate to volunteers and to the realm of the voluntary sector. When considering them, we should remember that the Bill is entitled the Civil Contingencies Bill. As we all know, a disaster—an emergency—affects the whole of society and the surrounding civil society, so the response to, and planning for, emergencies and disasters must involve the whole of civil society as well.

The amendments, which, as the hon. Member for Newark (Patrick Mercer) said, have been backed by the British Red Cross, St. John Ambulance, the Women's Royal Voluntary Service and the Salvation Army, basically reflect the view that the voluntary sector's contribution to caring for the victims of emergencies and disasters in particular should be properly recognised and made explicit in the Bill. They have been introduced on Report on the basis that the "explicit" involvement of the voluntary sector in what the Government are seeking to do in responding to an emergency is not nearly explicit enough. As the Government will doubtless recognise, the Joint Committee, which is acting as consultee on the draft Bill, recommended that representatives from the voluntary sector be included as consultees at both the planning and response stages.

I should point out to the Minister that the Government's record in the voluntary sector is excellent. The Chancellor, the Prime Minister and leading members of the Government frequently refer in their speeches to the partnership that the Government are trying to build with the voluntary sector. Therefore, the voluntary sector's response, which shows that it is puzzled and disappointed that the Government have not involved it in a more explicit way, also reflects my feeling.

I hark back to 15 April 1989 and this country's greatest sporting disaster, which occurred in Hillsborough stadium. At that time, I was not the Member of Parliament for the area, but I was a member of the city council and I represented the area and the people who lived in it. I am aware that that ghastly disaster was felt for many years—indeed, it is still remembered yearly on 15 April—not just by the statutory services but by the whole community, who were involved in responding it. The entire community helped the voluntary services—the Red Cross and St. John Ambulance—by doing what they could.

None of the residents of the Hillsborough area of Sheffield will ever forget that day of sirens going on and on and on, for hour upon hour upon hour, as the vehicles ferried people to hospital. They will never forget the continuing radio appeals for volunteers with skills of any nature to help. They will never forget, because it was, I suspect, one of the first disasters to be covered minute by minute on live television. It was a Saturday afternoon in April, when many people were at home watching sport on TV. They did not expect to see the disaster that unfolded.

Not only organisations and a volunteer force came to help; the local clergy, the league of friends from the hospital, individual doctors and cleaning staff who worked in the football stadium did so too. Those in public housing and other individuals in the area offered accommodation. The answer is not to blame people, but to recognise that all volunteers and voluntary organisations are involved immediately when an emergency arises. It is only right that they should be brought in at the pre-planning stage and for the delivery on the ground, because they are the people who will make a difference in the event of a disaster.

Given the Government's record on the voluntary sector, they should recognise its skills, experience and potential in this context. Government recognition of the sector's potential will improve the chances of voluntary sector organisations being able to deliver the training that is necessary to keep up to date, and being organisations on which we can rely in every city.

Mr. Heald: I agree with what the hon. Lady is saying. Does she agree that the threats that we face and the events that we may have to face are changing quite quickly, so proper consultation and perhaps an overarching body of the sort that we suggest is a good idea? It will mean that everyone can keep up to speed.

Helen Jackson: I am grateful for that intervention. I agree that the threats are changing, but let us bear in mind the characteristic that a civil emergency is probably not expected. No one could have predicted that an aeroplane would explode and kill 200-plus people in Lockerbie, for example. These things cannot be totally planned for. There is no textbook emergency. That is one of the problems, whether it is a fire at King's Cross, a football disaster at Hillsborough, the Lockerbie disaster, or the terrorist incident in Madrid. Therefore, there can be no definitive Government planning blueprint saying that we have got it all sorted out and we will know exactly what to do. It will not happen like that, although there are always common factors: injury, stress, trauma and shock, and the need for comfort, reassurance and to deal with people who feel bewildered.

The other common factor that the amendments deal with is that, almost universally in our country, there is a huge and immediate willingness to help among everyone who knows about the situation.

That must be recognised and should form part of how we deal with this opportunity to update legislation from the 1920s. Perhaps we can now learn from experience gained between 1920 and the present: we should be proud of and treasure the immediate response of volunteers and voluntary organisations coming together.

One recent event affected us all in the House: the reaction of the people of Spain to the ghastly events in Madrid. I recall how moved I was—I believe every hon. Member felt the same—to see them coming together on the streets to make it clear that they were the people of Spain and that they condemned the tragic events.

I feel strongly that the involvement of the voluntary sector in dealing with disasters should be properly recognised by the Government, both in pre-planning and in operational guidance attached to the Bill. The Government should take this opportunity to strengthen their partnership with the voluntary sector by amending the Bill along the lines suggested in this group of amendments.

Mr. Allan: I was pleased to offer my support and that of my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) to the amendments tabled by the hon. Member for Sheffield, Hillsborough (Helen Jackson). We examined the issue in Committee, but it remained, to a degree, unresolved.

Unlike the right hon. Member for Bromley and Chislehurst (Mr. Forth), I am in favour of pre-legislative scrutiny, though I recognise that it does not cure all known ills. The consultation process brought to light different views from the voluntary sector. I understand why that created a difficulty and why, given the broad range of voluntary sector organisations, it would not be appropriate to place all of them in the category of those required to respond on a statutory basis.

I agree, however, with the hon. Member for Sheffield, Hillsborough that some reference should be made in the framework of primary legislation to voluntary organisations. She has produced some good amendments in an attempt to achieve that. Rather than making all voluntary organisations statutory responders, she would amend clause 2(5) so that the regulations imposed on the statutory bodies—the local authorities—included a requirement that local "humanitarian or voluntary organisations" be involved. That is a wholly appropriate way of tackling the problem, which overcomes the Government's

[Mr. Allan]

objections to making all voluntary sector organisations potentially subject to statutory duty. The statutory duty to consult would be placed on the local authority, and could be exercised in a common-sense manner. The hon. Lady has found an appropriate way of framing the provision. When the Minister responds, she might say that the regulations could, in any case, require local authorities to consult local voluntary and humanitarian organisations. That may well be the Government's intention, but it would be that much stronger if it were built into the Bill.

I understand the concerns of organisations such as the Red Cross, St. John Ambulance and the Salvation Army, which provide core services. The voluntary sector now provides essential services in many areas. Bodies such as the National Society for the Prevention of Cruelty to Children provides core child protection services in my city of Sheffield. If such organisations are in negotiation with local authorities for planning purposes, they will want to have some statutory authority and strength. It would therefore be appropriate to amend the Bill, as the hon. Member for Sheffield, Hillsborough suggests.

We debated clause 4 in Committee; I am not at all persuaded that it will deliver anything positive in the context of the Bill. It deals with the provision of advice and assistance to business, and the amendments are designed to extend that to include "humanitarian or voluntary organisations". If the provisions in clause 4 are to be in the Bill, the amendments are appropriate, given that many of those organisations will be providing mainstream services. If the local authority is to provide continuity, planning and advice to anyone, it should provide that to the bodies that are likely to be assisting during a period of crisis or emergency.

My major concern about the business side of clause 4 is that it is hard to see how, if it were on a cost-recovery basis, anyone would be likely to sign up to it.

I find it difficult to envisage how it will work from a business point of view. The amendments suggest that humanitarian organisations should not be charged for the advice.

I hope that the Minister can offer us more than we have had heretofore about the requirements that central Government will place on local authorities to engage with voluntary sector and humanitarian organisations. The Bill could be strengthened in that area.

5.45 pm

Mr. Julian Brazier (Canterbury) (Con): I strongly support my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) on these excellent amendments, which address a very important and, indeed, rather grave subject. I also support what the hon. Member for Sheffield, Hillsborough (Helen Jackson) said in such an articulate fashion.

New clause 1 concerns the central issue of setting up a new civilian reserve, while most of the associated amendments concern making better use of our splendid voluntary organisations, such as the British Red Cross, the WRVS and others that have written to us to say that they feel rather left out of the planning process in the Bill. We are blessed with a very strong voluntary sector. As well as the organisations that I have mentioned, let us not forget St. John Ambulance and neighbourhood watch schemes. I was the co-ordinator of one of the first such schemes, and we successfully reduced crime. What a good point of contact they are for disseminating these plans.

As my hon. Friend said so effectively, we simply do not have enough manpower so we have to rely on the wider community. That reliance must be based on structures that are in place and properly rehearsed before the event, and not on ad hockery.

We saw with the unhappy incident in the Chamber last Wednesday that we as MPs had not been briefed on or rehearsed the steps that we should take. Had it been a biological attack, we should all have stayed in the Chamber until we had been decontaminated. Had it been a chemical attack, we should all have got out very quickly. Who distinguishes, and how the message is relayed quickly, are matters that present serious problems for the House authorities. Those problems need to tackled in advance. There may have been a great deal of planning behind the scenes, but at the level where it matters—the point on the ground where the incident occurred—the message had not got home, and, above all, the steps had not been rehearsed.

It is difficult to exaggerate the thinness of the official structures that we have in place for civil contingencies. My hon. Friend gave the touching example of the Territorial soldier, nominally a member of the civil contingency reaction force, who was killed on duty in Afghanistan—illustrating how overstretched that structure is. It is not only overstretched but completely inadequately structured. I have twice challenged Defence Ministers—I challenge the Minister again today—to explain how the 14 organisations can organise anything, when they are based on the headquarters of the 14 TA infantry battalions, which were stripped to an absolute skeleton in the most recent defence review. Although intelligence officers have finally been put back into them, there is still no intelligence cell to handle incoming information, the signals set-up is tiny and the whole structure is too woefully small to command anything. Those concerns were raised by TA officers who are very anxious to do this job and do it well.

Mr. Heald: Is my hon. Friend aware that it is thought that, of the civil contingency reaction force of 6,000, about half—or certainly between a third and a half—are overseas?

Mr. Brazier: I cannot entirely endorse my hon. Friend's figures, but a significant number are overseas and the organisation is anyway well below strength. I support the concept, but the organisation is far too small and under-resourced. The essence of having a surge capability to deal with an emergency is the ability to expand provision. If most of the people who form part of that surge capability are being used abroad, there is little surge capability available. The proposal for a new civilian force as a supplement would go a long way towards bridging the gap.

The ideas behind the other amendments in the group for a much closer relationship with all the vital voluntary organisations are also essential. The role

played by the Red Cross in Madrid has been mentioned, but the point is that exercises are needed. I know of one small voluntary organisation that already does some of the work necessary. I have not spoken about it in the House before, as far as I remember, although my wife is a serving member. It is the First Aid Nursing Yeomanry, whose colonel-in-chief is the Princess Royal.

The organisation is only 100-strong, so its ability to make a difference is limited, although it punches well above its weight. It had a gallant record in both world wars and members were covered in decorations, but its role for more than a generation has been to support the City of London police force. For three days after the Moorgate tube disaster, it manned all the communications for the hospitals treating the injured. It was called out during the great storm of 1987 and, for the subsequent IRA bombing in the City, it again manned the communications so that relatives could find out where their loved ones had been taken. It is a small organisation that does an excellent job, and it is worth mentioning in this debate.

The truth is that we need all the voluntary organisations. They deserve silver-tongued praise in this House, but they should also be part of the planning for the frightful emergencies that may happen at any time. Colleagues would be surprised if I did not mention that I still hope to persuade the Government to support my Promotion of Volunteering Bill. I already have 150 signatures to my early-day motion from Members from all parties, broadly pro rata to their representation in the House. Surely a debate such as this should convince us that it is wrong that volunteers who sign up to organisations that may already do exercises on these potential dangers should face the same risk of negligence suits in the civil courts as, for example, a commercial company would.

Mr. John Bercow (Buckingham) (Con): Will my hon. Friend give way?

Mr. Brazier: I was about to finish, but I will give way to my hon. Friend.

Mr. Bercow: My hon. Friend will not have reason to regret his decision. He is speaking eloquently to new clause 1, and I hope that it will warm the cockles of his heart to learn that only this morning I received three letters from constituents vigorously urging me to support his Bill.

Madam Deputy Speaker: Order. Laudable as that Bill may be, we are discussing new clause 1 of the Civil Contingencies Bill.

Mr. Brazier: I am grateful to you, Madam Deputy Speaker, although the organisation that would be set up under new clause 1 would face the risk that my Bill attempts to remove. I might say that it is always a wise decision to give way to my hon. Friend the Member for Buckingham (Mr. Bercow), not only because I work for him in another capacity but because he invariably hits the nail on the head. Colleagues from both sides of the House are writing to me and telephoning my office because their constituents have contacted them.

The amendments in this group go to the heart of the way in which we should tackle these emergencies. It is no good just recognising the excellent work done by voluntary organisations. We need to bring them into the planning framework and introduce a new reserve to assist them. I urge the House to support all the amendments.

Mr. Llwyd: I agree entirely with what the hon. Member for Canterbury (Mr. Brazier) said and thought that the contribution of the hon. Member for Sheffield, Hillsborough (Helen Jackson) was very sensible. If we are serious about involving the voluntary sector—as we would have to in the circumstances that we are discussing—we should give it statutory recognition for its important work and include it in planning. We should not forget that many of those who gave evidence to the pre-legislative scrutiny Committee were from the voluntary sector.

I cannot understand how the Minister can pay warm tribute to the voluntary sector but also cut it out of the scene. It does not make sense and I hope that the Government will think again, even at this late stage. The amendments are sensible and would improve the Bill. I recall that, in Committee, we discussed the civil contingency reaction force and the hon. Member for Newark (Patrick Mercer) said that the Government hoped to establish a complement of 7,000 but that at the time—towards the end of January—only 5,000 had been trained and accredited. Can the Minister tell us whether that figure has improved? We should not forget, of course, that many of those people are already serving in other theatres.

The amendments would be useful and provide an element lacking in the Bill. I see no reason why such a volunteer force could not complement other organisations involved in this sphere.

Mr. Djanogly: I support what my hon. Friend the Member for Newark (Patrick Mercer) said in his informed and important speech on the need to use the full resources of the nation, rather than just the full resources of the state, when it comes to national emergencies. I fully support the suggestion of an emergency volunteer reserve to make full use of the pool of talent that we have. However, I was spurred to speak this afternoon by a letter from the British Red Cross that I am sure that other hon. Members have received and that also bears the names of the Women's Royal Voluntary Service, the Salvation Army and St. John Ambulance. It makes several significant points that made me realise the importance of the amendments.

The letter refers to the explosion in the plastics factory in Glasgow on 11 May, where, for more than three days, Salvation Army and Red Cross volunteers and staff provided emotional support and first aid at a reception centre set up in Maryhill community hall. It refers to the Morecambe bay cockle pickers tragedy, where the survivors were comforted by Red Cross volunteers who provided first aid treatment, blankets and clothing. The letter points out that, within 50 minutes of the Ladbroke Grove rail crash, St. John Ambulance had 32 volunteers and 11 ambulances on the scene and transported 22 people to hospital. For the following seven days, volunteers provided a 24-hour mobile treatment centre for workers at the site. The organisations were also involved after the terrible fire at the Yarlswood centre for asylum seekers in Bedfordshire, which is close to my constituency. The WRVS played an important role in

[Mr. Djanogly]

providing food and comfort to the survivors and—importantly—to the fire workers and other emergency service personnel involved. The importance of the voluntary sector is not only the help provided to victims but the assistance to primary emergency workers. In that way, the volunteers become part of the primary team.

Mr. Desmond Swayne (New Forest, West) (Con): Does my hon. Friend agree that, for international disasters and other such scenarios, we are keen to include NGOs such as the Red Cross in the planning phase? Why are the Government so willing to make use of voluntary organisations for the delivery of international relief, but not when there is a crying need for them in this country?

6 pm

Mr. Djanogly: My hon. Friend makes an important point. I shall refer later to the experience in Madrid and try to answer his question, although of course I do not have one, so it might be for the Minister to address his concerns when she replies.

The Red Cross points out:

"In situations like these, volunteers help to absorb the impact a disaster makes on victims and their families. They are local, community-minded, ordinary people who give aid in extraordinary circumstances. Local authorities and emergency services turn to such volunteers knowing that they can provide comfort, emotional and practical support when most needed, yet there is no formal mechanism to involve the voluntary sector in the planning for emergency response . . . The Civil Contingencies Bill has presented the ideal opportunity to formalise arrangements by specifically including the voluntary sector in the legislation".

As for the international experience, my hon. Friend the Member for Newark mentioned what happened in Madrid, which very much involved the Red Cross. The British Red Cross says:

"Within minutes of the bomb explosions on the terrible morning of 11th March, Spanish Red Cross volunteers were on the scene. Over the following 24 hours and beyond . . . 900 volunteers provided medical care, psychological support, and handled enquiries from the public.

52 ambulances, 26 transport vehicles and mobile blood collection units run by the Spanish Red Cross worked in close collaboration with the statutory services.

Volunteers supported many bereaved families as they went to identify the bodies of their loved ones.

61 requests for information on missing persons were received from abroad and dealt with through the International Red Cross Message and Tracing service."

My hon. Friend the Member for Newark mentioned the massive input that the Spanish Red Cross had in the aftermath of the disaster in Madrid. The British Red Cross goes further and says:

"The Spanish Red Cross was able to make such an exemplary response to this tragedy because in Spain the voluntary sector has a formal role in the civil protection framework. The Spanish voluntary sector plays an integral part in emergency planning and is designated to be involved in rescue, medical care, information and communication, and emotional support".

As the hon. Member for Sheffield, Hillsborough (Helen Jackson) rightly said, the support provided in such a situation goes beyond emotional support, making tea and giving comfort. Voluntary organisations have many specialist skills. The British Red Cross gives the following examples:

"Information services, clothing and shelter, first aid and medical care, comforting and befriending of individuals affected, staffing rest and reception centres, support to hospitals, support to ambulance services, search and rescue, transport services, message and tracing services for those who have lost contact with loved ones in an emergency overseas, radio communications, faith and cultural support and awareness."

That is an enormous list of invaluable services that go together to make the complete emergency service that the state could never provide acting on its own.

In summary, the British Red Cross says:

"As key providers of emotional and practical support to victims and their families, the voluntary sector is united in calling for formal, explicit recognition of the contribution of the voluntary sector in emergency planning and response on the face of the Civil Contingencies Bill.

A duty should be placed on statutory authorities to involve the voluntary sector fully in emergency planning and response.

An acknowledgement of the voluntary sector's contribution will formalise an already active response.

Without the involvement of the voluntary sector in emergency planning and response, the response to the human dimension of an emergency may be less effectively addressed."

Why have the Government marginalised the contribution of the voluntary sector in the Bill? It cannot be on the ground of cost, as my hon. Friend the Member for Newark said earlier. It cannot be on the ground of the voluntary sector's ability, which is well proven. It cannot be in terms of its commitment, which is exemplary.

Mr. Brazier: Absolutely.

Mr. Djanogly: My hon. Friend made that clear in his own speech.

One wonders what the reason is. Could it be the Labour party's long-held disdain for public services being performed outside the public sector? If so, that is a sorry set of circumstances. I look forward to hearing the Minister's explanation of her position and fully support the new clause and the amendments.

Mr. David Heath (Somerton and Frome) (LD): I support the amendments tabled by the hon. Member for Sheffield, Hillsborough (Helen Jackson) and supported by my hon. Friend the Member for Sheffield, Hallam (Mr. Allan). Whatever the Government's intentions—I am sure that there was never any intention to exclude the voluntary organisations, which do such a wonderful job in providing practical and emotional support when there is a disaster—an explicit recognition of that role would be enormously helpful. I hope that the Minister will be able to explain further how she sees the relationship between the statutory and the voluntary sector in this context.

I urge the hon. Lady to accept the proposal, because an explicit reference in the Bill would be in the interests of all concerned, in terms not only of planning but of understanding capabilities and recognising what resources may be available. It would also acknowledge

the essential role played, albeit often at a slightly lower level than the first responders who arrive at the scene, in providing support not only to victims and their families and others affected but, as the hon. Member for Huntingdon (Mr. Djanogly) said, to the people who have to deal at first hand with the emergency, and looking after their emotional and practical well-being, which is equally important.

The point that I want to raise is slightly different and I would be interested to hear from the hon. Member for Newark whether it is encompassed in his proposal. I welcome the fact that his proposal has been developed since the Bill was in Committee, because there was a concern that it might lead to two parallel organisations—the voluntary sector as already established and what he proposed. It is now clear that his proposal would integrate existing structures.

I am concerned about maintaining a register of professionals in a variety of fields who can be deployed at short notice in case of a civil contingency. We are not terribly good at that in this country. We are good at getting our emergency services on the scene and doing the job, but we sometimes then need more members of the caring, medical and surgical professions to be available, simply because of the scale of the emergency and we are not very good at knowing where those individuals are.

I am talking about people who do not have commitments within their own hospital or medical environment, but who could be used in a particular region or situation to provide support. For example, there are chronic emergencies, such as foot and mouth, as well as acute emergencies. During the outbreak, I had colleagues and friends in the farming community in my area who were experienced veterinary surgeons but were not, for one reason or another, in practice. They volunteered their services either to go in and identify potential infection, or to replace those who were doing that, and were therefore unable to do their normal work. Those offers of support met no response whatever from the Ministry of Agriculture, Fisheries and Food.

That was a scandalous and avoidable waste of professional resources. A similar situation could arise in, for instance, the nursing profession. There is not a surplus of trained theatre or accident and emergency nurses, so we cannot afford to lose people who have left the profession but retain the necessary skills to help in an emergency.

Either as a result of the proposal of the hon. Member for Newark to establish a volunteer reserve that identifies professionals in the same way that people with medical training are retained as a distinct category within the military reserve list, or as the result of Government action that the Minister may tell us about in her reply, we should identify professionals who are willing to provide their services, can be easily contacted and, most importantly, are available at short notice to drop whatever they are doing to help in an emergency. People are willing to use their skills and professional abilities, but they need a mechanism to enable them to reach the right place at the right time.

Mr. Swayne: If such an emergency arose in the hon. Gentleman's constituency or, indeed, mine, the primary response would probably be made by firemen, who are effectively volunteers retained for precisely that purpose. The principle is acceptable and works now, so it is a mystery why it should not work in the scenario envisaged in the Bill.

Mr. Heath: The hon. Gentleman is right. Retained firefighters do a wonderful job in rural constituencies such as ours and I have long argued that we should have retained police officers to provide a presence in rural areas, but that is to depart from the purpose of this debate.

We have a reservoir of ability that we should be able to call on at short notice. The key is identifying before an emergency who those people are, how we can get hold of them, how they can be recruited to serve in an emergency and how they are to be organised. Those crucial elements are missing from the Bill and I hope that they will be included in the proposal of the hon. Member for Newark.

Mr. Forth: I remain to be convinced by the argument for a volunteer reserve despite the avalanche of consensus in our debate. I am worried when my hon. Friends come to the House to propose yet another bureaucracy or, dare I say, a quango, which is to be interposed between, on the one hand, the existing bodies described in the Bill and the amendments and, on the other, the excellent voluntary bodies that they rightly praised. I am not entirely sure, despite the advocacy of my hon. Friend the Member for Newark (Patrick Mercer), what added value the new organisation would provide, never mind its size, scope, scale, statutory powers and so on. New clause 1 is skeletal to say the least, and gives little or no indication of how the organisation would fit between existing statutory authorities and the voluntary sector. The proposition is therefore problematic.

6.15 pm

It would be much more valuable to explore the prospect of enhancing the role of existing bodies before we rush to create a new one. I often argue on a Friday, as you well know, Mr. Deputy Speaker, because you do Fridays along with me, that we should enforce the existing law more effectively instead of rushing to introduce new laws. The new clause is a parallel case. Before we rush to create yet another body or organisation, however virtuous it might appear—the words "emergency volunteer reserve" give it a patina of respectability or desirability, but that is not enough—we are owed an explanation from my hon. Friend about how it will work. To be fair, he gave the example of a surgeon who wants to volunteer his expertise and experience to contribute to an emergency such as Hillsborough, which was deployed as an example by the Minister and which we all recall only too well. I immediately wondered where the surgeon would go to volunteer and to whom would he make himself known. Where would his skills be recorded, who would be the repository of that information, who would give him any additional training that he needed—although he would have surgical skills, he might need retraining or reorientation to deal with emergencies—and by whom would he be co-ordinated? My first thought was that he would want to sign up with the Red Cross or St. John Ambulance, and a woman volunteer might want to sign

[Mr. Forth]

up with the WRVS or another organisation well versed in responding to such contingencies. The Territorials, local authorities or other bodies mentioned in the Bill may be in a good position to accept to such volunteers.

We should therefore pause before establishing the additional organisation for which my hon. Friend argued. I was worried when he used the words "overlap" and "interlock", because such terms do not satisfactorily explain the complex relationship between existing statutory bodies and the voluntary sector. He argued that the emergency volunteer reserve would be included in the Bill if his new clause is accepted, thus giving it a statutory footing.

Mr. Brazier: My right hon. Friend has gone to the heart of the matter, but does he not accept that certain skills, such as those needed to deal with chemical, nuclear and biological warfare, are not widespread in voluntary organisations? One option is to increase the Territorial Army to its previous size, but some people may want to make a lesser commitment and make themselves available only for such civil defence work. There is therefore a case for establishing a new, lower-cost body instead of expanding the Territorial Army, for which I have argued for many years.

Mr. Forth: I am disappointed that my hon. Friend has reached for that solution, as he could have pressed for an enhancement of the Territorials on the one hand or the fire services on the other. The other day, I heard someone on the radio arguing, albeit in the context of the regrettable reoccurrence of the firefighters' dispute, that we ought to consider making prevention and the sort of response detailed in the Bill a role for firefighters, now that the incidence of fires in society has happily decreased a great deal. Why are we therefore not looking at, for example, adjusting or enhancing the role of the fire services, perhaps introducing an additional service, volunteers and so on, to fit neatly with their organisational responsibility? The role of such volunteers would be not unlike that of retained firefighters in rural areas, who have already been mentioned.

In setting up the organisation proposed in the new clause, there is a danger that we will achieve confusion instead of co-ordination. As soon as we start to interpose new organisations between existing ones, unless we are extremely clever—frankly, I am not confident of our skills as bureaucrats—we risk causing more confusion because we are causing bodies to proliferate, even though we are giving them a comforting title and responsibilities for co-ordination and so on. The case for such organisations must therefore be made more fully before I am convinced that there is added value in my hon. Friend's new clause.

Helen Jackson: I have some sympathy with the drift of the right hon. Gentleman's argument. I should have thought that when an emergency occurred, very few people got up in the morning thinking, "Today is the day I will volunteer and do some extra work." The nature of emergencies is that volunteers come from wherever, whenever and in whatever form that particular emergency requires. It is crucial to keep that openness and flexibility in the arrangements for which local authorities or other bodies are responsible.

Mr. Forth: The hon. Lady makes a good point, which raises the question of whether the creation of the EVR would attract people more than St. John Ambulance, the Red Cross or any of the other organisations mentioned in the debate already do. I am not convinced that they would flock to the EVR, without having offered themselves to one of the other bodies.

The other consideration—I make no apology for returning to the issue—is the cost element, which again has been rather glossed over. Inevitably, if we set up a new body, it will involve some sort of cost. We already have the statutory organisations—the firefighters and so on—and the excellent voluntary organisations working as they do. The EVR is to be created and interposed somewhere between them. It is not clear to me how that would be funded or whether we are in danger of diverting resources that might otherwise be focused on those other organisations. Those resources might be siphoned off to deal with the bureaucracy that would accompany the setting up of a new body.

All in all, I am somewhat sceptical about the approach. I can see what my hon. Friend the Member for Newark was trying to do, but I am far from being convinced that the new clause would deliver what is intended. I would rather look to an enhancement of the statutory bodies or to the volunteers to do more.

I was slightly disappointed by the letter that was read out by my hon. Friend the Member for Huntingdon (Mr. Djanogly). Voluntary bodies seem to think that they are unloved and neglected unless they are mentioned in a Bill or an Act. That strikes me as odd. I should have thought that the Red Cross, of all bodies, had sufficient history, standing, respect and pride that the contribution it made was reward enough. If we have reached the stage where such bodies do not feel that they are sufficiently valued unless they are mentioned in an Act, that is somewhat disappointing. I find that the least convincing argument for writing additional words into the Bill.

Mr. Brazier: My right hon. Friend has been generous in giving way. There may be a misunderstanding. The voluntary organisations are not seeking a mention of their own names in the Bill. They are concerned that there should be a statutory duty written into the Bill to consult them when the plans are drawn up. If they are to react effectively and be a full part of the process, it is essential that they should be consulted when the plans are being devised.

Mr. Forth: That may well be an argument to support some of the amendments, but it is no part of the argument that I have been making so far. We in this place reach rather readily for mandatory consultation, and I believe that the word "consultation" has been more than a little devalued over the past few years, the more examples of it I see. The Post Office is currently consulting on the simultaneous closure of five post offices in my constituency. I do not have any great faith in that process and I doubt very much whether it will alter the outcome one bit.

Mr. Swayne: My right hon. Friend evidently has little faith in the ability of the state to deliver on many of its

functions. Would it therefore not be agreeable to him to include the voluntary sector much more in deliberations such as we are discussing, precisely because it is rather better at many of those roles than the state turns out to be?

Mr. Forth: What my hon. Friend says is true. The chemistry, so to speak, is extremely important. How far we are able to reflect that or enhance it in a Bill is another matter. I fear that setting up an EVR, which is the purpose of new clause 1, would not go very far in that direction, to put it mildly.

Mr. Bercow: My right hon. Friend is demonstrating once again that, by comparison with him, Victor Meldrew is the epitome of optimism at all times. My right hon. Friend was generally clear in the thrust of his argument, but I am a little perplexed, as was my hon. Friend the Member for New Forest, West (Mr. Swayne), I think, by my right hon. Friend's reference to the desirability of an enhancement of the existing statutory bodies. If that is his position, does it not clash somewhat with his general scepticism about the ability of the state to organise anything?

Mr. Forth: I am grateful to my hon. Friend for his kind words. I was reflecting what I understand to be in the provisions of schedule 1. We have already had this debate and I would not want to return to it—at least, not at this stage. I will return to it at the slightest provocation on some other occasion. In that little aside I was trying to reflect the fact that we are already laying additional responsibilities upon the local authorities and other bodies, so we could look in that direction rather than setting up yet another new organisation, which could cloud the relationships and the responsibilities of both the statutory and voluntary sectors.

In short, we must hear quite a bit more from my hon. Friend the Member for Newark about exactly how the EVR would add value to the exercise that we are contemplating before I would be prepared to give it my support.

Mr. Mike Hancock (Portsmouth, South) (LD): If they were honest, many hon. Member would have more than a little sympathy with the views of the right hon. Member for Bromley and Chislehurst (Mr. Forth). Somebody had to put the other side of the argument and to challenge us to define what we want to happen.

The hon. Member for Huntingdon (Mr. Djanogly) described the situation in Spain after the Madrid bombings. The difference is that in a country the size of Spain, the Red Cross is but one of three organisations that would claim to have such expertise. The authorities in Spain learned more than 20 years ago that they had to break down the plethora of organisations into designated, co-ordinated groups that could respond to certain dilemmas faced by the civil community.

The right hon. Member for Bromley and Chislehurst is right to say that if we accept the proposition tonight, which I hope we do, we have a responsibility to resource it properly, to ensure co-ordination and to ensure that we can cope with the disappointment factor. We have so many groups in this country that are actively engaged in responding to emergencies that some will be disappointed, because they cannot all be at the table as consultees. They will not all be part of the new system. We need expertise—groups that can come to the table already trained, with the knowledge of how to deliver what is required. Sometimes they will be told, "Sorry, your expertise is not needed on this occasion."

The hon. Member for Newark (Patrick Mercer) will remember the early days on the Defence Committee when we discussed the matter. One of the issues that was raised time and again was the dilemma that the voluntary sector faced: when such organisations should come in, when they would be invited in and who would make that decision. Who would ensure that the communications were in place and co-ordinate the register not only of the well intentioned, but of the well informed and well trained who had the expertise that was needed?

I have been involved in two major disaster areas in the past 25 years. On both occasions, I was amazed by the number of different United Kingdom groups that turned up. In one instance, they came a third of the way around the world. Some of them arrived when the operation to save the living was past all reasonable possibility of success—yet they still came, and no one in this country was prepared to tell them not to do so; it was really sad.

6.30 pm

Mr. Djanogly: The hon. Gentleman seems to be making a good case for better co-ordination of the voluntary groups. Like my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), he seemed to imply that including the groups in the Bill would add to the confusion. The groups are asking not for personal aggrandisement or to have their names included in the Bill, but for a more co-ordinated approach. That is what the amendments tabled by my hon. Friend the Member for Newark (Patrick Mercer) will provide.

Mr. Hancock: I agree entirely, and that is what I was trying to say. The right hon. Member for Bromley and Chislehurst was challenging the House to recognise that if we accept the amendments, as I hope we will, we must ensure that the arrangements are properly resourced. It is not a question only of including the bodies as consultees; if we are to make use of them, we must give them the right equipment to allow proper communication and to ensure that they are properly protected. We must ensure that training is renewed and that people's expertise is not based on knowledge gained a decade or more ago. It is necessary to be a bit more sophisticated, and I had hoped that that was what we were trying to achieve.

The challenge to the House and to the Government is clear: if the Government choose not to accept the amendments, what are they going to do about managing the obvious expertise that is out there in the wider community? How will we marshal that expertise? I believe that, at the end of the day, the Government's reluctance to agree to the proposals is more about the resources that would be needed than about the merit of the case for bringing in the organisations in the first place.

Mr. Swayne: I wish to use an analogy that might ring true for many hon. Members who are present: we are all

[Mr. Swayne]

members of voluntary organisations in that we are members of political parties. I am sure that many hon. Members will share my experience of the anger and frustration that can arise on our part and that of volunteers when the latter have indicated that they were willing and eager to carry out functions such as knocking people up on election day or delivering leaflets—such jobs might be highly relevant at the moment with local elections in the offing—but, because of the nature of the voluntary organisations in which we operate, no one co-ordinated them when there was a desperate need for the service that they offered. In such circumstances, there can be anger on both sides.

Although the activities that we are discussing might involve voluntary action, they must be performed thoroughly professionally. We cannot possibly have a standard of delivery that falls short of that level or approaches anything like the functioning of a political party as hon. Members have experienced it—hence the strength of the amendments and the new clause, which take the huge contribution and professional services of the voluntary sector and seek to include them in the consultation and planning phase.

I pointed out in an intervention that we take such an approach as a matter of course in relation to the delivery of international aid. The NGOs and organisations such as the Red Cross are included in the planning of the delivery of aid in all sorts of disaster situations. That is part of the basic consultation and planning process. While we are prepared to take that approach in the delivery of international aid for disasters, I suggest that, given the expertise that is available to us, we should do the same as a matter of course with regard to the delivery of relief for contingencies. That seems perfectly sensible, and I look to the Minister to come up with a plausible argument as to why we should not take such an approach, given that we do so in international affairs.

The House will recall that, when the additional chapter was delivered to the defence review—it was published before 11 September and did not, by the Government's own estimate, deal adequately with the question of asymmetric threats—its big idea was the civil contingencies reaction force, but the reality is that it exists on paper only. It simply is not adequate for the task. Even if it had been established as was proposed, the amendments of my hon. Friend the Member for Newark would have been necessary but, in its absence, they are even more so.

Ms Blears: We have had a wide-ranging, interesting, constructive and challenging debate about very important issues concerning the role of the voluntary sector and about whether it should have a statutory presence in the Bill in terms of consultation, and about the slightly separate but related issue of creating an emergency volunteer force. The matters are interrelated, but each has distinct issues around it.

I am sorry to say to hon. Members that the Government cannot accept the amendments. None the less, they raise some interesting questions about the role of the voluntary sector in contingency planning and its position in the Bill. It is worth setting out the Government's position in some detail, as hon. Members have asked me to do, and trying to provide some reassurance about how the central role of the voluntary sector can be encapsulated in the Bill as it stands, taken with the guidance that we propose to develop over coming months—something that, as we have already indicated, we will do in full consultation with all the parties involved, including the range of voluntary organisations that have been mentioned, as well as those that have not been mentioned. It is clear that there are many more voluntary organisations than have been named in the debate.

The Government particularly encourage membership of voluntary organisations and their engagement with key responding organisations. I think that it was my hon. Friend the Member for Sheffield, Hillsborough (Helen Jackson) who said that this Government have a proud record of involving the voluntary sector not only in this area, but in a range of public service delivery contexts. I think that that is one of the significant differences about this Administration: we have not been afraid to say that the voluntary sector—the third sector or not-for-profit sector—should have an increasingly important role in the delivery of mainstream services. That position has not always been popular across all organisations, but it is a key issue for the Government, whose support for the voluntary sector is certainly acknowledged.

Helen Jackson: That was indeed the point that I made. Given those views, how will my hon. Friend mitigate the considerable disappointment and puzzlement felt by parts of the voluntary sector about the idea that they might not be brought into the planning as fully as they want? Is she prepared to have further meetings with them to mitigate that disappointment?

Ms Blears: I hope that my hon. Friend, as well as the voluntary organisations, will not be disappointed when they have heard all that I have to say today. I do not think that not naming those organisations in the Bill for one moment works against their importance and centrality in terms of planning or the delivery and support mechanisms that they provide. I have no doubt that there will be further meetings, discussions and negotiations as we develop the guidance that will supplement and underpin the Bill.

The work that is undertaken by voluntary agencies is crucial. It may, for example, include supporting the local ambulance service by providing first aid at casualty clearing stations and first aid posts. Voluntary aid societies also give valuable support to local authorities and the police by befriending and offering information to people in rest and reception centres following an incident. I pay tribute to the well-known and long-standing contribution that voluntary organisations have made to the effective response to civil emergencies. One need only think back to the response to the Potter's Bar and Ladbroke Grove rail crashes to appreciate what a valuable contribution volunteers can make to emergency response. The hon. Member for Huntingdon (Mr. Djanogly) mentioned the recent accident in Glasgow and the incident in Morecambe bay and highlighted the contribution that volunteers were able to make in those very distressing circumstances.

I am surprised that no hon. Member has mentioned this document that I have laid my hands on, which is entitled "Dealing with Disaster". It is in its revised third

edition and is the seminal work on the relationship between the authorities and local responders, including civil protection, at a local level. I refer hon. Members to chapter 6, which, as I was heartened, although not surprised, to see, covers in great depth the role of the voluntary sector in relation to a whole range of issues—not simply acting in a supportive, befriending role once an event has happened, but planning at the outset and being involved in all the aspects that the statutory agencies will consider. As the document acknowledges right at the beginning,

"Major emergencies can overstretch the resources of the emergency services and local authorities."

The value of additional support from the voluntary sector has been demonstrated on many occasions, and chapter 6 deals with the planning principles involved.

Mr. Brazier: Will the Minister explain why she objects to amendments suggesting that there should be a statutory duty to consult them? Will she also say from where, within the existing set-up, the Government expect to get, in a hurry, expertise in the nuclear, biological and chemical spheres if the incident does not happen to occur close to a regular Army base?

Ms Blears: If the hon. Gentleman will have a little patience, I will come to why the duty to consult should not be in the Bill. The voluntary sector is so diverse that it would be invidious to try to single out particular organisations for involvement, and there are practicalities involved in where to find the people who are able to help us in the dreadful circumstances that the hon. Gentleman describes.

I am genuinely surprised that no other hon. Member referred to "Dealing with Disaster", which provides pretty extensive guidance.

Mr. Djanogly *rose—*

Mr. Hancock *rose—*

Ms Blears: I shall give way in a moment.

I have already given our commitment to build on that guidance to ensure that we continue to embed the voluntary sector in the heart of our civil contingency planning.

Mr. Hancock: As the Minister says, that document spells it all out. She did not say, however, that it also acknowledges that despite the existence of all these different groups and responsibilities, there are two problems: first, the lack of anyone with sufficient knowledge of the co-ordinated approach; and, secondly, how one readily brings all those people together when they are needed. That is the failure that we are trying to address and which is expressed in the document.

Ms Blears: I do not accept that there is a failure of co-ordination, but I do accept that we need to improve our response in this changing world in which we live, where the threat is becoming much more serious than ever before. I certainly would not want to caricature as a failure the response of many good and able voluntary organisations, together with the statutory services. It would be wrong to talk down our services in that way, and I pay tribute to them for the contribution that they make.

Mr. Djanogly: The Minister has referred extensively to a document that no hon. Members appear to have seen or heard about, and which none of the voluntary organisations referred to in their written submissions. Perhaps it should be disseminated a bit more widely.

6.45 pm

Ms Blears: I was made aware of "Dealing with Disaster", although I did not have the advantage of serving on the Committee. I am sure that other hon. Members have a much deeper and wider knowledge than I do of the seminal nature of that document, which is, I am sure, available from the Library. Indeed, it is a Cabinet Office publication, so I am sure that the hon. Gentleman could get access to it.

Patrick Mercer: Chapter 6 is familiar to me, as is the whole document. I am intrigued, though, by what the Minister is saying about the integration between the voluntary sector and, for want of a better phrase, the blue light services. I am heartened by her remarks. As she, more than anyone, will be familiar with the new threats that are evolving, will she be kind enough to outline the Government's plans to equip the voluntary organisations with personal protection equipment?

Ms Blears: If the hon. Gentleman will have a little patience, I will deal with the practical measures that we intend to take, as well as the legislative measures.

I should emphasise that voluntary sector liaison groups will be involved at the local level through the local resilience forums that are envisaged in the Bill. Local authorities already do a significant amount of work in training volunteers for their roles in emergencies and involving them in multi-agency exercises. The document highlights the need for joint training, joint exercises and joint involvement at every stage. Certainly, the voluntary sector is being involved to a very great extent in areas that have been visited by officials in recent months.

There is nothing in the Bill that prevents voluntary organisations from remaining fully engaged, and we will continue to encourage local responders to engage the voluntary sector wholeheartedly in local multi-agency planning and response through the guidance that supports the Bill. We will use that guidance to turn that vision into a reality.

Amendment No. 11 would impose a duty on category 1 responders such as emergency services and local authorities to consult voluntary organisations in the performance of their duties under the Bill, while leaving the manner and extent to which they are consulted as a matter for their own judgment. Under amendment No. 20, the identification of voluntary sector organisations would be a matter for the individual responder. Of course, I agree that, where appropriate, statutory responders should consult and involve voluntary sector partners to the fullest extent in the planning phase. Statutory responders accept that and are already so engaged. It is difficult to see what the amendment would add to this approach. It is of doubtful merit to impose a

[Ms Blears]

legal obligation on responders to consult the voluntary sector if the responder itself decides who must be consulted, the extent of the consultation, and the manner in which the consultation takes place. Moreover, I wonder how such a duty would be monitored and enforced. A legal duty that says to the person upon whom it is imposed that it is for them to choose whom to consult, when, how and to what extent is very fragile, and I cannot see what it adds to our current position.

Helen Jackson: I suppose that what hon. Members want to hear is that the proposals that may come out of the guidance, together with the Bill, will recognise in a new and more significant way the role of voluntary organisations across the board. Does my hon. Friend think that including the voluntary organisations in the guidance notes will strengthen their role? They have yet to be convinced of that.

Ms Blears: I hope that I can convince them. I accept the spirit of my hon. Friend's amendments and I believe that it is shared. Although I am loth to praise the hon. Member for Huntingdon, he said that he wanted the nation's full contribution, not only that of the state, to be brought to bear, and that sums up our attitude in general. For civil contingencies, we are considering not simply statutory organisations but civil society. Renewal of civil society is the passion of my right hon. Friend the Home Secretary, and the golden thread that runs through many Government policies. I emphasise to my hon. Friend the Member for Sheffield, Hillsborough that a legal duty is currently unnecessary because the guidance will help to put the voluntary sector much more at the heart of our planning proposals. I hope that she will realise that.

Amendments Nos. 12 to 15 and 17 would enable regulations made under the Bill to require category 1 responders to collaborate with the voluntary sector, delegate functions for which the measure provides to the sector, or have regard to or adopt the work carried out by it. Clause 2(5)(d) already permits such regulations to be made and the amendments would therefore have no practical effect. Amendments could be tabled—I do not want to mislead the House—because we do not yet propose to use the regulation-making powers in that way, but they exist, should their use become necessary. The amendments that we are considering are unnecessary to grant us that legal power.

Amendment No. 16 would enable a Minister of the Crown to require a category 1 responder to share information with a voluntary or humanitarian organisation. The Bill currently enables a Minister to require provision of information only between responders, not to voluntary organisations. Although I acknowledge the need for category 1 responders to share information with voluntary organisations when they are engaged in the planning process, it is not necessary to make provisions that require them to do that.

The voluntary sector plays a supporting role in emergency planning and response. It is inconceivable that, when a statutory responder chooses to make use of the resources and expertise of a voluntary organisation in its planning work, the information required to fulfil its role would not be provided. I cannot imagine for one moment that, if a local authority asked the WRVS to take care of people at an emergency reception centre, for example, the local authority would not give the organisation details of the location of the centre. Providing such details would involve the voluntary organisation in the planning at an early stage.

Mr. Brazier: I wonder whether the Minister has thought about her comments. Does she genuinely believe that, throughout the country, bureaucracies will get it right every time? Will they always anticipate whom they may need in crises, consult each of them and include them in their plans? Surely it is a good idea to tell authorities that they must release the information, not least because many organisations may be able to contribute in ways about which local authorities do not know.

Ms Blears: We could hold an interesting debate on bureaucracy, especially in the light of the comments of the right hon. Member for Bromley and Chislehurst (Mr. Forth). I am trying to find the best way in which to achieve the result that we all want: good, well prepared, effective plans that can be implemented quickly without necessarily tying up organisations in a plethora of regulations that militate against our being able to act promptly and to a high and professional standard.

Amendments Nos. 18, 19, 76 and 77 would extend the duty on local authorities to provide business continuity advice to community organisations. Clause 4 tries to minimise the economic impact of an emergency and its focus is therefore on commercial activities. That does not mean that local authorities could not extend, if they wished, their business continuity advice to the voluntary and not-for-profit sectors. However, the provision is aimed at keeping the economy moving in the event of an emergency. It is therefore inappropriate to accept those amendments.

I want to consider new clause 1, which would establish an emergency volunteer reserve. I have spoken at length about the outstanding contribution that volunteers throughout the country make to contingency planning and response work. We must consider the arguments of the hon. Member for Newark (Patrick Mercer) in favour of some form of voluntary reserve force in that context and try to balance the benefits and the costs. Such a force would not be cost-free, and I share some of the concerns that the right hon. Member for Bromley and Chislehurst expressed.

Existing voluntary organisations already employ a permanent cadre of staff and have permanent structures and an infrastructure. For example, I understand that the British Red Cross employs 3,000 permanent staff to facilitate its volunteers' work. Setting up a new emergency volunteer force could prove costly. There could also be other costs. Long-standing, tried and tested voluntary organisations could be undermined. Organisations such as the Red Cross, the WRVS, the Royal National Lifeboat Institution, volunteer medical staff or retained firefighters, with proven track records, are already embedded in existing planning frameworks. I was therefore intrigued by the debate between the hon. Members for Newark, for Sheffield, Hallam (Mr. Allan) and for Somerton and Frome (Mr. Heath), who was trying to tease out what "overlap" and "integrate"

meant. They discussed whether the provision would establish a new force or strengthen existing forces. We did not get to the bottom of that.

Setting up a new force would be burdensome and bureaucratic and could undermine existing voluntary organisations. I agree with all hon. Members who said that people in this country rally round in an emergency and want to make a contribution. Our task as a Government is to make it as easy as we can for people who have the skills and want to volunteer to get involved, use their talents and make their contribution, without necessarily establishing a new organisation in the way that the hon. Member for Newark suggests.

Mr. Hancock: Will the Minister give way?

Ms Blears: Let me first deal with a point that I believe the hon. Gentleman made.

Several hon. Members referred to the role of the Red Cross in the aftermath of the terrible events in Madrid. We should be a little wary; voluntary organisations in other countries sometimes have a different role because of the way in which those countries' public services have developed over many decades. I understand that the Red Cross in Spain is a mainstream organisation with facilities such as blood banks, ambulances and the ability to respond. That is slightly different from some of the voluntary organisations in this country.

We should not for one moment undermine the ability of our statutory services to respond to emergencies. I hope that not one hon. Member—certainly not the hon. Member for New Forest, West (Mr. Swayne)—suggests that the ambulance service, the fire service, the police service or any of our blue-light services are not up to the job. They do a fantastic job in responding to emergencies and they have well established procedures and agreements for mutual aid, for example, to draw in ambulance services and the police service from neighbouring areas. I was worried when the hon. Member for New Forest, West appeared to imply that the statutory services were not in a position to provide an excellent service. I hope that he did not have that in mind.

Mr. Swayne: I am sure that when the Minister consults the *Official Report* tomorrow she will find nothing in my remarks to lead to the inference that she has drawn. Will she outline the capability of the ambulance service and the fire service specifically to deal with nuclear, biological and chemical incidents?

Ms Blears: I am sure that the hon. Gentleman knows that the fire service has received an extra £56 million for the new dimension project for its new vehicles. I believe that 5 per cent. of the police service have been trained to respond in the circumstances to which the hon. Gentleman referred. We recently doubled the number of gas-tight suits for the emergency services. The hon. Gentleman knows that we continuously increase the preparedness of those organisations.

I want to speak briefly about the civil contingency reaction forces—CCRFs—because much has been made of whether they could assist in an emergency. I know that the hon. Member for Newark has been concerned about that. Allegations have been made that many are deployed overseas and are therefore not in a position to respond. The CCRFs were up and running and fully mobilised by 31 December. I understand that there are 14 reaction forces, with 500 members each—approximately 7,000 people. I am told that 850 members are currently mobilised overseas or on active service in the UK. We are therefore considering a relatively small minority of those forces. I am also told that some of the CCRFs have a pool of reservists bigger than 500 members because they realise that operational and deployment capabilities might reduce them. The 51 (Scottish) Brigade uses an opt-out method. It says that everyone is in the CCRF unless they do not wish to be. Consequently, the pool of reserves is much higher.

It has 670 and 690 personnel available to serve in each unit; the fact that 78 are currently deployed on operations therefore has little impact. I am glad to be able to reassure the House that the CCRF will be able to carry out that work for us.

The points raised by hon. Members today have illustrated their real commitment to ensuring that we involve the voluntary sector in our work, and I am happy to give them an assurance that we shall do so. I very much appreciate the spirit in which my hon. Friend the Member for Sheffield, Hillsborough tabled her amendments, but I really cannot support their inclusion in the Bill.

7 pm

Mr. Hancock: I am grateful to the Minister for giving way; she is being very good humoured. I am sure that all hon. Members will be interested to read her speech tomorrow because, like many others, I am slightly bemused by how the Government are going to co-ordinate the voluntary sector. During the very long reply that she has given this evening, she has not once mentioned how that is to happen. The House is entitled to an explanation if she is going to urge us to vote against the amendments.

Ms Blears: The amendments before us propose incorporating a duty to consult the voluntary sector. I have explained that that would be invidious, as the voluntary sector is a diverse area of 141,000 different charities, in which 69 per cent. of the activity involves only fundraising. Furthermore, in social services and education, voluntary activity is not necessarily focused on civil protection. It would therefore be inappropriate to include such a requirement in the Bill. New clause 1 proposes the creation of an emergency volunteer force, and I hope that I have explained why that would be a bureaucratic, extra imposition that would lead to a lack of clarity and consistency, rather than building on the capabilities of the voluntary organisations that we have already.

In response to the hon. Member for Portsmouth, South (Mr. Hancock), I have made it clear that, in the preparation of the guidance that will form an essential part of the overarching framework of our civil protection, we will ensure that the voluntary sector takes on a central role, because we recognise that the people of this country want to make a contribution to looking after others and protecting the safety of our nation. I therefore ask hon. Members not to press the new clause to a vote.

Patrick Mercer: I am extremely interested to hear the Minister's summing up of the various arguments that have

[Patrick Mercer]

been put forward, and extremely disappointed to hear the Government's reaction to the amendments, whose provisions are sensible, practical and cheap. On 11 September 2001, one reason why the authorities were able to react so quickly and effectively to those unprecedented incidents was that there were widespread reserves of policemen, ambulance men, firemen and national guardsmen. One of the reasons why things were not worse in Madrid was that Spain had learned the lesson, over the previous couple of years, that additional manpower was necessary to deal with such events. Similarly, following the Bali bomb, Australia has raised a complete new force of people who will help its equivalent of the blue-light services to make headway in such situations.

With one or two exceptions, everyone who has spoken tonight recognises the need for the Government to be able to exercise and physically implement the plans that they are putting forward. The fact remains, however, that not one additional man or woman has been added to the Government's inventory to help in circumstances that will, frankly, be unprecedented.

Mr. Swayne: Does my hon. Friend share my dismay at the Minister's attempt to reassure us about the civil contingencies reaction forces? The example that she gave of 51 (Scottish) Brigade merely reinforced the fact that the numbers involved are purely notional, because anyone who happens to be a member is counted as being available, although in reality that capacity exists only on paper.

Patrick Mercer: I am most grateful to my hon. Friend for his intervention. I am sure that he will have heard that the motto for the civil contingencies reaction forces is "Overstretched and Overseas". The Minister would do well to ponder that not one extra person has been added to the Government's inventory to fight in such circumstances. I am particularly interested to note that she did not answer my question on why, if the voluntary sector was being farther and further integrated in order to work with the blue-light services, as she claimed, no personal protection equipment had been introduced. The fact remains that this is utterly unsatisfactory. I cannot accept what the Government say, and shall seek to divide the House.

Question put, That the clause be read a Second time:—

The House divided: Ayes 141, Noes 283.

Division No. 183] **[7:05 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnside, David
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Cran, James *(Beverley)*
Curry, rh David
Davey, Edward *(Kingston)*
Djanogly, Jonathan
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Flight, Howard
Flook, Adrian
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Jackson, Robert *(Wantage)*
Johnson, Boris *(Henley)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Llwyd, Elfyn
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Tonge, Dr. Jenny
Tredinnick, David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Wiggin, Bill
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Young, rh Sir George

Tellers for the Ayes:
Hugh Robertson and Mr. Mark Francois

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Beard, Nigel
Bell, Sir Stuart
Bennett, Andrew
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin

Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chaytor, David
Clapham, Michael
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Connarty, Michael
Cook, rh Robin *(Livingston)*
Corbyn, Jeremy
Corston, rh Jean
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Gibson, Dr. Ian
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Killoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Roche, Mrs Barbara
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Shipley, Ms Debra
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Williams, rh Alan *(Swansea W)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wyatt, Derek

Tellers for the Noes:
Joan Ryan and
Mr. Nick Ainger

Question accordingly negatived.

New Clause 2

Emergency Public Education And Training Board

'(1) There shall be an Emergency Public Education and Training Board consisting of—

(a) up to six members appointed by the Secretary of State representative of Category 1 responders;

(b) up to six members appointed by the Secretary of State representative of Category 2 responders; and

(c) up to six other members appointed by the Secretary of State.

(2) The Secretary of State may by order make provision in respect of the duties undertaken by the Emergency Public Education and Training Board.'.—*[Patrick Mercer.]*

Brought up, and read the First time.

Patrick Mercer: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss amendment No. 100, in clause 2, page 3, line 6, after 'maintain', insert 'resilient'.

Patrick Mercer: New clause 2 relates to two particular measures—informing the public about a threat and training them to deal with it.

This is not a new subject in the public forum. It was talked about during pre-legislative scrutiny before the Bill was considered in Committee, discussed endlessly in Committee and has had any number of outings both in the press and generally in the public place. It is interesting that the Government have continually denied the need for public information. For example, the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was particularly vocal in Committee about there always being a fine balance to be struck between telling the people too much and panicking them and not telling the public anything at all.

When we talked in Committee about the need for public information, the Government made it clear that there was no further need for a campaign to tell people precisely what was going on. We mentioned that the level of national alert was never disseminated in a public place and that we had always to rely on the BBC, and particularly Radio 4's "Today" programme, to leak the fact that the level of national alert went up or down.

For instance, after the bombings in early November of our embassies in Turkey, the public were simply not told that the alert level had gone up to its second highest possible stage, until we were told of the situation on national radio. It was interesting that, despite having talked about the issue in Committee and despite the Government having resisted any attempts to inform the public about what the threat was, it was left to the British Transport police and the Metropolitan police to mount an effective and thorough poster campaign immediately after the Madrid bombing. That gives the lie to the assertions that information would panic the public or that information was not necessary.

Michael Fabricant (Lichfield) (Con): Over new year I was in New York city. My hon. Friend may not be aware that Fox News, CNN and WCBS-TV—the local CBS affiliate—all had a banner across their news bulletins setting out the state of alert, which happened to be very high in New York city at that time. Does he think that that might be an indicator that could be employed in this country, given that there was no mass panic in New York and that the celebrations for new year's eve were performed well with many people attending them despite a high level of alert and the fact that they were informed of that situation?

Patrick Mercer: I am most grateful to my hon. Friend for that timely intervention. We ran out of time when we were discussing the previous new clause, but I intended to say that, during the second world war, we had an organisation known as the Civil Defence. It gave timely warnings about the likelihood of attack. Clearly, that would have been a conventional attack, probably mounted by the Luftwaffe. A terrorist attack is rather different. None the less, I believe that my hon. Friend made a valuable point. For example, during my several tours of duty in Ulster, it was always clear to me that information was being given by the police to the public about precisely what the threat was. It was less full than the American system. We have a formal system, and I suggest to the Government that there would be no harm in allowing the public to know. Rather than using the media to disseminate the message, part of the public information campaign should be exactly as my hon. Friend suggests. There should be a proper and orchestrated way of telling the public precisely what the level of threat is.

The Society of Industrial Emergency Service Officers says:

"The experience of SIESO members in warning and informing the public of the potential dangers of living next to top tier COMAH sites"—

in other words, power stations and the like—

"gives the lie to the Government's belief that pre-education of the general population would cause panic. There is a need for people to know what measures they can take to safeguard themselves prior to the arrival of professional help."

Similarly, last year the Metropolitan police commissioned a report on possible co-operation between the Government and the private sector. That was known as Project Unicorn and it reported earlier this year, although the Government have chosen not to publicise the conclusions. Project Unicorn states:

"To the public at large the CBRN threat is undoubtedly the most frightening aspect of the 'new terrorism' . . . The Commercial Sector appears to be unanimous in its criticism of the present counter-terrorism Communications Policy prior to a major incident: they found it outdated, condescending, generally uncoordinated and at times incoherent."

I do not think that I need add to those two damning indictments of the fact that the Government are not prepared to tell us what is going on. I suggest that we might follow the example of the Australian Government.

Many people say that this country is extremely "proof" to terrorism, that the public are used to it and will be able to take it on the chin, and that living through 30-odd years of activity by the Irish Republican Army and similar organisations has made London and other large cities pretty resilient, if the Minister does not mind my borrowing that phrase, to the effects of terrorism. It is therefore interesting that, after the Bali bomb, which killed plenty of Australians but did not kill anybody in Australia, the Australian Government, who have no real experience of terrorism, chose to take the subject extremely seriously.

The Australian Government chose to spend the money that needed to be spent and to do the research required of a responsible Government. That is why every single Australian has received information from his Government and why the Prime Minister has written to every Australian, beginning his letter, "Dear fellow Australian". An information pack that is now in the hands of every Australian household contains practical

little measures such as fridge magnets with all the emergency telephone numbers that any member of the public might want to refer to.

Why are we not doing that? Yes, it would cost and, yes, there would be opportunity cost, but have the Government failed to understand that the population are not a bunch of naughty schoolchildren, but responsible adults? I believe that knowledge dispels fear; it does not inspire panic, unless it is articulated irresponsibly or badly. Again, I speak from personal experience. The population of Northern Ireland were constantly told what the threat was and I never once saw panic over there.

Go back 11 years in this country, and just before the traditional IRA pre-Christmas bombing campaign, the Government chose to tell the population of London precisely what was going on.

Rev. Martin Smyth (Belfast, South) (UUP): Just this past weekend, every pub in Bangor was advised of a threat, which was also newsworthy. The hon. Gentleman speaks about letting everyone know about the threat: the Government sent a booklet dealing with the Belfast agreement to every home in Northern Ireland, but this is a much more important issue because it involves life and death.

Patrick Mercer: I am most grateful for that helpful and perspicacious intervention. I hope that the Government pay attention to the words of an hon. Member who has clearly been at the forefront of the fight against terrorism for the past several decades.

It is interesting that the Government still continue not to take such action. The examples are there; other nations have tried those measures. I return to the point that, just before Christmas 11 years ago, we were told that if we owned lock-ups in London and saw suspicious groups of men, particularly if they were speaking with Irish accents, the police should be informed because there was a likelihood of a bomb or mortar attack.

To the best of my knowledge, there was no panic over that and no uprising among aggrieved Irish expatriates. People understood the difficulty and that the job was being done as properly as it could be. They understood that the Government cared and were concerned about their safety. I put the question again: why are this Government not acting on that particular point?

7.30 pm

The next point that the new clause addresses is training of the public going hand in hand with the information that I have already addressed. My hon. Friend the Member for Canterbury (Mr. Brazier) mentioned the effects of what turned out to be a benign demonstration here in the House last Wednesday. I accept that it was difficult to know whether the attack could have been lethal, what agent had been used and whether the House reacted correctly or incorrectly, but that is not the point that I am trying to make. The point is that not a single person in the Chamber had received any training in what to do in the event of such an attack.

About two weeks ago, I received from Officers of the House an hour and a half of extremely effective training in what to do in the event of a fire. At the end of the training, I was much better informed and had been told precisely what to do. One or two anomalies had been ironed out and, having served as a part-time fireman and having been involved in several fires in my time, I felt that I was a much more useful member of the House of Commons community, in more ways than one, than ever before.

I said to the authorities, "Thank you very much indeed, but what do I do in the event of a bomb being discovered outside the House of Commons or a contaminatory attack?" Answer came there none. There is no training available that I am aware of. Even more depressing is that fact that, with one or two notable exceptions, no Member of Parliament who spoke in public in the media after that attack said, "That is all very well for what is happening in Westminster, but what about our voters—the people who send us here to represent them on these green Benches?"

Very few Members seemed to be able to spread their wings and say, "Don't we owe it to our voters to give them some training in what to do in such events?" The Government may say that offering such training would frighten people. Fine, but I would say that knowledge dispels fear. The Government may say that the training would be expensive, and I acknowledge that there would be a cost. They may say that we have never done that sort of thing before but that is nonsense. This nation has faced threats in the past—conventional and unconventional.

Peter Bottomley (Worthing, West) (Con): It might be sensible for my hon. Friend to remind the Government that for many decades we have had a Health and Safety Commission, a Health and Safety Executive and safety representatives at work. People have not been frightened by the analysis of risks at work and ways to reduce them. What he suggests is not quite analogous, but it is pretty similar to what we face in our daily lives at work, and have for many decades.

Patrick Mercer: I am most grateful to my hon. Friend. He makes the point a thousand times better than I ever could.

The fact remains that the Government are willing to spend money and resource on health and safety issues, and even on anti-obesity programmes. They are willing to spend time training children in what not to do in a pan of boiling chip fat is tipped over them, but they seem unwilling to address this particular issue, although we have done it before.

In 1937, training started for the whole population in knowing what to do in the event of attacks by weapons of mass destruction—I am talking about aerial bombardment and poison gas. By 1938, the population were properly equipped, as far as they could be, and properly trained. My mother, as a 13-year-old in north-east Nottinghamshire, knew precisely what to do in the event of her being gassed. A game was made of it.

The fact remains that when the sirens went in September 1939—that siren system, I might add, has been completely scrapped—the population filed carefully, quietly and without panic into their shelters and got on as best they could with whatever business they could conduct from there.

There was no panic. The population were told what was going on and they were warned. It is impossible to say how many lives were saved by that training, but I am

[Patrick Mercer]

sure that many hundreds were saved who might not have been otherwise. Similarly, we carried out training of the population during the cold war, and to a much lesser extent—I am sure that other hon. Members will back me up on this point—during the Irish Republican Army campaign in Northern Ireland and in this country.

If the Minister believes that there is no need for information or training, I ask her to consider the impact of a terrorist incident on, say, the Madrid scale. Let us conjure with the idea that one of our major cities is attacked three weeks before a general election, and that only 200 are killed—that sounds blunt and cold, but the fact remains that only 200 were killed in Madrid, although more than 1,000 were injured. What would be the political ramifications of a lack of information and training? Will our population forgive any Government for such an attack, as, in many ways, the American population forgave their Government?

It is fair to say that 11 September came out of the blue. Despite the appalling casualties, the majority of the population were willing to indulge the Government's lack of knowledge and pull together as a nation. Will we do that? First, how many of our people will say, "No, we were warned and nothing was done. There was no campaign of public information and precious little public training. There was even precious little training of the emergency services"? Secondly, those who opposed the war in Iraq will say that we have brought it on ourselves. Thirdly, and most tellingly, let us suppose that, in that hideous attack, 100 people were killed instantly and another 100 died as a result of burns that could not be dressed, of being poisoned by gases released in the area from which they were not evacuated or of being unable to get blood transfusions through. It would not have been because the emergency services had failed—I, for one, am a great admirer of everything that our emergency services do—but because they have simply not been allowed to exercise properly.

Sergeant Roberts died because he did not have the right equipment in Iraq. The Minister will remember what the tabloid newspapers made of that. If 100 of our people die because the emergency services have not been able to train effectively, the press will blame the Government. They will say, "You have killed our children, our spouses, our uncles." I strongly suggest that, in those febrile conditions, the Government will not survive that kind of blow.

The Minister will say that exercises have taken place. During a debate some weeks ago on London—the debate concentrated on the preparedness of London—I put several points to her about the level of training that had occurred. She only partially answered the question. She made the point that many civil contingencies exercises are taking place, and I wholly concur with her that something is being done. How many exercises, however, are live? How many involve the full panoply of the blue-light services, at a rush hour, with traffic on the roads, people on the pavements and in the undergrounds, and when the blue-light services have not been warned that the exercise will occur? Only by doing those sorts of exercises will the lessons be learned. How many parts of London have removable road signs and road barriers so that ambulances, fire engines and police cars can travel along the pavements when gridlock prevents access to the site of the incident? I know that the Minister will say that endless exercises are going on, but not one, to the best of my knowledge, has taken place in those conditions. Even OSIRIS II, which was as good as it got, was done on a Sunday, with the blue-light services warned beforehand and already in place.

New clause 2 makes the case clearly for six members appointed by the Secretary of State to be representative of category 1 responders, another six to be representative of category 2 responders, and for up to six other members to be appointed by the Secretary of State. It would provide that the Secretary may by order make provision in respect of the duties undertaken by the emergency public education and training board. I commend the new clause to the House, because unless the Government get a grip of their public information and public training, this country will suffer when the inevitable attack happens, and it will do so needlessly.

Mr. Allan: I intend to speak primarily to amendment No. 100, which is grouped with the new clause. I also want to respond to the hon. Member for Newark (Mr. Mercer).

I know that the hon. Gentleman feels strongly about this issue, as I have been involved in considering the Bill with him throughout its progress. I was concerned about the direction in which he was taking us, as his argument seemed to be that the Government should commit themselves to an education and training programme so as not to be blamed if something goes wrong. Another perspective is the concern that all this is political, and that it would over-stress the population and create too much of a sense of alarm.

I recognise that the balance is somewhere in the middle. We all want to give the appropriate information, but I want to put on record my concern that we can end up politically creating a climate of fear. My perception is that the United States Government, through some of the legislation that they have passed, have started to create a climate of perpetual warfare and threat. There are equal dangers in that. That is a counter-perspective, and I recognise that we need to occupy a sensible position in the middle.

Amendment No. 100 would insert the word "resilient" in relation to the kind of public information systems that we are asking local authorities to maintain to warn people about an emergency that is about to happen or is happening. I can predict the Minister's response—I am sure that she will say, "Of course, the Government would expect those networks to be resilient." My concern, however, is that that is not currently the case.

When the Government are asked what they are doing to inform the public, we are frequently told that they rely on websites. As hon. Members may know, I am keen on the development of the internet, and spend a lot of time using it. I would not describe it as always resilient, however, and there is something of a myth about the resilience of the internet in the context of some of the emergencies that we are imagining. Its resilience depends on peering points, where peers get together—not the House of Lords, but usually a warehouse somewhere in east London where computers "peer" with each other. Increasingly, those may be the subject

of attacks, both deliberate and accidental, given their complexity, and my concern is that we are starting to depend on technologies that may be less resilient in an emergency than some of the older technologies such as radio broadcasts, which may be more appropriate in those circumstances.

Because of the multiplicity of different media types, we are ending up in a situation in which resilience needs to be at the forefront of planners' minds. It may not be deliberate, but the kinds of assumptions that we have made previously about how to get information out may no longer apply. For example, if we wanted an all-channels television broadcast, it used to be the case that we would negotiate with a few major broadcasters. Now, an all-channels television broadcast must go out on 900-odd different channels, involving many different broadcasters. A range of media outlets creates additional complexity.

My concern in putting the amendment forward is to establish that local authorities need to think about the question of resilience far more than they have done to date. Although there are a lot of communications methods available, they must not simply rely on the fact that those will work at a time of emergency.

I shall be interested to hear what the Minister has to say. I am looking for a strong statement that there will be an attempt to tease out failure points, and that local authorities will be required to address potential failure points rather than being allowed to get away with lazy assumptions about communications mechanisms that may work in emergencies.

7.45 pm

Dr. Lewis Moonie (Kirkcaldy) (Lab/Co-op): The watchword in this debate, and in all debates on our response to potential acts of terrorism or disasters, is resilience. It is used advisedly, and I agree with the hon. Member for Sheffield, Hallam (Mr. Allan) that we should always remember that it is the key.

I speak as one who has spent not inconsiderable time over the years looking at the way in which we respond to disasters—and often respond very inadequately. One thing is certain: we should not do anything to reduce resilience. As the right hon. Member for Bromley and Chislehurst (Mr. Forth) said earlier, one way of ensuring that it is reduced is adding to the number of committees and other bodies that must be consulted on what is, after all, a series of hypothetical situations.

That is the great danger. I think that the IRA analogy, for instance, is quite wrong. In that case we were dealing with a predictable set of actions and a reasonably predictable set of responses that could be handled by any fairly intelligent person. Given the greater complexity of the asymmetrical threats that face us now, we cannot predict the form of an attack—if it occurs—and we must therefore ask what exactly we should educate people about. Many of the responses are basic common sense. I do not think the hon. Member for Newark (Patrick Mercer) is suggesting that in the event of a disaster, we would need hordes of ill-trained and semi-informed actors milling about trying to be helpful. That is the last thing we would need. What we do need is people responding quickly to information.

Setting up emergency numbers in advance may seem a sensible idea, but our experience of disasters around the world suggests that it is most important to establish a clear line of communication with the public, separate from anyone dealing directly with the disasters. That cannot be done in advance; it can only be done after the event, once the extent of its severity has been calculated by those capable of such a calculation. I am suspicious of any attempt to impose a public education gloss on circumstances that do not lend themselves to the type of education that is being suggested.

If we intend to be resilient, and set up a multitude of plans—which seems likely, as every area will set up its own plan—the civil contingencies unit must monitor events carefully, in order to recognise and implement best practice and generalise from it. Over the next few years we will generate many different ways of coping with potential disasters, but until we have to cope with a real disaster we will not know whether any of them will work. I recommend a book by Patrick Lagadec called "Preventing Chaos in a Crisis". If Members read about all the mistakes that have been made, the last thing they will want to do is repeat them.

The whole point of the exercise that the Government are conducting—with the broad support of Members on both sides of the House—is to try to avoid chaos when crises develop; for they will develop. I believe that adding to the complexity of what we are trying to do will not help to alleviate chaos in a crisis.

Peter Bottomley (Worthing, West) (Con): I hope the hon. Member for Kirkcaldy (Dr. Moonie) will not mind if I do not follow his line of argument. Let me say, in the gentlest possible way, that I disagree with him entirely.

My hon. Friend the Member for Newark (Patrick Mercer), with the assistance of the hon. Member for Sheffield, Hallam (Mr. Allan), raised an issue that goes beyond the contingency planning that is best represented in clause 2, which refers to

"preventing the emergency . . . reducing, controlling or mitigating its effects, or . . . taking other action in connection with it".

The matters that we are contemplating are not just for the professionals; they are for members of the public as well. We should be letting the public—individuals as well as groups—know what they can do to help reduce the incidence, impact and consequences of events. If those events do not happen, it will be fine—the best job that can be done by the blue-light services is not to turn the blue light on—but when they do happen, more people should know what they can do in order to make a significant difference. They need to know what they should avoid doing because it would do more harm, and what should be done to improve the situation.

I do not claim to be an expert, but for various reasons I have been around when a number of small disasters have taken place. I was beside the coffin of Oscar Romero, on the occasion of his funeral service on Palm Sunday 1980 in El Salvador, when a number of bombs—or demonstration bombs—went off in a crowded square containing 20,000 people. There was a lot of shooting from the military headquarters on one side of the square, and people sought refuge in the cathedral. There were two problems. The archbishop's coffin was blocking the doors; and the impact of a crush at the doors, straight away, would have made even the Hillsborough disaster look modest. A small number of us tried to make sure that there was enough space to get the coffin out of the way, and we ended up with about 5,000 people inside the cathedral.

[Peter Bottomley]

Fourteen people did die through crushing, which is one of the big panic problems in a disaster. The immediate problem is the rush. I suspect that the number of deaths would have been significantly greater if we had not managed to clear at least a pathway. In the Heysel stadium in 1985, the problem was caused by British louts attacking Italian fans. Because the other British fans were too squashed together, they took the space that was liberated. Plainly what was needed was an English voice on the loudspeaker system telling those not involved in the disturbances to stay where they were, and not to move into space that had become free. If that had happened, there would not have been the push, push, push and the 39 dead Italians.

It took 20 minutes to find someone with authority to enable microphones and loudspeakers to be used. It is not necessarily the authorities who spot what should be done first; it may be a member of the public. In this case it was me, and I did not succeed in getting it done fast enough, but another 200 or 300 people there might, with some foreknowledge, have been able to say, "This needs to be done". They might have passed on the message, so that someone with the necessary authority and control could take effective action.

Then there was the King's Cross disaster. People were brought out of the underground after a fire that was not—so to speak—necessary, and had consequences that were not necessary either. I suspect that, as in the case of the fire at the Bradford football stadium, many people knew that there was rubbish around that could be set alight. The cause of the fire might not be known, but the existence of fuel that need not and should not have been there was something of which any member of the public should be aware.

We learned from the Windsor castle fire that breaking up roof spaces stops a fire spreading. As a result of explosions, gas can be ignited. If ordinary members of the public were aware that the presence of unnecessary combustible material is wrong, public emergency training and education could greatly reduce secondary consequences, although it might still be impossible to prevent the primary cause.

So generally raising people's awareness of the practical steps that can be taken is important. If the Government do not accept the new clause today, it is fairly safe to say that they will have to answer some of the arguments in detail now and later, and that they are almost certain to say within six weeks or six months, "Well, perhaps we will adopt it in a modified form." I would much prefer them to say today that they have authorised the Minister to accept it, and that they have tried to work out the consequences. However, my experience is that Ministers who agree with a particular proposal often have to put the argument against it because of the process of government.

According to this process, a good idea is first ignored, then people just say "no", bringing up the historical negative whereby one cannot do something in a new way because it has not been done that way before. But when the Government of the day produce a two and a half page argument against the proposal in question, they actually engage with the arguments, and within six weeks or six months they say, "It was our idea in the first place and we always intended to do it, so we aren't going to share the credit with others."

My hon. Friend the Member for Newark and I would not mind if the Government did not share the credit for this proposal, so long as they introduce such a board. The proposal is a sensible one, involving as it does category 1 responders such as local authorities and the emergency services, category 2 responders such as the utilities and the transport agencies, and independents. Such a structure is very similar to that of the Health and Safety Commission, which is also a tripartite body. Of course, one reason why our performance in respect of injury and death at work is about the best in the world is the existence of a tripartite system that involves independent experts and the two sides of industry. Combining the two sides of the emergency services—put simply, local government, and the blue light services—with the utilities and the transport agencies would be a good way of achieving the same thing.

Moreover, having a public discussion is probably the best way of dealing with the ghouls and the real worries. The worst worry is the darkness; having light is not actually a serious worry. Each of us, whatever our station or responsibilities in life, will at some stage be told that we or someone dear to us—a parent, spouse or child—will have our date of death known rather more accurately than we anticipated. Nothing can bring death where there would otherwise be unending life; the question is whether death is to be brought forward. If each of us can cope with such information, I suspect that we can cope with anything that might emerge from an emergency public education and training board.

It is open to the Government to say that their civil contingencies system will be able to absorb the kind of work to which the proposal of my hon. Friend the Member for Newark relates. That argument is perhaps slightly better than the one offered by the hon. Member for Kirkcaldy, but it is not good enough. There could be an overarching national body and a body for each of the nations of the United Kingdom, and certain groups could be given the task of working on particular issues. However, my belief is that we ourselves know more about what we can do, and that we could contribute our knowledge.

Let us consider the Kegworth air disaster, in which an airliner landed on the M1. Some four or five hours after it happened, I said to Sir Michael Bishop—this sounded a bit odd to say so in the middle of a disaster—that I thought he was doing rather well. He said that he had gone through what his and his team's reaction ought to be to such a disaster. Although one hopes that planes will always land safely, one has to plan for when things go wrong. He and his people knew what to do. I am not sure that the general public always know what to do, which is one reason for having the kind of board that my hon. Friend the Member for Newark has proposed.

I am very pleased that we are having this debate. Contingent on a serious approach to our growing knowledge and anticipation of disaster—be it man-made or natural, deliberate or accidental—is the beneficial and open discussion that such a board would enable. I hope that the House will agree to the new clause without Division. If, by chance, the Government

have instructed the Minister to resist it, I hope that such resistance will not be offered on the basis of poor reasoning.

Board after board, forum after forum and organisation after organisation have been introduced in the past seven years, although I shall not take this opportunity to discuss my current pet worry, which is the proposed substitute for the community health councils. The House should reject the argument that we should not create this board, which has a real purpose and could be made to work. The people expect us to anticipate what will be helpful, and such a board would be.

8 pm

Mr. Llwyd: If ever we needed to remind ourselves that education and instruction are extremely important, what happened last Wednesday must surely remind us. Nobody in this Chamber knew what was going on, and, more to the point, nobody knew what we should have been doing at that time. I was told after the event that we should all have sat down to await decontamination. I was one of the last to leave the Chamber—not because I am brave but because I was not sure what the hell was going on. However, everybody left the Chamber.

Rev. Martin Smyth: I notice that Government Front Benchers were nodding agreement at the point about decontamination. The amazing thing was that even those at the very top of Parliament did not know what to do. It was the recipients of the attack who were in the most danger, and it was they who should have stayed put until they were decontaminated. Opposition Members should have got out of the Chamber as quickly as possible, before the powder spread. That incident highlights the very point that we are trying to get across: education is necessary in every eventuality.

Mr. Llwyd: The hon. Gentleman is absolutely right; indeed, I could not have put it better myself. Of course, if we in this place are not sure what is going on, how can we expect the public to behave in the safest manner in a civil emergency?

In the days of the cold war, I remember receiving leaflets on what to do in the event of an attack. They made people think about such things, but they did not strike fear into them. I certainly do not recall a wave of panic around where I lived, and I doubt whether we are more resilient than the rest of the United Kingdom. Such a public information campaign was undertaken even back then, but we have moved on a bit since. We have a Government who are very keen on imparting information—albeit selectively—and on using all manner of media to do so. It has been suggested that websites be used, but some elderly people do not even know what a website is. Indeed, although some of us who are less elderly know what they are, we are not very good at using them.

Last year there was a severe flooding problem in my constituency, which affected two or three villages. There was the odd newsflash on television, and apparently a limited attempt was made to telephone people. The Environment Agency decided that although the incident might be severe, it would not treat it as severe because fewer than 100 houses were affected. I do not know what kind of message that sends. Of course, the Environment Agency denied at the time that it got it wrong, but it has since realised what happened and has publicly announced that things have been tightened.

As I said, there were some newsflashes on television, but I know of some elderly people who did not really want to watch the television that evening; they preferred instead to read the newspaper by the fireside. They and all their furniture were badly affected, and although their neighbours came to help, it was a bit late in the day. The example of those three villages shows that we needed to tighten procedures in respect of risks of which we were already fully aware. They had been flooded before, yet still the Environment Agency did not get it right.

Mr. Stephen Pound (Ealing, North) (Lab): I am following the hon. Gentleman's argument with great interest, but surely he is running up against the counter-intuitive wall. On the occasion of the purple powder-packed prophylactic projectile, everyone's natural instinct was to flee, when it would have been logical to stay and die for one's country and avoid spreading the problem. It is that measure of seriousness. How on earth can we educate people that it is better to stay and die than to go and spread the problem? That will be difficult. With the best will in the world, it will be beyond websites.

Mr. Llwyd: I agree entirely. I have no doubt about that, but there are other scenarios in which, although there may a serious risk, some steps that could easily be taken will minimise the risk for some people. Let us save them at least for heaven's sake, if we can.

I have a particular interest in the dirty bomb scenario. As the crow flies, I live about 15 miles from a decommissioned nuclear power station. It does not take a genius to work out that that is a real threat. Of all UK constituencies, mine was the worst affected by the Chernobyl fallout, and it is still affected. I have been to Chernobyl and unfortunately seen the effects there, too.

Dr. Moonie: In the absence of any radiated fuel on the site, as is the case with a decommissioned power station, the risk from explosion is relatively minor.

Mr. Llwyd: The fuel is kept on-site. It has not been moved.

Mr. Heath: To move from a decommissioned nuclear installation to one that is active—Hinkley Point—in the 1980s I had a protracted argument with the Central Electricity Generating Board about whether local communities should be issued with potassium iodide tablets, so that they were ready for an emergency; whether there should be muster points in village halls, which there should have been; and whether people would know about what was going to happen and which radio station to tune into to get local information. We eventually won that argument in respect of Hinkley A and B but I am not sure of the position in the rest of the country.

Mr. Llwyd: The point that I was trying to make was that the rods have been taken away but the medium and low-level waste remains on-site. The hon. Member for Kirkcaldy (Dr. Moonie) agrees on that.

[Mr. Llwyd]

Where I come from, we are living with a real danger. The local council has set up its own liaison committee. It has had a civil defence committee type of thing for many years, but no one in the local council seems to know what would happen if there were an incident, apart from one or two council officials, so again that is a failure.

I am not making any political point. If the Minister tells the House that the training board is not necessary, will she please say how we will get up to speed to ensure that the information is available, and that everyone knows in a given set of circumstances what they should be doing. How will we ensure that the public are properly protected? That is her concern, it is my concern and it is the concern of the whole Chamber.

The whole point of the Bill is to update and to strengthen existing legislation, and I fully agree with it, but if she says that it is otiose—to use the usual parliamentary word—or if she uses a similar parliamentary word, will she please explain how that important information will be disseminated? How will we ensure that we reach all the countries of the UK to ensure that any risk—heaven knows, we do not want it to happen—is minimised as far as possible?

Michael Fabricant: The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) asked a key question: how can information be disseminated? Even the hon. Member for Kirkcaldy (Dr. Moonie), who disagreed with the point that my hon. Friend the Member for Newark (Patrick Mercer) made, said that lines of communication are important. My question to the Minister is: how will those lines of communication operate? If there is a flood, generally, one is aware of the problem, although, as the hon. Member for Meirionnydd Nant Conwy pointed out, that is not always the case. As my hon. Friend the Member for Worthing, West (Peter Bottomley) pointed out in a series of examples of catastrophes he has been involved with, witnessed or knows about, communication can break down even when a catastrophe is happening before one's very eyes.

If a dirty bomb were to go off 100 yds from here, we would not know. When I asked the Home Secretary—I have only just received his written response—about what training there would be, he answered:

> "In the event of an attack, unless people are under the direction of the emergency services, they should go indoors and tune into the TV or radio for further instructions. The media is the main system through which the government and the emergency services will alert the public. The message is 'go in, stay in, tune in'".

That is all very well if one knows that an event has happened. When we were in Chamber, we saw the purple dye come down. We knew that the event had happened, but if a dirty bomb with a small amount of Semtex spreading radioactive material were to go off, unless—

Dr. Moonie: You are not going to die of purple flour.

Michael Fabricant: The hon. Gentleman shows his ignorance. A dirty bomb may consist of a conventional explosive in which radiological material is embedded. He was a Minister. He knows that. If a bomb were to go off and radiological material were spread by the wind, unless one were in earshot of the bomb, one would not know it had gone off. As my hon. Friend the Member for Newark said, the siren system has been dismantled. How would we know that we had to go in, stay in and tune in?

Mr. Llwyd: A regrettably large proportion of people in eastern Wales cannot receive television transmissions and many valleys throughout the whole of Wales cannot receive radio. Therefore, I am a bit concerned about the Home Secretary's response.

Michael Fabricant: The hon. Gentleman makes a powerful point. Please God, Meirionnydd will not be a key target but other things may happen, and we know that terrorists often go for soft targets. Dolgellau and other areas could be regarded as a soft target. He is absolutely right. There are areas where there is no local radio, where national radio is difficult to receive, even on long wave, and where television signals are very weak.

Mr. Allan: I am interested in the hon. Gentleman's argument, which I think I am correct in thinking shows his strong support for the amendment that I have tabled. The decision on the most appropriate form of communication in each area should be made locally. In mid-Wales, it may be different because one cannot get TV and radio reception, but the key test is that networks should be resilient for their areas. That is the test that we must apply.

Michael Fabricant: Again, I quote the point made by the hon. Member for Kirkcaldy: lines of communication have to be established. The question I ask the Minister is: if a bomb were to go off, but we did not know that it had gone off, how would we know that we had to go in, stay in and tune in, even if there is something to tune in with?

What is the Minister frightened of? What are the Government so frightened of? Does she have such a low level of trust in the British people that she thinks people will panic if they know about these issues? Why does not she do what they do in the United States of America? Why does not she do what they have done in Australia? I hate to reduce the matter to political phrases, but education, education, education in this instance could be a matter of life or death.

I should quote another phrase: "trust the people". As my hon. Friend the Member for Worthing, West said, people perform better in the light of knowledge rather than in the darkness of lack of knowledge.

8.15 pm

Let us reflect more on the detail of the message to go in, stay in and tune in. If people are not trained to know exactly what to do, what do they do once they are in? Do they block the windows to ensure that no dust or ricin contaminant comes in? It may be common sense to do that. I do not know: no instructions have been given. As for tuning in, will the Minister tell us whether there is a national emergency system in place now—there

certainly was not a few years ago—whereby every single radio channel and every single television channel goes to one source, so that the same message is sent out?

Ms Blears *indicated assent.*

Michael Fabricant: The Minister nods, so I hope that that means that whatever station one tunes into, a network feed will tell people exactly what they should do. Again, the problem is that if people do not know that an event has happened—whether it be a dirty bomb or whatever—they will not tune in. Who outside the Chamber—apart from those watching our proceedings on television—knew at the time that the purple dye had come down? No one in the Tea Room knew. When we all went in there, potentially to contaminate people working there, they did not know what was going on. All they knew was that the House had been suspended because that is what it said on the Annunciator. If we in this small area do not know what is going on, what about the whole of Whitehall and its surrounding area, which would be affected by the wind blowing in any direction?

I ask the Minister to trust the people, to have faith to educate them and to consider how best to announce to a given area that an incident has happened. The problem is not as obvious as the Blitz in the second world war; it is far subtler than that. The Minister should believe in the fact that, if people know what to do, they will be confident in doing what they have to do.

Ms Blears: I can see and hear for myself how passionately Members feel about these issues, and I understand that there was a wide-ranging debate in Committee on this very subject. I know that people have strong views, which has been evident in this evening's debate.

The amendments raise important questions about the level of information, training and advice that the Government can usefully give the public in advance of an emergency, as well as during it and after it has happened. Those three stages are all important. We recognise that the behaviour of the public in all three stages is absolutely crucial. In some circumstances, facilitating self-help by the public could reduce the burden on the emergency services, helping them to act in a way that does not exacerbate their problems. Equally, the public can help to add capacity to the emergency services' ability to respond. The public should, first, do good things to help the emergency services, and, secondly, desist from doing bad things that would hinder them.

We take these issues seriously. As hon. Members have anticipated, I am not about to agree that the

"Emergency Public Education and Training Board"

in the form recommended in the new clause should be established. I do not believe that that is necessary to ensure that the public are properly informed. I direct hon. Members to clause 2(1)(g), which provides that the responders in part 1 or 2 of schedule 1 shall

"maintain arrangements to warn the public, and to provide information and advice to the public, if an emergency is likely to occur or has occurred."

That provides for a clear duty to ensure that arrangements are in place to warn the public and to provide information in advance.

Michael Fabricant: What, then, is in place if the dirty bomb, ricin contaminant or whatever were to go off up Whitehall or wherever? How would we know about it, unless we were tuned in to the radio at the time?

Ms Blears: The hon. Gentleman has raised his point before I have responded to those of other hon. Members. I had him on my list, but he has raised the issue now. We believe that "Go in, stay in and tune in" is the best first piece of advice that we can give people, but it would obviously not be appropriate in all circumstances. If there were a fire and a building were collapsing, for example, it would be entirely inappropriate, and the best advice would be the fire service's demand to get out of there.

The hon. Gentleman asked me specifically whether a national system was in place to ensure that all the emergency broadcasting systems would disseminate the same message, and I can tell him that the UK does have an emergency broadcasting system, and that arrangements are in place to ensure such rapid dissemination of public warnings through the whole range of communications—radio, television, Ceefax, teletext and websites. My experience of last week's event in Parliament was that all the breaking-news agencies—Sky and others—immediately recognised what had happened. Indeed, members of the public contacted us immediately. Our friends and family were contacting us to express their concerns.

Michael Fabricant *rose—*

Ms Blears: I am going to press on because we have dealt only with part 1 of the Bill and we have to move on to Third Reading at 9 o'clock. A whole range of amendments has not yet been covered.

Peter Bottomley: If it is an emergency to try to cover the ground in the Bill, will the Minister send a message to the Leader of the House requesting more time to debate this important measure?

Ms Blears: We will have had five and half hours to debate the Bill this evening, and we had a lengthy debate on the previous group of amendments dealing with the voluntary sector. That is why I am anxious to press on.

Clause 2(1)(g) provides the duty, as I explained. Amendment No. 100 is connected and I shall deal with it briefly. It was ably proposed by the hon. Member for Sheffield, Hallam (Mr. Allan), who brought out the key point that the responder systems must be resilient if at the end of the day they are to protect the public. I refer him to the Act—no, the Bill, I must not be so presumptuous—particularly to clause 2(1)(c), which states that the responders have to

"maintain plans for the purpose of ensuring, so far as is reasonably practicable, that if an emergency occurs the person or body is able to continue to perform his or its functions".

That embeds the resilience point. If plans were not in place to carry on and warn the public, there would be a breach of duty under that provision. I hope that the hon. Gentleman will accept that the Bill meets the requirements that he set out in the amendment.

[Ms Blears]

I have already pointed out that clause 2(1)(g) deals with the responsibility to ensure that the public receive proper information. The clause also requires responders to publish aspects of their civil protection in so far as it is necessary or desirable for preventing an emergency or mitigating its effects. That includes the provision of information about the risks before an emergency happens, the actions to be taken by the authorities and, crucially, the actions that the public can take in the event of an emergency.

I would like to point out a couple of ways in which that can happen. Several hon. Members have asked about floods—an issue close to my heart, because there is an area in my constituency that was flooded disastrously in the 1930s and people there are currently examining various flood defence schemes. There is a variety of methods, depending on the nature of the incident, through which we can inform people of what is going on.

For flooding or severe weather, the Environment Agency and the Met Office have well established systems to inform the general public through broadcasting. They also have an automatic telephone dialling system, a fax system and, for hazardous industrial sites and nuclear power stations, there is an obligation on the operator to warn the public within a specified distance. Fixed sirens are often relied on in those circumstances. Water companies will inform their customers about loss of water through loudspeaker vans—we have all heard them: in the old days, they used to tell us to fill the bath up, but I am not quite sure what they are telling us now—and health authorities will contact vulnerable groups if there is a health risk. More generally, the police are likely to warn members of the public if there is an immediate threat to life. That could be done in person by constables, or by a helicopter using sky shout—a system that enables warnings to be sent down from helicopters.

On Friday, I visited the Home Secretary's constituency, where there is a new van that has both cameras and a loudspeaker system, to alert people if an incident should occur.

There is a wide variety of emergencies, so there is a wide range of ways of alerting the public. There is not one simple, uniform method.

Mr. Heath: I am part of the system, because my constituency floods every year and I am the village contact who is telephoned by the automatic dialling system—which is not terribly resilient, because if I am here when there is a flood, I am out of touch.

My point was that there should be commonality of systems wherever possible. For instance, would the Environment Agency system be available to other emergency services, to give advice, because it makes common sense for that to be the case, so that we do not have a variety of systems reaching the wrong people rather than a single system reaching the right people?

Ms Blears: There is a balance to be struck, and I am sure that there is common sense about using systems that are already in place, but we must also have the right people in charge of the right area, and in seeking a completely homogeneous system, we could lose out on the particular skills and knowledge of the various agencies. We want to keep the lead agencies for their expertise, and we should not overlook the possibility of using their infrastructure—avoiding the cost of creating new infrastructure. That needs to be developed through guidance and regulations, which are part of the framework that we need to set up. It cannot be right, however, to have only one system, when the threats are various. That is why clause 2 makes it a local duty to have proper arrangements in place to inform the public.

We see no real merit in setting up the board proposed in the new clause, because there is no such thing as a standard terrorist threat or incident, so there can be no standard response. My hon. Friend the Member for Kirkcaldy (Dr. Moonie) said in his thoughtful and insightful contribution that resilience should be flexible enough to respond to threats that we had perhaps not even contemplated. The responders need to co-operate, as there is not one size that fits all.

Patrick Mercer: In at least three newspapers recently, there have been reports that the Government intend to produce a leaflet for every household. Indeed, a draft of it was leaked to one of the newspapers. It certainly was not perfect, but it struck me that it was better than nothing. Do the Government intend to do that?

Ms Blears: We have considered the matter over the past 18 months, and a range of issues is under consideration. I do not intend to comment on individual leaks at this stage, but as well as leaflets we have done a huge amount with the websites and we are considering a whole range of ways of being in contact with the public.

The hon. Member for Sheffield, Hallam asked about the resilience of electronic infrastructure. Clearly, that is a key issue for our capabilities programme, and we are very conscious of it. It is vital for our resilience to keep up to date, as we are far more dependent on electronic communication than we were in the past.

The Home Office site contains advice on the threats and what to do at home, at work or when travelling, and information on what the Government are doing to help. The MI5 site, which was launched fairly recently, contains much more detailed advice on the threats that we face and what businesses can do. It describes how individuals can help combat the threat, acting as our eyes and ears.

The Foreign and Commonwealth Office site provides constantly updated advice on threats abroad. "London Prepared" provides detailed advice on business continuity planning, with links to many other organisations. Many other departmental sites also include resilience and counter-terrorism advice and information.

There are 15 Government reports on resilience-related issues, and we have guidance for schools and teachers, through the "TeacherNet" site. There is a whole range of public information resources to ensure that the messages are accessible to as much of the public as possible.

8.30 pm

Michael Fabricant: If a biological, radiological or other weapon of mass destruction was let off near a school, say, how would people know to log on to one of

those websites? How would they know to tune in to the radio, without there being a siren system or another system to let them know that an event had happened?

Ms Blears: The response would vary depending on the incident. For example, in a nuclear installation there would be sirens, and on the street the emergency services would be the first there and would set up a cordon and instruct the public, and our normal systems of responding to emergencies would be in place.

We need to have some perspective and get the balance right. The hon. Member for Newark (Patrick Mercer) asked about live exercises. As he well knows, numerous exercises are taking place, both table-top and reality, and there was Operation Magpie just a couple of weeks ago. No-notice exercises such as he suggested would simply cause chaos and create the effect of an incident—almost doing the terrorists' job for them. None of the emergency services advocates such exercises. I urge the House to resist the new clause and the amendment.

Patrick Mercer: I am extremely disappointed but not surprised by the Government's reaction. Let me say to the hon. Member for Sheffield, Hallam (Mr. Allan) that the points that I was trying to make were not political, but in fact supportive of the Government, because the last thing that this nation needs in the aftermath of a terrible incident is a Government put under intolerable pressure by the media about things that could have been avoided before the incident rather than being revealed by it.

The Minister's response on training is especially disappointing. The fact remains that if the Government follow any of the precedents, they must realise that there will be an opportunity cost for getting people and society prepared.

Only by so doing will we avoid the unnecessary loss of life and the political ramifications that will result. I am very disappointed by the Government's response and I shall seek to divide the House.

Question put, That the clause be read a Second time:—

The House divided: Ayes 112, Noes 306.

Division No. 184] **[8:33 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brazier, Julian
Browning, Mrs Angela
Burnside, David
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Curry, rh David
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Grieve, Dominic
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Howarth, Gerald *(Aldershot)*
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Laing, Mrs Eleanor
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Llwyd, Elfyn
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paterson, Owen
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Sayeed, Jonathan
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Tredinnick, David
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Weir, Michael
Wiggin, Bill
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Young, rh Sir George

Tellers for the Ayes:
Hugh Robertson and Mr. Mark Francois

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Beard, Nigel
Begg, Miss Anne
Beith, rh A. J.
Bell, Sir Stuart
Bennett, Andrew
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blunkett, rh David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Breed, Colin
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Casale, Roger
Caton, Martin
Challen, Colin
Chaytor, David
Clapham, Michael
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Cook, rh Robin *(Livingston)*
Corston, rh Jean
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*

Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Elman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Heath, David
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Holmes, Paul
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kirkwood, Sir Archy
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Marron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Nayarmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Diana
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Roche, Mrs Barbara
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Bob *(Colchester)*
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Thurso, John
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
White, Brian
Whitehead, Dr. Alan
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Roger *(Brecon)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*

Tellers for the Noes:
Mr. John Heppell and Mr. Jim Murphy

Question accordingly negatived.

New Clause 3

Emergency Powers Committee

'Where Her Majesty or a senior Minister of the Crown thinks that the conditions for making emergency regulations are satisfied, such regulations shall be placed before a Joint Committee of both Houses of Parliament consisting of members of the Privy Council (known as the Emergency Powers Committee) for consideration prior to the laying of such regulations.'.—*[Mr. Heald.]*

Brought up, and read the First time.

Mr. Heald: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

No. 49, in clause 21, page 14, line 31, leave out 'whether written or oral', and insert—

'in writing to the Emergency Powers Committee'.

No. 63, in clause 26, page 17, line 22, leave out paragraph (a) and insert—

'(a) these regulations shall be put to a joint Committee of both Houses of Parliament consisting of members of the Privy Council chosen to reflect the political balance of the House of Commons (hereafter to be known as the Emergency Powers Committee), before their acceptance, to provide an initial and acceptable parliamentary check.'.

No. 70, in clause 26, page 17, line 22, leave out paragraph (a) and insert—

'(a) (i) these regulations shall be put to a Joint Committee of both Houses of Parliament consisting of members of the Privy Council chosen to reflect the political balance of the House of Commons (hereafter referred to as the Emergency Powers Committee), before their acceptance, to provide an initial and acceptable parliamentary check.

(ii) a senior Minister of the Crown shall then, as soon as is reasonably practicable, lay the regulations before Parliament, provided that he believes on reasonable grounds that he has used his best endeavours to consult the Emergency Powers Committee.

(iii) a senior Minister of the Crown may dispense with the requirements of paragraph (a) above if he believes on reasonable grounds that it is necessary to do so by reason of urgency.'.

No. 3, in clause 26, page 17, line 43, at end insert—

'(3A) Paragraph (1) of House of Commons Standing Order No. 16 (Proceedings under an Act or on European Union Documents) shall not apply to proceedings in the House of Commons under this section.'.

No. 74, in clause 26, page 17, line 45, leave out paragraph (a).

No. 75, in clause 26, page 18, line 1, leave out 'affect anything' and insert 'render unlawful'.

No. 4, in clause 29, page 18, line 41, at end insert—

'(3) Emergency regulations may make provision to disapply or modify an enactment under section 21(3)(j) only if a draft of the regulations or order has been laid before and approved by a resolution of each House of Parliament'.

Mr. Heald: It has taken some time, but we are now examining part 2. You will be aware, Madam Deputy Speaker, of the concern expressed by many people, including the Joint Committee on Human Rights, about the progress of the Bill and its scrutiny. In its most recent report, the Committee was optimistic that the Minister for the Cabinet Office would change his position in an amendment to be tabled on Report. Government amendment No. 93, which we may reach later, would require emergency regulations to include a statement that the person making them

"is satisfied that the regulations are compatible with the Convention rights".

The amendment refers only to section 1 of the Human Rights Act 1998, which may be problematic, but it certainly represents progress. At the end of page 8 of its latest report, the Joint Committee says:

"We remain concerned that clause 21(3) of the Civil Contingencies Bill may be interpreted as allowing regulations to be made which would relieve a public authority of its duty under section 6 of the Human Rights Act, with a . . . risk of violating Convention rights."

Once again, the Committee draws that matter to the attention of the House.

There is still concern about the Bill's compatibility with the Human Rights Act. New clause 3 proposes a small joint committee of Privy Councillors to consider emergency regulations before they are laid in the House with the aim of achieving consensus, all-party support and scrutiny. I pay tribute to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) for proposing such an arrangement on Second Reading. We pursued it in Committee, and its purpose is to provide a quick but effective parliamentary check of proposed emergency powers. In Committee, the Minister for the Cabinet Office was sympathetic to

"the principle of wider consultation with representatives of key parties when emergency powers are to be used".

He spoke of

"the long-standing convention that the Government should seek in times of serious emergency to build consensus".—[*Official Report, Standing Committee F*, 10 February 2004; c. 299.]

He would not, however, accept our amendments. We have therefore revisited the issue in new clause 3 and I hope for a better response this time.

Given the number of others who wish to speak, there is not time for me to outline each of the other amendments, but all have a bearing on the emergency powers committee, as we call it, and all of them are designed to put into effect a structure whereby the emergency powers committee—a joint committee—could have a role and we could bring to the issue of emergency powers that element of consensus.

The idea behind amendment No. 3 was suggested on Second Reading by my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), who properly argued that for our normal Standing Orders to apply to the emergency regulations and to have only 90 minutes to debate them is wrong. Although he did not use the words, I would say that that is approaching a constitutional outrage. The Government accepted in Committee that 90 minutes

"is unlikely to be sufficient to debate regulations as important as these will be.—[*Official Report, Standing Committee F*, 10 February 2004; c. 301.]

If they think that that is true, they should put their money where their mouth is and introduce the change in the law that we propose.

Amendments Nos. 74 and 4 are also proportionate measures to prevent the Government from having too much power in these matters.

Mr. Heath: I fully support the intention behind the amendments moved by the hon. Member for North-East Hertfordshire (Mr. Heald). It is more than desirable, it is essential, that at a time of emergency, that the broadest possible consensus in the political sphere and on a wider front be achieved to command the agreement and consent of the British people. The hon. Gentleman suggested one mechanism, but there are others. Making that a requirement means that it is not

[Mr. Heath]

left to the whim of a Minister of the day to implement proper consultation with all parties, which we would all agree is a desirable state of affairs.

I will not speak to amendment No. 3 tabled by the hon. Member for Aldridge-Brownhills (Mr. Shepherd), other than to note that my hon. Friends the Members for Sheffield, Hallam (Mr. Allan) and for Orkney and Shetland (Mr. Carmichael) thought it right to attach their names in support of it. It is entirely inappropriate that debate of such important regulations in the House should be abbreviated. It is important that we have a proper debate. I hope that the amendment will achieve that and that the Government will see fit to support it.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I shall be very brief and make only four points.

First, we need to be aware how wide-ranging the powers to make emergency regulations are. Their scope is extensive and is provided for in clause 21. Secondly, we need to keep it in mind that we are discussing emergency regulations—that is, those that have not been through the parliamentary process. Thirdly, we should keep it in mind that the Ministers thought capable of laying the emergency regulations include very junior ones—namely, Whips. It is extraordinary that Whips should be in a position to lay such draconian provisions before the House.

I therefore support the purpose behind new clause 3 with this proviso: I would not make the committee a consultative committee. I would make its consent a pre-condition to the emergency regulations being issued. There is much more that I could say, but I do not consider it appropriate that I should at this late hour.

Mr. Shepherd: The lateness of the hour and the fact that there are six minutes before a guillotine falls give urgency and emphasis to amendment No. 3, which states that paragraph (1) of House of Commons Standing Order No. 16

"shall not apply to proceedings in the House of Commons under this section.'."

There is a 90-minute guillotine on such motions and as has been mentioned by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) and acknowledged by the Government in Committee, 90 minutes would be an unconscionably short time to debate regulations that might touch on some of the most fundamental political and civil liberties that have been at the centre of the life, vitality and purpose of the House over its history.

Therefore, amendment No. 3, which has all-party support, seeks to remove by statute the recourse that the Government could have to Standing Order No. 16. We now live in a time when even this Bill, which touches on some of our most fundamental liberties, as my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) said, does not receive proper scrutiny. We must have the ability to discuss these matters for longer, if that is what the House determines by the will expressed in the course of the debate, and that should be set out in legislation. I become cynical and distressed because of the way in which even on this important measure, under the guillotine, Back Benchers have not been remotely able to make a contribution on the areas of part 2 that are fundamental to the purpose of many of us.

The Parliamentary Under-Secretary of State for the Home Department (Fiona Mactaggart): I am grateful to hon. Members for trying to make their important points briefly and I hope to address each of them in the very short time that is left to me.

The Government are sympathetic to the principle of wider consultation with representatives of key parties, which is inherent in new clause 3, if emergency powers are to be used, but we do not believe that the proposed mechanism is the appropriate or best way of going about conducting that process. The House is aware that there is a long-standing convention that the Government will seek in times of serious emergency to build consensus across the political spectrum. The Prime Minister regularly briefs senior figures from all the major political parties on a Privy Council basis. The Government's commitment to that approach was most recently demonstrated in relation to the conflict in Iraq. That tried and tested procedure allows the Government to take the views of senior parliamentary figures in a flexible and efficient way that is tailored to the needs of the situation at hand. It is our view that continuing with that tried and tested procedure is a more appropriate way to ensure that the collecting of opinion is properly done.

Of course, we know that we will use the part 2 powers only in moments of extreme emergency. Establishing a pre-set committee may create greater delay, and we need the most flexible possible way to achieve what is needed. That is why we are anxious to avoid a proposal that could delay response efforts without adding anything to the process. Unnecessary delay in situations in which lives may be at stake would be unacceptable.

Hon. Members have raised concerns—they are largely dealt with in later amendments—about the impact on human rights of other constitutional matters that could arise as a result of the regulations. We have sought to take into account the concerns of the House, and the hon. Member for North-East Hertfordshire (Mr. Heald) was kind enough to refer to Government amendment No. 93, which seeks to make that clear. We believe that it would be impossible to amend the Human Rights Act 1998 through the regulations that we propose.

I understand hon. Members' concerns about the length of time provided for debate, but it is unfair to make much of the fact that very junior Ministers might be in a position to move regulations; the hon. Member for North-East Hertfordshire knows perfectly well that they will be acting as Lords Commissioners of the Treasury, and that there are clear routines around which they could carry out that function. Fundamentally, the regulations are to be proposed by Secretaries of State and senior Ministers of the Crown.

There is a key point, however, about properly debating the regulations, and I understand why the Opposition are seeking to amend the Standing Orders of the House to guarantee a long enough and proper debate. It is clearly unacceptable to expect to be able to amend regulations in a 90-minute debate. That 90-minute period is established—

It being Nine o'clock, MADAM DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [19 January].*

The House divided: Ayes 136, Noes 278.

Division No. 185] **[9:00 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnside, David
Campbell, rh Sir Menzies *(NE Fife)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Curry, rh David
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Grieve, Dominic
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Kirkwood, Sir Archy
Laing, Mrs Eleanor
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Llwyd, Elfyn
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paterson, Owen
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Thurso, John
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Webb, Steve *(Northavon)*
Weir, Michael
Wiggin, Bill
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Ayes:
Hugh Robertson and Mr. Mark Francois

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Barnes, Harry
Barron, rh Kevin
Battle, John
Beard, Nigel
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Casale, Roger
Caton, Martin
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Corston, rh Jean
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Gibson, Dr. Ian
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*

Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Owen, Albert
Palmer, Dr. Nick
Parham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Pickitt, James
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*

Tellers for the Noes:
Mr. Jim Murphy and
Mr. John Heppell

Question accordingly negatived.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour, pursuant to Order [19 January].*

Government amendments Nos. 78 to 99 agreed to.

Mr. Heald: On a point of order, Madam Deputy Speaker. The result of the guillotine imposed on the Bill has been that six new clauses, one new schedule and 87 amendments—including important Government amendments—have not been reached or debated. You will know that the Opposition voted against the programme motion. Would it be possible for you to report this matter to the Chairman of Ways and Means—who is called upon from time to time to give evidence about the effect of programming to Committees such as the Procedure Committee—to ensure that he is fully apprised of the disaster that has occurred today?

Madam Deputy Speaker: That is not a point of order for the Chair. We are following the provisions of the programme motion to which the House agreed. I have no doubt, however, that the Chairman of Ways and Means will read the hon. Gentleman's comments in *Hansard*.

Peter Bottomley: Further to that point of order, Madam Deputy Speaker. At the conclusion of the Report stage, the Under-Secretary of State for the Home Department, the hon. Member for Slough (Fiona Mactaggart), was unable to complete either her sentence or her speech, but it sounded as though she was about to make an important announcement. Although it may not have happened often, I believe that there is a precedent for two Ministers speaking at the beginning of a Third Reading debate. Would it be possible for the Under-Secretary to complete her speech before the Minister for Crime Reduction, Policing and Community Safety moves the Third Reading of the Bill? It really is a sadness—I do not want to use a pejorative word—that the Under-Secretary was unable to complete her speech at the previous stage.

Madam Deputy Speaker (Sylvia Heal): Order. That is not a point of order. The issue is entirely up to the Ministers concerned.

Order for Third Reading read.

9.14 pm

Ms Blears: I beg to move, That the Bill be now read the Third time.

I thank hon. Members on both sides of the House for their contribution to the development of the legislation. The principles of the Bill command the broad support of all parties, and I am genuinely grateful to hon. Members for the constructive and sensible way in which the Bill has been scrutinised and debated.

As I said at the outset, a joint Committee subjected the Bill to pre-legislative scrutiny, and two public consultations have taken place. When the Bill was introduced on 7 January, the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, who is unfortunately not with us this evening, said that it was stronger as a result of the pre-legislative scrutiny, and I am sure that hon. Members share that view.

The Bill's subject matter is not party political, and all hon. Members have been keen to examine possible improvements and to make sure that that process is rigorous and evidence based—we all agree that it is important to get the Bill right. The Bill deals with serious issues, particularly given the heightened threat from terrorism that we all currently face. Although we have occasionally disagreed on the detail, I hope that we all support the broad thrust of the Bill.

As the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster said on Second Reading, the legislation's purpose is clear. The aim of the Bill and its accompanying non-legislative measures is the delivery of a single framework for civil protection in the United Kingdom that will hopefully meet the challenges of the 21st century—in some cases, the legislation that is being replaced dates back 80 years. The Bill establishes a proper framework, which will hopefully last for a similar length of time.

We are all familiar with the challenges. Recent events have shown how emergencies can disrupt our way of life, damaging human welfare, the environment and national security. Even now, the events of 11 September 2001 are still fresh in many people's minds, but so are the fuel crisis, foot and mouth and the floods of 2000. The floods of 2000, which predated 11 September, were the catalyst for the emergency planning review, which was set in train by the Deputy Prime Minister and provided the foundations for the legislation.

The Bill will end our reliance on legislation dating from the first half of the last century, which has stood us in good stead but is increasingly unsuitable in today's world. Modernisation is timely—some hon. Members disagree with some of the modernising measures that the Government have introduced—but I am glad that the Bill has all-party support.

Lembit Öpik (Montgomeryshire) (LD): Devolution is one element of modernisation, and I note the marked difference in responsibilities and authority between Scotland and Wales. Does the Minister feel it appropriate that Wales will effectively have less autonomy to make decisions relating to the Bill, after the Bill is enacted? Does she have a view on the need for a little more devolution to Wales on such matters?

Ms Blears: I am delighted that the hon. Gentleman raises devolution. We had an interesting debate on devolution, in which one right hon. Member, who is not in his place, sought to undo the devolution settlement. The provisions relating to Scotland and Wales mirror the devolution settlement, which is why the Scottish provisions discuss action taken by Ministers, who are clearly separate from the legislature in Scotland, whereas the Welsh provisions concern consultation and deliberation with the Assembly, reflecting the different tenor of the devolution settlement in those two countries.

On Report, I pointed out to the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) that the relationship with Wales is important. Matters that have been devolved to Wales, such as health and transport, are key to making sure that the response to civil contingencies is accurate, integrated and coherent, and the relationship with Wales will continue to be important.

Mr. Heald: Of course, we did not have a chance to discuss amendments Nos. 93 and 94, which the Government introduced following discussions in Committee on the role that they should play in terms of emergency powers to restore the Government and the declaration on human rights. I hope that the Minister will say a word about each amendment.

Ms Blears: I will certainly do my best to cover all the areas that are dealt with by the Bill, because I recognise that we did not have time to deal with issues that are important to Members.

It is right that the legislation should tackle the local and national levels. Part 1 will ensure that the framework for planning at the local level—already strong in many respects—is brought on to a more consistent basis. It enshrines the concept of integrated emergency management, which is that emergencies should be considered along a spectrum rather than being planned for in isolation. That is a departure from the Civil Defence Act 1939, and the analysis has drawn wide support from civil emergency protection practitioners. The Bill will deliver clear roles and responsibilities for local responders, and local communities across the country will see the benefit.

The renewal of the emergency powers framework in part 2 is equally important. The Emergency Powers Act 1920 has served the UK well in times of national crisis, but it was last used more than 20 years ago and it has reached the end of its natural life. The fundamentals of the legislation remain the same—an ability rapidly to make temporary legislation for the purpose of dealing with the most serious of emergencies—but the Bill offers a more flexible, deployable and resilient model with stronger safeguards and better procedures than the original legislation.

Nevertheless, we are all conscious of the difficult balance to be struck in these matters. I recognise how strongly Members felt about that in Committee and it is perhaps a pity that we have not had chance to debate them, but clearly Members—

Mr. Hogg: Whose fault is that?

Ms Blears: There were no knives in the programme motion, and Members could have sought to prioritise whichever amendments they wanted to. Perhaps we could have had more focused debates on the other amendments. Then we would have had a chance to consider other parts of the Bill.

David Taylor (North-West Leicestershire) (Lab/Co-op): It has been put to me by a constituent who is a member of the human aspects group of the Emergency Planning Society that the definition of "emergency" is not sufficiently broad. Throughout the Bill,

[David Taylor]

"emergency" is an event that presents a serious threat to human welfare and is explained in terms of loss of life, illness or injury. She tells me, and I put it to the Minister, that there needs to be much more of a

"recognition that human welfare also includes human suffering (social and psychological) both in the short term and longer term."

Does the Minister agree that the Bill deals with that adequately, and therefore that the definition of "emergency" is sufficiently broad?

Ms Blears: I understand the point that my hon. Friend makes, but "human welfare" is a broad term that can encompass physical welfare, but which may have an impact on people's emotional, mental and psychological well-being. The definition was subjected to a lot of debate during pre-legislative scrutiny. Indeed, one thing that Members across the House are pleased about is the fact that the reference in the original definition to a threat to economic, administrative and political stability was taken out because people felt it could perhaps be misused under a particularly ill-inclined Government.

David Taylor: Will my hon. Friend write to me on this matter?

Ms Blears: I shall take advice on the breadth of the definition. My instinct is that it could cover the circumstances outlined by my hon. Friend, but I am happy to write to him.

We are conscious of the difficult balance to be struck and we recognise the sincere and heartfelt concerns of many in the House about the need to ensure that robust safeguards are in place to prevent misuse of emergency powers. We have made important changes to the Bill to meet those concerns as a result of pre-legislative scrutiny and during consideration in Committee and on Report, and especially in relation to parliamentary scrutiny and the operation of the Bill alongside the Human Rights Act 1998.

Members were concerned about whether it would be possible to use the Bill to amend the Human Rights Act, but my hon. Friend the Minister for the Cabinet Office made his statement of compatibility with that Act when he signed off the Bill and when he referred to this in Committee. I hope that Members will accept that assurance.

Hon. Members have also taken the opportunity to use the debates to air other points of concern, both about the specifics of the Bill and the Government's wider civil contingencies and counter-terrorism work. We have had some useful discussions, and I hope that we have offered full explanations of our position. We tried to provide as much information as possible during the debates, and I hope that hon. Members have found that helpful in informing our deliberations.

Mr. Nigel Evans (Ribble Valley) (Con): But can the hon. Lady assure us that in all the training that will be necessary for the public, institutions and organisations, the resources will not be wanting? I am talking specifically about local authorities, which will want to take lead roles, as they will be required to do under the Bill as enacted. Can she assure the House that they will get the resources necessary to ensure that the training takes place?

Ms Blears: If the hon. Gentleman had been present during the previous consideration—I make no criticism of him for that—he would have heard that we had a robust discussion about the funding position for responders. Clearly, I made the point that in the last seven years, the civil defence grant has increased by 31 per cent., whereas in the last seven years of the previous Administration, it decreased by 42 per cent. I entirely acknowledge that local government has concerns about additional pressures. That is why we are in discussions with it now. I have said clearly that there must be a proper business case, properly set out, for any increase, but clearly, we will try to consider those matters properly within the spending review settlement for 2004. I also ask Members to take into account the fact that local government has received substantial real terms increases over the past few years in its basic revenue support grant settlements. In that overall funding context, I take on board the idea that we need to try to resolve any genuine issues so that people can do the job properly that we ask them to do.

Mr. Heath: Will the hon. Lady give way?

Ms Blears: Not unless it is on a similar point.

I want to return to the point made by the hon. Member for North-East Hertfordshire (Mr. Heald) about the Human Rights Act 1998. As I understand it, section 6 clearly states that should Her Majesty or a Minister make regulations that are incompatible with the convention rights, that would be unlawful, so it is not necessary to provide for that in the Bill.

Mr. Heald: I have already quoted from the eighth report of the Joint Committee. The hon. Lady has acknowledged that there is a point in amendment No. 93—which, unfortunately, we did not reach—meaning that the Minister must make a statement before making regulations that they are compatible with section 1 of the Human Rights Act.

Ms Blears: Yes, I suppose that it could be a belt and braces provision. There is merit in requiring the maker of the regulations to give a clear statement that the regulations are compatible, because given the exceptional nature of emergency regulations, it is appropriate to make exceptional provision. The Human Rights Act does not require a statement of compatibility in relation to secondary legislation, but such emergency legislation is likely to include provisions that at non-emergency times would be included in primary rather than secondary legislation.

Mr. Heath: Will the Minister give way?

Ms Blears: I am anxious for other Members to be able to make a contribution to this debate. If the hon. Gentleman will forgive me, I shall press on. I have given way a great deal.

I hope that we have developed the Bill in an open and consultative way. I want to pay tribute to the organisations that have made that possible by getting

involved with the consultation. Practitioners such as chief officers of police, fire and local government, the Emergency Planning Society and pressure groups such as Liberty and Justice have helped us to develop the Bill in a proper fashion. We have benefited from the active engagement of thousands of individual civil protection professionals, and I hope that they have helped us to develop a Bill that is both principled and practicable.

The process of pre-legislative scrutiny helped to ensure that the Bill that was introduced in January was much stronger than it would otherwise have been. I am grateful to my hon. Friend the Member for Kirkcaldy (Dr. Moonie) for his work in chairing that committee, and for the contribution from Members of all parties. We have not, I am sure, resolved every issue, but we have a Bill that delivers our aim, and that has stood up to parliamentary scrutiny thus far. We are sending this Bill to the other place in good shape, although their lordships will doubtless wish to review many of the issues that we have discussed. In particular, we can look forward to their experience being brought to bear on some of the technical aspects of the Bill, as well as on fundamental questions about the balance between the rights of the individual and the needs of the community.

This is important legislation. The Acts that we are replacing are, in parts, more than 80 years old, and for us, as legislators and representatives, the safety and well-being of the people of the United Kingdom is the highest priority. I think the Bill is a substantial step towards progress in that direction, and I commend it to the House.

9.30 pm

Mr. Heald: I will not speak for long, because others wish to speak as well.

Let me begin by saying what a disgrace it is that we have lost the chance to debate six new clauses, one new schedule and 87 amendments. That really is not good enough. We voted against the programme motion; as a result of the Government's insistence on their programme, we have been unable to debate some very important matters. We have said from the outset that the Bill is overdue, and that our response to emergencies at local and national level should be provided for in a modern Bill. The measures in part 2 allow Ministers wide discretion to make emergency regulations, but protection for human rights is still inadequate.

I welcome amendment No. 93, which does at least ensure that the Minister must issue a certificate when making regulations stating that they are compatible with section 1 of the Human Rights Act. We argued for that in Committee, and I think we are entitled to take some credit for having moved the Minister on it. I note from its latest report that the Joint Committee on Human Rights welcomes it too, describing it as a step in the right direction.

Mr. Hogg: A step.

Mr. Heald: A step, as my right hon. and learned Friend says. The Committee says:

> "We welcome these moves, which serve significantly to improve the safeguards for Convention rights under the Bill."

However, it also says:

> "We remain concerned that clause 21(3) of the Civil Contingencies Bill may be interpreted as allowing regulations to be made which would relieve a public authority of its duty"

—to which the Minister has just referred—

> "under section 6".

It is that concern that we continue to express.

Mr. Hogg: Under the emergency regulations, for example, property can be confiscated without compensation. That flies in the face of the relevant article.

Mr. Heald: My right hon. and learned Friend will have noted that amendments were tabled on compensation and the costs of compliance. I know that he would have wanted to speak if we had reached that group.

Although we welcome the structure of the Bill and the duties placed on local authorities and other responders, we question whether enough has been done to protect human rights, and to make a practical reality of the necessary response to an emergency. We called for a volunteer reserve to deal with emergencies, and we have debated that today. I believe that there is a mood in all parts of the House in favour of a greater role for volunteers, and the Government should have conceded the point.

We called for proper public information and training. The Government seem to be moving on that—all too slowly, but I predict that they will produce a booklet for every household in due course, setting out some of the threats and some of the necessary information. *[Interruption.]* I am told that they will have to do so, now that I have predicted it. It is a pity that a Minister could not just stand up at the Dispatch Box and say, "Yes, we will be doing that." We would have liked to see a senior Minister in charge of homeland security and the response to terrorism, rather than the current Home Office/Cabinet Office/Ministry of Defence mishmash.

It is true that we have seen some improvements in the Bill as a result of the Committee stage—for instance, the provisions on cross-border issues and on not treating the protection of Government activities as an emergency in itself, the improved drafting in clauses 1, 2 and 18 on the meaning of "emergency"—although there was more to discuss—and of course amendment No. 93, which improves protection for human rights.

At the end of our deliberations in Committee, I said that we had not had a sausage from the Government. Perhaps by now we have had a cocktail chipolata; none the less, there is more work to do in the other place. *[Interruption.]* I am told that they do not have cocktail chipolatas in Wales, and I believe it; perhaps I should have said "a lamb chop".

On Second Reading, I said that there was much in the Bill to probe, challenge and improve. There is also much in the Bill to welcome, and we have made limited progress in trying to improve it. However, there is a lot still to do and the battle will go on elsewhere. Many of the matters that we have been unable to discuss tonight will be returned to in another place: the issues dealt with in new clauses 4, 6, 7 and 9; the important issues of ministerial responsibility, compensation and what really

[Mr. Heald]

constitutes an emergency; procedure; human rights; and the question of emergency co-ordinators being competent people for the task.

Peter Bottomley: To those who expected the House to have lengthier debates on these issues, it is worth emphasising the importance of the leaflet to which my hon. Friend referred, and of the Minister's description of the serious issues being considered. In doing so, we should consider the ministerial answer that she gave—my hon. Friend will have seen it—concerning feedback on Home Office guidance on mass fatalities. That is serious information, and in the light of the Government's concern about how people should respond to mass fatalities, in terms of coroners and the disposal of bodies, we begin to understand why this Bill and the debate matters, and why the debate in the other place will matter even more than ours, given that we have been unable to go through everything in detail.

Mr. Heald: I agree with my hon. Friend. These are very serious issues, and it is wrong that the House of Commons should be unable to debate them in the detail that they deserve. For my part, I would nevertheless find it impossible to vote against a measure that establishes for future emergencies a new structure with which I agree. This is the sort of dilemma that one sometimes faces: on the one hand, the Bill does some good things, but on the other, we as an Opposition have not been treated as we should have been.

9.37 pm

Dr. Moonie: I shall be very brief. This important Bill provides for the long overdue updating of two Government functions—the making of emergency legislation, and the planning framework for dealing with disaster—and it will create the conditions for an effective and resilient planning network in dealing with emergencies. As Chairman of the Joint Committee, I examined the Bill before it was introduced, and I congratulate the Government on having listened to the points that we made. The fact that the report was unanimous indicates why the Government felt it necessary to take proper cognisance of it, and they have indeed moved a long way. The Opposition will doubtless stress in the other place their argument that many important matters are still to be decided, but in my view the important matters were decided in the Joint Committee and the Government listened to us. It should be recognised that definitions and safeguards have been strengthened in important areas.

I accept that we are not going to agree on the question of the need for a single Minister to run things. I take the view that when one needs a multi-agency response to disasters, it is a great mistake to concentrate on one area. However, I want to stress the need for a proper audit of the process that we are about to undertake. Such an audit would ensure that the Government's wishes are properly carried out, rather than lip service simply being paid to them, and it would ensure that best practice is disseminated as quickly and effectively as possible once bright ideas had been made. I do not believe that the way to proceed is necessarily to have a separate Ministry or a plethora of national committees, which would actually reduce resilience. What is important is to get the process under way and to look at it carefully. I still believe that an independent inspector would be the best way to achieve proper scrutiny of what the Government are about to do, but perhaps that issue is best dealt with in another place.

It is nearly three years since the dreadful attack on the twin towers. It is high time we got down to proper planning. The Bill makes a sound start, but no more than that. There is still a lot of work to do.

9.39 pm

Mr. Allan: I am pleased to follow the hon. Member for Kirkcaldy (Dr. Moonie), who did an excellent job in chairing an effective Joint Committee. One could not tell the party allegiance of the members of the Committee because they engaged with the issues. They were not partisan, which is entirely appropriate for pre-legislative scrutiny. In this forum, we tend to adopt a slightly more partisan approach. I will not engage in too much of a love-in with the Government in view of their changes to the Bill, for fear of upsetting the right hon. Member for Bromley and Chislehurst (Mr. Forth), who was upset at the beginning of our proceedings today.

We had different concerns about parts 1 and 2. We are disappointed that we have not discussed the part 2 issues, which are of greater concern to Liberal Democrats than the part 1 issues because they deal with fundamental liberties and the way in which the unwritten constitution of the United Kingdom works.

On part 1, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) referred to the service as a Cinderella service. The Minister has done an admirable job today in picking up the brief but, in defending the Government's position, she said that they gave lots of extra money for the civil defence grant. She neglected to tell us that they did so only in the face of a legal challenge to the Government by local authorities. It was not a willing move and the trend was clearly of central Government wishing to cut funding.

The Government were forced into offering additional funding. The climate in local authorities and, importantly, in business is all about cutting margins and not doing things that are not strictly necessary. We must be honest. We will face a charge of hypocrisy if we will the ends but not the means. We must be realistic about the difficult climate that we face.

On part 2, our concerns were about the locks and the way in which the definitions work. That is now much clearer, particularly following the work of the Joint Committee and the response to that. We were also concerned about compatibility with the European convention on human rights. Although we did not have a chance to debate it today, I am pleased that the Government tabled amendment No. 93 in response to concerns expressed in Standing Committee to ensure that certification takes place.

Our concern is the risk of abuse of these sweeping powers by a future Government, which should concern all of us as constitutional democratic politicians. It is right that we tried to explore that as best we could.

David Taylor: The hon. Gentleman refers to scrutiny and the comments in relation to audit. Does he believe, as I do, that the sanctions that are available in respect of

regions and authorities that are not evidencing a high standard of planning and preparedness are not exactly clear, or indeed very enforceable?

Mr. Allan: Sanctions are set out. There is a monitoring regime in clause 9 and a sanctions regime in clause 10, but the hon. Gentleman is right. Once the regulations have been introduced, that is one of the things that we will have to explore to find out exactly what will happen if a local authority fails to deliver. I think that we will all want to ask that.

It is a shame that we get the framework but not the important detail when we discuss primary legislation. I understand why that is, but there has been a gap in respect of the way in which local government will implement the measure. Sadly, we have been unable to fill that gap. We needed more debating time to go through that.

I am sure that more concerns will be raised in the House of Lords, particularly on issues to do with human rights law. There are far more expert voices than mine there. I know that many of my colleagues will want to engage with that issue and I trust that they will do an excellent job.

As the hon. Member for North-East Hertfordshire (Mr. Heald) said, the question that faces us is difficult: what do we do with the Bill tonight? We are equally disappointed that we have not had time to debate it further, but I do not think that we would argue that it should not go forward. The question is: is it better than the status quo? Our colleagues in the other place can tighten the legal framework. On the basis that we trust them to do that, we are content that the Bill should go to the House of Lords.

As I say, we are disappointed that we have not been able to manage our time in such a way that we had longer to debate things. We welcomed some of the amendments that were introduced today. We expected to welcome them in short order. We ended up welcoming them over a longer period than we expected, particularly the Scottish amendment that began the proceedings. It is regrettable that we did not get on to the questions about part 2. The long time it took to debate earlier amendments is part of the reason for that.

We will now have to leave it to colleagues in another place to deal with them. Our intention tonight, however, is not to stop the Bill going forward, because it is better than the status quo.

9.44 pm

Mr. Llwyd: It was mentioned earlier that the Bill was improved by proceedings in the pre-legislative Committee. In fact, when the Bill was in that mode, one provision said that Ministers in this place had to liaise over emergencies with those in the National Assembly—except in cases of urgency. I found that quite ridiculous—I do not know of any emergency that has no element of urgency to it—but it was changed. As the hon. Member for Kirkcaldy (Dr. Moonie) said, much more needs to be done. That is a fair summation of where we are now.

We have not had an opportunity to discuss the jurisdiction of the courts, compensation, human rights or, interestingly, the definition of an emergency. The Minister said that Liberty had assisted her and her colleagues during the passage of the Bill. I tabled a string of amendments today, which I had hoped would be dealt with. They were important amendments on the definition of an emergency—the core matter in the Bill.

Many of us spent considerable time in the pre-legislative set-up and subsequently in Committee debating the Bill, and I honestly feel angry about today's guillotine. I know that the voluntary sector, which gave copious evidence to the pre-legislative Committee, feels that it has been taken for a ride. Hardly any of its recommendations were considered for long and they were certainly not agreed to. For the first time in my 13 years in the House, I believe that I have been taken for a ride as well.

9.46 pm

Mr. Shepherd: My hon. Friend the Member for North-East Hertfordshire (Mr. Heald) said that the fight would go on. The fact is that we have not had a proper discussion of the most important part of the Bill, which affects our civil and political liberties. That is what it is all about. The House has not divided properly over the part 1 contentions of the Bill that there should be proper structures and arrangements for the civil defence of this country.

Intelligent discussion has taken place in Committee and on the Floor of the House, but as a result of the guillotine we have considered only four groups of amendments. We have not touched on part 2 at all, so we have not debated the scope of emergency regulations, the jurisdiction of the courts or the duration of the provisions. Ministerial responsibility, compensation and costs of compliance, the definition of an emergency—none of them has been discussed. All those matters are of great concern to many people outside the House and to many Members within it. Other issues include miscellaneous and consequential amendments, civil protection regulations procedure and what is called "human rights"—though I believe that it should be civil and political rights.

This democratically elected House has debated none of those issues. Because of the guillotine, it cannot debate such fundamental considerations as the scope of emergency regulations. We never touched on that in our debates, but I have profound misgivings about the scope of some of the regulations. Under clause 21(3),

> "Emergency regulations may make provision of any kind that could be made by Act of Parliament or by the exercise of the Royal Prerogative; in particular, regulations may ... provide for or enable the requisition of confiscation of property (with or without compensation); ... provide for or enable the destruction of property, animal life or plant life (with or without compensation)".

That is a fundamental contention affecting human rights. There it is on the face of the Bill, giving powers to a Minister—we shall return to that in a moment—to do away with things without compensation. We did not debate that issue.

Who can make such powers to prescribe emergency regulations? Her Majesty the Queen may do so through an Order in Council if she is satisfied that certain conditions are met.

[Mr. Shepherd]

So may a senior Minister of the Crown. However, that part of the Bill includes in the definition of senior Minister of the Crown,

"the First Lord of the Treasury (the Prime Minister) . . . any of Her Majesty's Principal Secretaries of State, and . . . the Commissioners of Her Majesty's Treasury."

[Interruption.] I hear the Whips cheering their own elevation to the status of senior Minister. We did not discuss that provision, but I would have liked to hear the justifications for why a Whip should become a senior Minister for the purposes of the Bill. If the provision were intended to give the Chancellor of the Exchequer a role, as the Second Lord of the Treasury, I would have gladly supported it. But to suggest that Whips who never speak, have no departmental experience and do not make decisions should be able to sign the order for a regulation is, on the face of it, outrageous. They do not have the experience, the weight or the authority to convey to the British public the fact that the issue is so serious and such a matter of principle that it is necessary to move regulations of great importance to our liberties and freedoms.

As the hon. Member for Sheffield, Hallam (Mr. Allan) said, the Bill has some good aspects. That is not in dispute. We do need better co-ordinated emergency services, and that is agreed on both sides of the House. The hon. Gentleman suggested that the Bill's deficiencies could be dealt with in the other place, but every Member of Parliament will have to tell their constituents how their property could be confiscated without compensation. We will have to tell our constituents why regulations that touch on our freedom from arbitrary arrest and the right to trial could be suspended by statutory instrument—not even primary legislation—and how that could be done with only 90 minutes of discussion. We tabled an amendment to suspend Standing Order No. 16, which limits debate to 90 minutes, but of course we have not reached it.

For the reasons I have given, I am in the invidious position of having to say that I will vote against this measure. I know that the Government's majority will be marshalled to vote for the Bill, as it is for whatever the Government produce and would be for any regulations made under the Bill. But how can I trust the Government when they have reduced debate to such a trivial function of this House and we cannot discuss the very things that we are sent here to discuss? I will vote against this Bill.

9.53 pm

Mr. Hogg: I support what my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) has said. Like him, I wish to focus on part 2 of the Bill. I am prepared to accept that there is much of merit in part 1, but I have focused on part 2 and, indeed, that is what I addressed on Second Reading. It is regrettable that part 2, which concerns most people most, has hardly been touched on at Report stage. The Bill will go to the other place with part 2 largely undiscussed.

The truth is that part 2 strikes at many of the rights that we value. To start with, the definition of emergency is extraordinarily wide. It includes the threat to a single life, interruption to fuel supplies, interruption to the railways and many other factors. They would all trigger the powers in the Bill, and those powers are astonishingly wide. For example, my hon. Friend mentioned the power to confiscate property without any form of compensation. Other powers include the power to impose curfews, to prohibit demonstrations and assemblies, and to prohibit political debate and public meetings.

Those are very widespread and draconian powers.

Oddly enough, the Bill does not contain a power to prohibit industrial action, which might be thought to be a useful power. Ministers may not prohibit industrial action, but they may prohibit political assemblies called to protest against that industrial action. That is a bizarre state of affairs.

My hon. Friend, who is not a former Whip, also complained about the fact that very junior Ministers—Whips—will have the powers to make emergency regulations. I share his concern. I was a Whip, and I know perfectly well that Whips know absolutely nothing about the functions of Departments, so when they state that they are satisfied as to this, that or the other, they are exclusively reliant on the advice of officials about matters of which they themselves are wholly ignorant. I regard that as an extraordinary and undesirable state of affairs.

I also object to the fact that there is no proper attempt to get consensus behind the emergency regulations. My colleague on the Front Bench, my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), sensibly tabled new clause 3, the object of which was to try to muster some consensus behind the emergency powers. His concept was a consultative committee, but I want something more than that—a majority within the committee as a necessary precondition to laying the emergency regulations, which by definition have excluded the parliamentary process.

I hope that when the Bill goes to the other place, their lordships' House will consider that issue again. Their lordships also need to focus on the question of human rights. It would be churlish not to recognise that amendment No. 93 seeks to address the human rights question, but I am not at all sure whether that is a judicable issue. The Minister has to issue a certificate to the effect that he or she is satisfied that the convention rights are protected, but it is not clear to me whether the courts can challenge that certificate. That is a matter that the House has a right to address.

In the convention—I believe that it is in the first protocol—we find the right to property. We also find the right to free speech, free assembly and so on. Yet those rights can be directly excluded by the clause 21 powers given, in principle, to Whips. We need to know whether those powers are subject to the courts' jurisdiction.

I share the views of my hon. Friend the Member for Aldridge-Brownhills. Perhaps this is a Bill that, at the end of the day, should be supported—but it is clear that the House is not now in a position to make that judgment, because we have not had ample time to debate it. We could have done so. Next week is a light week, and the rest of this week, too, is pretty light. Had the Government wished part 2 to be properly debated, there was ample time. Speaking for myself as an

individual, I consider that a sufficient reason to vote against the Bill, so if anybody calls "No" to its Third Reading, I shall be pleased to join them in that protest.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 271, Noes 0.

Division No. 186] **[9:58 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bell, Sir Stuart
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Casale, Roger
Caton, Martin
Challen, Colin
Chaytor, David
Clapham, Michael
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Charles *(Norwich S)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Heath, David
Hendrick, Mark
Hermon, Lady
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Holmes, Paul
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
O'Neill, Martin
Organ, Diana
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Roes, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Bob *(Colchester)*
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stunell, Andrew
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Thurso, John
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Tonge, Dr. Jenny
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tyler, Paul *(N Cornwall)*
Vis, Dr. Rudi
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*

White, Brian
Whitehead, Dr. Alan
Williams, Betty *(Conwy)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Worthington, Tony
Wright, David *(Telford)*

Tellers for the Ayes:
Mr. Jim Murphy and
Mr. John Heppell

NOES

Tellers for the Noes:
Mr. Richard Shepherd and
Mr. Douglas Hogg

Question accordingly agreed to.

Bill read the Third time, and passed.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Criminal Law

That the draft Criminal Justice Act 2003 (Conditional Cautions: Code of Practice) Order 2004, which was laid before this House on 26th April, be approved.—*[Jim Fitzpatrick.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Human Fertilisation And Embryology

That the draft Human Fertilisation and Embryology Authority (Disclosure of Donor Information) Regulations 2004, which were laid before this House on 4th May, be approved.—*[Jim Fitzpatrick.]*

Question agreed to.

Ordered,

That the Occupational Pensions Schemes (Winding Up and Deficiency on Winding Up etc.) (Amendments) Regulations 2004 (S.I.,2004,No.403), dated 23rd February 2004, and the Occupational Pensions Schemes (Winding Up) (Amendment) Regulations 2004 (S.I.,2004,No.1140), dated 19th April 2004, be referred to a Standing Committee on Delegated Legislation.—*[Jim Fitzpatrick.]*

Bristol International Airport

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

10.12 pm

Dr. Liam Fox (Woodspring): I am extremely grateful to have the chance to raise the important issue of the transport infrastructure surrounding the proposed expansion of Bristol International airport. I should like at the outset to express my thanks to the Parish Councils Airport Association, which represents 23 of the local parish councils and which has been extraordinarily helpful to me in my preparation for this debate.

It would be quite improper to go too much into the history of the development at Lulsgate. Suffice it to say that a very large body of opinion in my constituency has always felt that Filton is a more logical place for development, as it is situated between two motorways and has railway access to hand. That said, we are where we are. The development at Bristol has been successful from the airport's point of view; it has good facilities in the new terminal, a skilled and committed work force and ambitious management. Notwithstanding the problems that I shall refer to, those of us who have used the airport would be hypocritical if we did not welcome the increased access that it gives us to business destinations in particular.

Since the new terminal was developed at Bristol, there has been a massive expansion in low-cost airlines, an increase in demand and an increase in passenger numbers, and we now see the Government's proposed expansion of the regional airports. There is a major problem with the expansion of Bristol airport: the local road infrastructure is barely able to cope with current passenger numbers, never mind the large predicted number of passengers who would come with further expansion.

At the risk of boring the vast attendance in the House, I wish to point out one or two of the specific road details that are important.

There are no quick and easy routes to Bristol airport from the motorway network. Times vary from 20 minutes at best—it would be a very good best, I have to say—to at least an hour or two. The shortest and most direct route from the motorway network would be via a road link from the M5 at junction 20 at Clevedon, but it would be 8 miles long and have to cross open low country of high ecological landscape value. The vast majority of my constituents would be utterly opposed to that.

More reliable access is available from the M5 south from junction 22 at Burnham, which is a 15 mile journey to the airport, or from junction 21 at Weston, which is a 9 mile journey. Both pass through areas with roadside communities and small villages with speed restrictions. From the M4 north near the M32, the distance is 14 miles. That route crosses the centre of the city of Bristol, and times vary from at best half an hour to up to two hours depending on traffic. Hence traffic is signed to the airport via the M4-M5 box, which is itself very busy and congested, particularly at Almondsbury and Cribb's Causeway. Anyone who has attempted to go down the M5 on a bank holiday weekend will realise what a nightmare that stretch of the motorway can be.

The M5 north and the M4 west traffic is signed via junction 18—Avonmouth and Portway—or people can use junction 19 at Gordano. Either route is very busy and congested at peak hours. There is also congestion when passing through the A38 Winterstoke road or the A38-A370 link at Barrow Gurney, which, although a small village with a single-lane road through the middle, is one of the main thoroughfares for those seeking access to the A38 on the airport approach.

If those roads are very difficult, there are other potential access routes from the A37 via Chew Magna, Winford and Felton, again through a single-lane road in the middle of a rural village. On the other side, the increased traffic from the A370 via Brockley Coombe is resulting in increased road damage. That is an area where, as several of my constituents have pointed out, accidents are waiting to happen. Mr. Geoff Smith wrote to me to say that

"the levels of traffic are continually increasing along roads that are inadequate for the size of the vehicles and poorly maintained, all adding to the noise. The local lanes are being used as 'rat runs' to avoid the congestion on the main roads . . . Fuel tankers to the airport now use Downside Road/Brockley Coombe, this road was never built for this type of traffic. It is a miracle that there has been no serious accident."

Mrs. Valerie Blake says:

"The road surface . . . is breaking up, there are no pavements and no lighting. The banks have been eroded away with the traffic and there are ditches along the side of the road. In my opinion an accident waiting to happen."

That is a commonly held view in the area.

The only other access is from Bath near the A366 through the village of Bishop Sutton, where I live, and through the villages of Blagdon and Harptree. That is utterly unsuitable given the traffic that we already have.

Bristol airport estimates that passenger growth will rise from 4 million at present to between 7 million and 9 million by 2015. Assessing vehicle traffic growth for each increase of 500,000 passengers, and assuming that 20 per cent. travel by coach and 80 per cent. by car, it is estimated that that will lead to an extra 25 coaches and 1,000 other vehicles per day. That is equivalent to an extra 200 coaches and 8,000 cars per day on the basis of an increase from 4 million to 8 million passengers per year at the airport. I understand that the current indications—no doubt the Minister has better data than I do—are that two thirds of the airport traffic approaches from the north and one third from the south, although that may change with time.

An increase of that order could possibly just be accommodated on the A38 south—it would mean an extra 18,000 vehicles a day. However, it would be utterly impossible on the A38 north, because it would overload it with an extra 26,000 vehicles per day. That would be extremely distressing for the village of Barrow Gurney, which would completely seize up unless traffic were diverted elsewhere, because it could not accommodate an extra 15,000 or 17,000 vehicles per day.

What can be done? The M4 and the M5 around Bristol are already heavily congested at peak times and holiday periods. The A38 and the A370 are becoming increasingly busy and congested at peak times. Barrow Gurney village already suffers heavily from airport-related traffic and could not accommodate the predicted growth effectively. We await the result of the Greater Bristol strategic transport study, but access to Bristol airport is not good. A local village bypass of Barrow Gurney, possibly through the A38-A370 link road, is especially needed and every effort should be made to reduce pressure on access from the north.

Other villages that suffer access pressures, such as Banwell, should also be relieved. The problems of access through the Chew valley should be recognised. It would be a tragedy if a spot of outstanding natural beauty and tourist importance was utterly destroyed because of the attempts of traffic to get through an inadequate network to Bristol airport.

A short Adjournment debate is not the place to deal with the other issues that relate to the expansion of the airport. I shall simply say that the potential expansion of the runway—an extension that would diminish the size of Felton common—is unacceptable. When the new terminal was created, we were led to believe that the system would provide for greater business traffic and reduce dependency on overnight and cheap holiday charter traffic. If the promise were broken and the runway extended, it would be a betrayal of the good will that many people in the area showed when the new terminal was being created.

I can best summarise the position through the comments of Mr. Bob Hatherly, a constituent who lives in the village of Yatton. He wrote:

"Access to the area—I could write you a book on the problems but nothing is being done to improve the situation and because of the airport's location very little can or will be done, and at what cost, and who will pay? Not the airport I guess, Council Tax payers. Well there's a surprise!!"

We look to the Government to provide some solutions to a complex problem. They have clear policy objectives on regional airport expansion, but Bristol airport cannot expand, because of the limitations of its infrastructure, without severely reducing the quality of life of those who live in the surrounding towns and villages.

I look forward to the Under-Secretary's comments because the matter is important and causes increasing anxiety to many of my constituents.

10.27 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate the hon. Member for Woodspring (Dr. Fox) on securing the debate on an issue that is important not only to his constituency but the wider region. As he rightly says, the White Paper acknowledges, among other things, the importance of regional airports to their local economies and the importance of links to London and elsewhere. Given that Bristol airport is the largest airport in the south-west, I recognise that its importance to residents as well as the economy of the region is paramount, as he suggested.

With passenger throughput almost doubling to nearly 4 million per annum between 2000 and 2003, the impact of access to the airport is becoming a concern to local communities on the affected routes, many of which are in the hon. Gentleman's constituency. I appreciate the strong local opposition to the impact of the significant increase in traffic. I listened carefully to his case.

In responding, I want to examine the likely role for Bristol International airport as set out in the White Paper, which was presented last December, and the

[Mr. Tony McNulty]

Government's actions to deal with the specific issues that the hon. Gentleman raised in relation to airport access.

Ensuring easy and reliable access to airports that minimises congestion and other local effects is a key factor in considering any proposal for new airport capacity. The Government expect airport operators to develop appropriate access plans and to contribute to the cost of additional infrastructure or required services. Bristol International airport is actively working to fulfil the Government's requirement to produce a master plan by the end of 2004 to take account of the conclusions on future developments that the White Paper set out.

The final agreed master plan can then be adopted by the local council as supplementary planning guidance. Indeed, we shall shortly be issuing guidance on what should be in the master plans, as the plan for each regional airport will differ according to the local context. It is right and proper that each airport should come up with a master plan that shows, among other things, the infrastructure needs that follow from its plans for expansion.

As the hon. Gentleman said, the airport is some 8 miles south-west of the city centre and, although the main Bristol to Taunton rail route passes some 3 miles to the north-west of the airport, the difference in levels is about 175 m, making any conventional connection to heavy rail out of the question. He made a general point to the effect that, if we had known we were going to get to this situation, we would not have started from where we did. There are any number of airports to which that applies but, as he rightly says, we are where we are.

Strategic surface access links to Bristol airport are not as good as they are at many other airports of a similar size in the UK. The hon. Gentleman will clearly see that as an understatement and it is that issue that he is most concerned about. Links to the motorway network, which is some distance away, are via A and B roads that pass through the villages and other built-up areas that he so eloquently described. Consequently, more than 95 per cent. of passengers arrive at the airport via the unimproved A38—the majority by private car—and either park on-site or nearby, or arrive as "drop-offs".

The second most important mode of transport to and from the airport is the taxi. Bristol International Cars, the major provider, reports an increase of 17 per cent. to March 2004 to 165,518 bookings. Assuming an average of three persons per taxi, this represents some 13 per cent. of arrivals and departures. Obviously, people arriving by taxi do not generally reduce the number of vehicle arrivals at the airport, merely the demand for on-site parking.

The only significant public transport provision is the Bristol international flyer, which caters for about 4 per cent. of passengers. That coach service operates three times an hour between about 5 am and midnight, commencing at Bristol coach station and calling at Temple Meads and one other stop in south Bristol. By the by, when travelling to Bristol by rail, it is now possible to book a through ticket to the airport on the Bristol international flyer from Temple Meads station. In the 12 months to March 2004, some 140,000 passengers used the flyer to access the airport. While I accept that that was only just over 3.5 per cent. of the air passenger throughput, it represented a 20 per cent. increase over the previous year.

In keeping with other airports, Bristol has set itself a target to increase public transport arrivals, in its case, by 5 per cent. above the growth in passenger numbers. Since the latter increased by 11 per cent. to March 2004, that target was met for the last financial year, which the airport is, in part, to be congratulated on. The hon. Gentleman will be aware that Bristol city council has integrated the flyer with its showcase bus route, which provides significant bus priority measures in south Bristol as well as real-time information. The flyer has been re-routed to take advantage of the improved infrastructure.

As a result of the on-site constraints on land available for car parking, there are certain periods during the year when the on-site car park nears capacity. The hon. Gentleman is obviously aware that certain local landowners have seized the opportunity to provide long-term parking for the airport at rates that are very competitive compared with those for on-site parking. That is viewed as unhelpful in terms of encouraging the use of public transport. North Somerset council has recently been successful in taking action to close one site and is pursuing a similar action against the others. If those actions are successful, it should result in an increase in the mode share arriving by public transport, because the cost of parking on site will increase and the on-site constraints will mean that the number of parking spaces is unlikely to increase at the same rate as passenger growth.

Although everyone accepts that the increase in air travel provides a welcome boost to the local economy, the hon. Gentleman is well aware that it brings attendant traffic problems. However, there is some evidence that the airport operator's access policy is beginning to have an impact, in that despite an 11 per cent. increase in passengers in the year to March 2004, vehicle arrivals increased by only 9 per cent. However, I fully accept what he says about the poor transport infrastructure, particularly the road links.

Dr. Fox: Earlier in his remarks, the Minister said that his Department would shortly advise local authorities on the plan and planning guidance. As a point of principle, will he accept that it makes no sense to encourage airport expansion until transport infrastructure has been addressed? The current approach will exacerbate the situation. Will his Department take that factor into account when it issues guidance to local authorities?

Mr. McNulty: I am grateful for that intervention. In many cases, the approach depends on the airport. In cases such as Bristol, I freely admit that, in seeking a master plan and asking the airport to implement the provisions in the White Paper as part of its expansion, we are playing catch up, given that many regional airports grew significantly over the two to three years before the White Paper.

The master plan's purpose is to regularise growth and to identify, first, the nature of the expansion, and, secondly, how airports will work with other bodies and contribute to surface links. We cannot say to airports,

"Whatever growth there has been thus far, you can stop now until we work through this White Paper." I accept that the process contains a time lag, and equally accept that, as a result of traffic using rat runs through local villages, North Somerset council and others are under pressure to improve road access to the airport.

To that end, I recently commissioned a study into the feasibility of a link road between the A370 and the A38. The objectives of the study were threefold—to improve access to the airport, to relieve congestion in south Bristol and to encourage regeneration in south Bristol. As the hon. Member for Woodspring made clear, to improve access to the airport without having strong cognisance of how that impacts on traffic patterns in the south Bristol area is in no one's interests and is not practical.

Mr. Jonathan Sayeed (Mid-Bedfordshire) (Con): Will the Minister give way?

Mr. McNulty: With the greatest respect, if the hon. Gentleman had had the courtesy to let me know that he wanted to intervene, it would have been helpful, but on this occasion, because I feel generous, I give way.

Mr. Sayeed: I am very grateful to the Minister. I listened to the debate because I was the MP for Bristol, East before I became the MP for Mid-Bedfordshire. I know the area and recognise how pressurised local people have become because of the increase in traffic. Because the number of schemes is small, the Minister has few places to visit to see the effects of airport expansion. Will he get in the car and drive around all the villages and small towns affected, particularly around Bristol airport, to see what the increase in traffic means to the ordinary lives of ordinary people?

Mr. McNulty: I do not know whether the hon. Gentleman has been peeking in my diary, but I plan to visit Bristol shortly—funnily enough, after 10 June. If it is possible to visit the airport to discuss its plans and to get out and about to see quite what prevails in those villages, I will be happy to do so. For my sins, during the nine or 10 months before the White Paper I managed to visit about 15 airports that are, perhaps, senior to Bristol, but Bristol airport is certainly on my radar—no pun intended.

I am grateful that the hon. Member for Woodspring accepts that no simple solution exists to improve access to Bristol airport without impinging on other factors that we all hold dear and that the resolution of the problem must form part of a wider solution. The A370 and A38 study suggests that a link would, as he suggested, enable traffic for the airport to leave the M5 at junction 18, Avonmouth, to avoid the existing congestion in south Bristol. Three options were considered, two of which run fairly close to the Bristol boundary, with the other running more or less parallel to the B3130 through Barrow Gurney.

While the study showed a small saving in journey time for people travelling to the airport, none of the options addressed the other objectives—relief of congestion in south Bristol or the issue of regeneration. Consequently, it was considered that an isolated link between the A370 and the A38 would not represent good value for money. It was decided that the options for improving access to the airport should be looked at again—the hon. Gentleman alluded to that—in a more holistic way as part of the greater Bristol strategic transportation study, which commenced in November 2003 and is due to report in early summer 2005.

As the hon. Gentleman suggests, and is certainly aware, the airport faced some complex constraints. The aviation White Paper forecast suggests that by 2030 it could attract between 10 million and 12 million passengers per annum. While the existing terminal site should be able to cope with up to 8 million passengers per annum, provided that additional aircraft stands can be accommodated, beyond that, as he suggests, a second terminal south of the runway would be required, together with a runway extension to the east and extended parallel taxiway.

In that context, the hon. Gentleman is rightly concerned about the implications that such growth might have for residents in his constituency, although I understand that the number of people living under the 57 dBA—A-weighted decibels—noise contour in 1999 was about 1,000. We would expect only a very small increase in that number by 2015, even at the higher end of the growth forecasts, but I fully accept that noise contours and noise impact are but two of a whole array of impacts that the expansion could have.

With a runway extension, and our highest levels of forecast throughput, estimates suggest that by 2030 there would be no more than about 3,500 people within the 57 dBA noise contour. Similarly, there are concerns that the runway extension needed to accommodate growth over 8 million passengers per annum would require some common land to be taken, as the hon. Gentleman suggests. If that is the case, we would expect it to be replaced elsewhere. There is also likely to be some loss of green belt as a result of a runway extension and new terminal development. However, it is believed that that not would fundamentally affect the integrity of the green belt within the area and it is considered that it may, on balance, be justified by the importance of airport growth to the region's economy.

If all that sounds like extremely qualified provision, that is because it is not for me to prejudge any application that is made or what is in the master plan. Nor is it for me to prejudice any subsequent planned application. That is broadly, in policy framework terms, how such an application would be dealt with in that context.

Dr. Fox: I am grateful to the Minister for giving way again. First, he underestimates the strength of feeling against any runway extension or the reduction of the common land or green belt, which would be fought tooth and nail by my constituents and those who live in the vicinity, including me.

Secondly, I know that we do not expect major announcements of Government policy in Adjournment debates, but I would be grateful if the Minister would give the House some guidance on this point. When councils are considering planning and the strategic plan, what advice would he, through his officials, give on the relative weight that ought to be placed on having

[Dr. Fox]

necessary transport infrastructure before further expansion takes place? That, surely, is the nub of the debate.

Mr. McNulty: To return to the hon. Gentleman's first point, while it is not for me to prejudge or speculate on what will be in any planned application for the airport, neither is it my job to prejudge what reaction there might be from local communities to such an application.

The aviation White Paper makes it very clear that we would expect in all plans for expansion concomitant and commensurate plans for necessary increases in surface access to the airport. As I have made very plain, Bristol is more unusual than others in the lack of obvious substantive public transport means to improve that surface access, given its location in respect of rail and other links. I would anticipate the master plan and any subsequent application spending a good deal of time on how such service access links would be improved as part of the growth and expansion.

That is made very clear in the White Paper. It may be, although it is not for me to judge, that the Greater Bristol strategic transport study moves matters in that direction—whether to the hon. Gentleman's satisfaction or not I simply do not know, as neither of us know entirely what is in it. It is for the local council and the region, through its regional spatial strategy and regional transport strategy—which will be subsumed into the regional spatial strategy, if that does not sound like gobbledegook—to understand how all those elements fit together, not simply in relation to the airport but in terms of the broader notion of housing, employment and other strategies in the former Avon area. It is envisaged that all the scenarios developed by that study will include the predicted growth of Bristol International airport and the infrastructure required to support such a development in a sustainable and holistic manner, which also needs to be fully assessed.

I am happy that, at least for now, the airport operators and all the local councils are fully engaged in the study process, and will have due regard to the implications of the scenarios being tested, including the likely traffic implications for the road network in the vicinity of the airport. Certainly, I, and, I am sure, the hon. Gentleman will await with interest the report of such a study. I can understand not only the frustration about there being study upon study, but that, as the airport grows and develops, it requires, and his constituents require, the necessary road infrastructure and service access at least to develop alongside, if not ideally ahead of, such substantial growth and development. The airport's role is important in terms of the local economy, and I am glad that he recognises that. Let us work together to ensure that the infrastructure is what the airport and his constituents deserve.

Question put and agred to.

Adjourned accordingly at nineteen minutes to Eleven o'clock.

House of Commons

Tuesday 25 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Civil Service

1. **Mr. Brian H. Donohoe** (Cunninghame, South) (Lab): What representations he has made to other Government Departments on securing the movement of public sector jobs to Scotland following the publication of the Lyons review. [174424]

The Secretary of State for Scotland (Mr. Alistair Darling): I have made clear to other Departments the advantages that Scotland offers as a location for public sector employers and have encouraged them to consider Scotland when they review their relocation plans.

Mr. Donohoe: I thank my right hon. Friend for that answer. He will know that on 2 December I asked the same question—and got the same answer, as it happens. [HON. MEMBERS: "Consistency."] Indeed. On the basis of the time scale between then and now, I have done some analysis of the current situation and I have found that there are almost 11,000 civil service jobs in Edinburgh, and almost 9,000 in Glasgow. In north Ayrshire as a whole, there are under 900—indeed, there are 805. To make the Lyons report achievable, bearing in mind unemployment in north Ayrshire as compared with unemployment in the rest of Scotland, will he give me two things: first, will he make representations to the Treasury; and secondly, will he meet me—

Mr. Speaker: Order. The hon. Gentleman should try to secure an Adjournment debate.

Mr. Darling: I was just settling down to listen to my hon. Friend's speech, Mr. Speaker. I am grateful to him for his first point—I like to think that my answers are consistent. Since he last asked his question, the Chancellor has announced the findings of the Lyons review, and my hon. Friend is right that we need to ensure that jobs are decentralised throughout Scotland. Historically, Edinburgh and Glasgow have had a high level of civil service jobs, but there is no reason why jobs cannot go elsewhere. For example, when I was Secretary of State for Work and Pensions, one of the new pension centres was set up in Motherwell—I know that it is not in Ayrshire—with the creation of 300 jobs. That is the sort of thing that I would like to encourage.

Mr. Calum MacDonald (Western Isles) (Lab): My right hon. Friend was involved in the relocation of 70 jobs in the Department for Work and Pensions to Stornoway. Does he agree that that is a good example of the kind of relocation that is possible? Does he also agree that it illustrates that even the remoter rural areas can benefit from the job relocation process, and that they can provide an outstanding service to those Departments that relocate there?

Mr. Darling: My hon. Friend is right. Stornoway is an example of a place where an extremely efficient former social security office is now doing work for the whole United Kingdom. Some 15,000 employees of the Department for Work and Pensions are based in Scotland and many of them are doing work for the whole United Kingdom, which shows why Scotland's membership of the United Kingdom is so important—*[Laughter.]* Scottish National party Members laugh at that, but their whole reason for existence is to break up the United Kingdom. Were Scotland to separate from England, it would not just be the 15,000 people employed by the Department for Work and Pensions whose jobs would be at risk, but those of the 7,000 people working in the Ministry of Defence and of the 8,500 people working for the Inland Revenue.

Tony Worthington (Clydebank and Milngavie) (Lab): Over the next few years, the flagship project for Scotland, through Scottish Enterprise, must be the Clyde corridor project, of which Clydebank is an integral part. Great benefit could be brought to that area through the major stimulus that would come from a public sector employer investing there. I hope that the Secretary of State will sit down with the Chancellor and other important UK figures to ensure that that investment is made on a strategic basis, in which case there can be no other choice but Clydebank.

Mr. Darling: I am aware of the plans, which are already well advanced, to develop the waterfront right along the Clyde. Once they are fulfilled, they will not only transform people's impression of Glasgow but generate real jobs. I also agree with my hon. Friend about both the public and private sectors working together. That is the sort of thing that both the Government and the Scottish Executive want to encourage. That development has the potential to transform Glasgow and confirm its position as one of Britain's premier cities.

Postal Services

2. **Miss Anne Begg** (Aberdeen, South) (Lab): What discussions he has had with the Royal Mail about post office branch closures in Scotland. [174425]

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): The Scotland Office is in regular contact with Royal Mail and other key stakeholders involved in the delivery of postal services in Scotland. Such contacts are at both official and ministerial levels.

Miss Begg: I wonder whether the Minister is aware that in Aberdeen 14 post offices have been earmarked for closure—a quarter of the total number in the city. Some serious questions need to be asked about the accuracy of the information that has been presented to justify those closures. Will my hon. Friend take this opportunity to encourage Post Office Ltd. to reconsider when it is presented with evidence that shows that in some cases those branches are viable and someone is willing to take over their running?

Mrs. McGuire: I know that my hon. Friend has welcomed Government support for both rural and urban post offices. Obviously there is a particular issue in Aberdeen, of which I am aware. I congratulate my hon. Friend and other Aberdeen Members who have alerted Post Office Ltd. to some of the difficulties that may be experienced in their communities. That is one of the reasons why the consultation period is so important: it allows communities, along with Postcomm and Postwatch, to examine ways of allowing the spread of post offices to continue after the end of the reinvention programme.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Is the Minister aware that as a result of automated credit transfer, 47 per cent. of Scots no longer claim benefit through the post office? Last year 89 post offices closed, 305 per cent. more than during the previous year. It has been estimated that when the rural fund runs out in 2006, as many as 1,000 post offices will be at risk. Given that Government policy caused this calamity, what will the Government do to prevent that from happening?

Mrs. McGuire: I am astonished that the hon. Gentleman should seek to impose on individuals the way in which they collect their benefit. What we have offered people is a choice, and in fact 42 per cent. of new benefit claimants are asking for their benefit to be paid through the new card system of direct payment. Moreover, there has been a massive investment in rural as well as urban post offices. We must ensure that following the investment programme, post offices offer people the services that they want. I can tell the hon. Gentleman that closing his eyes to the difficulty will not solve the problem.

Dr. Gavin Strang (Edinburgh, East and Musselburgh) (Lab): I accept that there should be a choice, but will my hon. Friend acknowledge that automated credit transfer is a major factor in the post office closures? That means that a disproportionate number of urban closures are likely in areas of social deprivation, where a large proportion of people receive benefit. Will my hon. Friend have a word with the Secretary of State for Trade and Industry, and suggest that rather more money should be spent on modernising and refurbishing the remaining post offices and rather less should be spent on the lump-sum payments that are encouraging some postmasters to give up?

Mrs. McGuire: I understand some of my right hon. Friend's comments. The Scottish Executive have also worked with the Post Office to ensure that money is invested in post offices in disadvantaged areas, as part of the social inclusion policy. With respect to my right hon. Friend, however, let me say that we must also deal with the reality, which is that many people are choosing to have their benefits paid through a direct system. At the end of April this year, nearly 3 million people had made that choice.

We are having to deal with the reality. We need to ensure that both urban and rural post offices are brighter and better, and deliver the services that people in communities want.

Mr. Michael Weir (Angus) (SNP): Constituents of mine who have written to the Post Office about closures have received a letter saying, among other waffle,

"We are reviewing our network as a whole, so that we can move away from ad hoc closures which result in large gaps within our network and in turn implement an organised restructuring programme."

Can the Minister tell us what strategic organisation there is in a system that appears to consist of the Post Office going to postmasters and saying "We have a tub of public money with which to close post offices. Which of you wants to go?"?

Mrs. McGuire: What the Post Office is doing, with the support of Government investment and backing from the Scottish Executive, is maintaining a network of post offices throughout our urban and rural communities. I am very disappointed that Members are not willing to face the reality. We saw wholesale post office closures across the network under the last Government; what we have sought to do—*[Interruption.]*

Mr. Speaker: Order. When a question has been asked, Members should not shout back at the Minister. I may well not call the hon. Member for Angus (Mr. Weir) for some time if he continues to do that.

Mrs. McGuire: Thank you, Mr. Speaker.

What we seek to do with that investment is ensure that we have good post offices in communities, and that they are well developed. Hon. Members should start looking at what is developing, rather than demonstrating short-termism that smacks of political opportunism.

Manufacturing

3. **Jim Sheridan** (West Renfrewshire) (Lab): What steps he is taking to promote manufacturing in Scotland. [174427]

The Secretary of State for Scotland (Mr. Alistair Darling): The Scotland Office will continue to work with the Scottish Executive and a wide range of manufacturing interests on initiatives such as the Scottish manufacturing steering group.

Jim Sheridan: I thank my right hon. Friend for that response. Does he agree with me, and with the Scottish trade union movement, that if Scottish manufacturing is to stay ahead of the field we need further investment in not only research and development but employee training? Will he use his good offices to ensure that the

private sector companies that come to Scotland are encouraged to use all the excellent teaching facilities that we have in Scotland?

Mr. Darling: My hon. Friend is quite right. There are many parts of Scotland now where unemployment has fallen so much that there are concerns about getting the right number of skilled people to go and work. Yesterday I was in Dumfries and Galloway, and the Conservative spokesman for Scotland, the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan), might like to know that unemployment has fallen by 50 per cent. in his constituency since the general election—although he was saying the other day that the Government have not made a difference. My hon. Friend the Member for West Renfrewshire (Jim Sheridan) is quite right, and there are good examples in his constituency of private sector companies working in close collaboration with higher education institutions. We want to encourage that, because it is absolutely essential.

Mr. Peter Duncan (Galloway and Upper Nithsdale) (Con): How content is the Secretary of State with the fact that manufacturing and other businesses in Scotland pay business rates some 7 per cent. higher than businesses in England and Wales? Speaking hypothetically, and saying that he was to be the next Chancellor of the Exchequer, what more does he think could be done to help businesses to grow by reducing business burdens?

Mr. Darling: The policy for rates rests with the Scottish Executive, who have put in place a number of measures to reduce the rates burden that Scottish businesses face. The hon. Gentleman is quite right to say that we need to look all the time at whether we can improve the situation and reduce burdens. The Government are committed to that, but one of the best things that we have done for Scottish business is to create a strong, stable economy with low interest rates. The result is low unemployment and lower debts, and we do not have the problems that the previous Conservative Government encountered.

We also need to ensure that we create the right sort of environment in which businesses can thrive. It is interesting that more and more of the recent studies that have been published—although it is true that they do not all paint the same picture—contain a sense of optimism that Scottish business has good prospects under this Government and under the Scottish Executive.

Mr. Duncan: But the Secretary of State has missed one simple policy that could be delivered from right here at Westminster. Has he not heard the voices from across the manufacturing sector that point out the crippling effect that high fuel prices are having on competitiveness, and the resulting disincentive for operations in Scotland, where distances from the factory gate to the customer are often at their greatest? His right hon. Friend the Prime Minister entirely ducked that question last week. Will the Secretary of State now join the chorus of voices calling for the deferring of the fuel tax increase planned for September?

Mr. Darling: No. As the Prime Minister said here last week, the primary reason why fuel prices are going up is that the economies in China and America are growing, and people are restocking. That is why prices have gone up. If the hon. Gentleman does not believe me, why does he not have a word with the shadow Chancellor, who said almost exactly the same thing only a few days earlier? While he is speaking to the shadow Chancellor, the hon. Gentleman might want to have a further word with him because, at the weekend, the shadow Chancellor was revealed to be calling for even more massive cuts in public expenditure. They would amount to nearly half the Scottish Executive budget, which would have a profound adverse effect on the Scottish economy.

Mr. Duncan: One day, just for once, the Scotland Office will stand up for Scottish interests instead of letting us down. Two months ago, at this Question Time, the Secretary of State told me that he was

"in the very happy position of always being in"—[*Official Report*, 16 March 2004; Vol. 419, c. 141.]

favour of "whatever the Government" want to do. When will he make a stand on behalf of the Scottish manufacturing industry? Is it not time for him to meet the current Chancellor, in Loch Fyne or elsewhere, to demand that he reverse the fuel tax increase planned for September? When will he put Scotland's interests first, instead of the Labour party's?

Mr. Darling: The hon. Gentleman is not very good, is he? I suggest that he reflect on this simple fact: since 1997, unemployment in his constituency has fallen by 50 per cent. Why is that? It is because the economy has been growing year on year. That is why more people are in work. This Government, during the past few years, have introduced a range of measures that are helping Scottish business. As I have said to the hon. Gentleman, our biggest single achievement has been to create an economy, and the right environment, in which small businesses can grow. All that would be wrecked if the Tory party got back in, because of the policies that it is advocating—not just because it would slash public expenditure but because of the instability that would be created by the policies that the shadow Chancellor is promoting.

Rachel Squire (Dunfermline, West) (Lab): Does my right hon. Friend agree that naval and maritime work at Rosyth dockyard, the Clyde yards and elsewhere in Scotland represents a core part of Scotland's manufacturing skills? Does he also agree that work on the current naval fleet and on the future aircraft carriers is vital in securing a future for Rosyth and elsewhere? Will he use his full persuasive powers to ensure that Rosyth and Scotland get a major share of naval work, and that the core base of manufacturing skills are kept in that area?

Mr. Darling: My hon. Friend is right: defence work is very important not just to the general public sector jobs in Scotland to which I referred, but to construction. She will know that the Ministry of Defence is currently examining the way in which the contracts to build the two new aircraft carriers will be dealt with. Those discussions continue, but my hon. Friend can rest

assured that we are very aware of the importance of those contracts—and, indeed, of others—not just to Rosyth but to the Scottish economy generally.

Mr. Alex Salmond (Banff and Buchan) (SNP): On the subject of manufacturing jobs on the Clyde, has the Secretary of State seen the allegations of Mr. Martin Sixsmith, supported by evidence from GEC, to the effect that the Govan yard was saved in 1999 as a result of a deal through which the Government suspended their competition policy in return for favourable publicity in an election campaign? Now that the future of Govan to some extent—and Scotstoun to a great extent—is once again uncertain, will the Secretary of State give details of exactly what he is doing to secure those vital jobs, without the incentive of an election campaign in Scotland to concentrate his mind? And will he specifically confirm or deny—

Mr. Speaker: Order. That question is far too long.

Mr. Darling: Listening to the hon. Gentleman, one would almost think that he is sorry that jobs on the Clyde were saved. He might want to reflect on the fact that, if he were returned to power, there would be no Royal Navy, no orders for ships and no jobs on the Clyde. That would be the price of the Scottish National party.

BP

4. **Mr. Michael Connarty** (Falkirk, East) (Lab): What meetings he has attended to discuss the impact on Scotland of BP's decision to dispose of its olefins and derivatives business. [174428]

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): Scotland Office officials have kept in close contact with BP regarding the impact of their decision. My right hon. Friend and I have not taken part in any meetings.

Mr. Connarty: I am very grateful to the Scotland Office for the interest that it has shown in the management of BP. However, a strategy group meets every Friday in the plant, consisting of full-time officials and workers' representatives from the Transport and General Workers Union, the engineering workers' union and the GMB. As my hon. Friend knows, that plant has suffered more than 1,000 job losses in the past couple of years. The strategy group believes that the productivity gains that were made and the synergies that were gained by losing those jobs are about to be thrown away, should the chemicals plant be split off from the rest of the complex. Will the Secretary of State meet the trade union representatives to hear their business case for keeping the olefins plant as part of the entire complex, and run by BP workers for the benefit of the entire Scottish economy? Indeed, that could even be to the benefit of the new company that might be floated off in future.

Mrs. McGuire: My hon. Friend is a great advocate of the petrochemical industry not only in his own constituency but across the United Kingdom, and I welcome his comments. He will of course appreciate that ultimately, this is a commercial decision by the company, but either my right hon. Friend the Secretary of State or I would be delighted to meet him and a delegation of trade union leaders to hear their business case, which could be an alternative to the case made by BP.

Scottish Parliament

5. **Pete Wishart** (North Tayside) (SNP): When he last met the First Minister to discuss extending the power of the Scottish Parliament. [174430]

The Secretary of State for Scotland (Mr. Alistair Darling): I am in regular contact with the First Minister, but I have not discussed extending the powers of the Scottish Parliament with him.

Pete Wishart: I thank the Secretary of State for that very illuminating answer. The First Minister has identified Scotland's population problems as perhaps the biggest issue facing Scotland in the short to medium term, yet we remain hampered by a UK immigration policy that actively discourages people from coming here—people whom we desperately require. The First Minister's response to the situation was the announcement of his student visa scheme, which he said was a Scottish solution to a Scottish problem, but far from being a trailblazing scheme, it is a regional pilot for a general UK-wide policy. When are the Secretary of State and the First Minister going to cut through this inept Edinburgh spin and get real with this issue, and does the Secretary of State really believe that Scotland's immigration issues are best served by the current UK immigration policy?

Mr. Darling: What a load of nonsense. The First Minister has rightly identified the fact that the declining population in Scotland is a problem: it is a problem now, and it will be in the future. [HON. MEMBERS: "Why?"] "Why?" they say—simply because if we have an ageing population and a declining population, the costs increase. It is incredible that Opposition Members do not understand fundamental points like that. As I said, the First Minister has correctly identified the problem and the fresh talent initiative that he announced is designed to encourage people of talent to come to Scotland and to stay in Scotland. That should be supported and encouraged, and we certainly do so.

ADVOCATE-GENERAL FOR SCOTLAND

The Advocate-General was asked—

Devolution

13. **Miss Anne McIntosh** (Vale of York) (Con): What devolution issues she has considered since 27 April. [174440]

14. **Annabelle Ewing** (Perth) (SNP): What devolution issues have been raised since 27 April. [174441]

15. **Mr. Alan Reid** (Argyll and Bute) (LD): What devolution issues have been raised with her since 27 April. [174442]

The Advocate-General for Scotland (Dr. Lynda Clark): Since 27 April, there have been 37 devolution issues intimated to me. Twenty-four of those related to criminal matters, including pre-trial delay, self-incrimination under the Road Traffic Act 1988, regulatory fisheries offences and the use of sexual history evidence in trials. In the civil sphere, 13 devolution issues were intimated concerning sequestration, appeals to the parking appeals service and a planning decision, with the remainder relating to prison conditions.

Miss McIntosh: I am most grateful for that reply. Has the Advocate-General been asked to give her opinion on devolved and reserved matters under the Energy Bill, particularly those matters to be decided jointly between the Secretary of State for Scotland and the Secretary of State for Trade and Industry? In those circumstances, who will have the last word, and will those decisions be justiciable?

The Advocate-General: Obviously, I am not able to advise on what opinions I gave or what I advised. As to the general statutory structure, the hon. Lady is aware that both devolved and reserved matters are covered. Each decision will have to be determined on the basis of the particular circumstances, bearing in mind the specific statutory structures.

Annabelle Ewing: As Scotland's senior Law Officer at Westminster, what representations does the Advocate-General plan to make to the UK Home Secretary further to the calls last week by the church and nation committee of the General Assembly of the Church of Scotland to close the family unit at Dungavel?

The Advocate-General: As the hon. Lady recognises, what happens at Dungavel is a reserved matter and the policy issues are not for me to deal with, but for the responsible Ministers at the Home Office. Home Office Ministers are aware of the General Assembly's criticisms and will doubtless take them into account.

Mr. Alan Reid: Because of the Financial Services Act 1986, post office staff are told that they must not advise pensioners whether or not to take up a Post Office card account. However, the Government's own customer conversion centres show no such restraint as they bully and badger pensioners into taking their custom away from the Post Office. Will the Advocate-General look into the script used by the customer conversion centres to check whether they are acting legally under the terms of that Act?

The Advocate-General: I am more than happy to look into that specific issue. In general terms, however, the hon. Gentleman will be aware that it is not appropriate to give individual members of the public financial advice. That is not a matter for counter staff, but they can advise on how, procedurally, various accounts can be opened.

Ann McKechin (Glasgow, Maryhill) (Lab): My hon. and learned Friend will be aware that I raised concerns with her last month about the decision taken on the practice of slopping out in Scottish prisons. I understand that the particular case to which I referred is now the subject of an appeal. Can she confirm whether there are any other such cases pending in Scotland? Does she share my concern that, now that the practice has been abolished in prisons in England, all parties should work to eradicate this inhumane practice at the earliest opportunity in Scotland?

The Advocate-General: My hon. Friend is correct in saying that those representing the Scottish Executive have appealed the Napier case. I can also confirm that a number of new cases have been intimated to me as devolution issues. So far, they are small in number and will be dealt with in the usual way. I have not intervened in any of the new cases to date. On the general issue, my hon. Friend rightly recognised that the practice was abolished in England and the Scottish Executive have indicated that they are working towards reform in Scotland.

SCOTLAND

The Secretary of State was asked—

Postal Services

7. **Mr. Alan Reid** (Argyll and Bute) (LD): What recent discussions he has held with Royal Mail regarding postal services in Scotland. [174434]

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): I refer the hon. Gentleman to my answer of earlier today to my hon. Friend Member for Aberdeen, South (Miss Begg).

Mr. Reid: I believe in freedom of choice, and consider that pensioners should have a fair choice between taking up a Post Office card account or opting for a bank account. However, the script from the customer conversion centre of the Department for Work and Pensions is very biased. For example, the first thing that a pensioner who telephones the centre hears is, "I know that you have asked for a Post Office card account, but . . . " Staff at the centre then badger and bully pensioners into moving away from using the card account. Will the Minister look at the script and revise it to make its advice fair and unbiased?

Mrs. McGuire: I am assured by colleagues in the Department for Work and Pensions that the advice is neutral and unbiased. However, given the hon. Gentleman's comments, I will have further discussions with those colleagues to see whether the script needs to be refined.

CONSTITUTIONAL AFFAIRS

The Parliamentary Under-Secretary of State was asked—

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): Question 16, Mr. Speaker. *[Interruption.]*

Mr. Speaker: Order. Hon. Members should know better than to walk in front of an hon. Gentleman.

Community Legal Service Partnerships

16. **Dr. Naysmith:** If he will make a statement on the performance of community legal service partnerships. [175296]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. David Lammy): Community legal service partnerships have greatly improved the delivery of advice and guidance by co-ordinating the work of providers in response to locally identified need. The recently completed independent review of the community legal service enables us to build on that significant achievement by making recommendations for the future development of the partnership.

Dr. Naysmith: I thank my hon. Friend for that interesting reply. My constituency is unusual in that it spans two local authority areas. The partnerships work well in one area, but have been disbanded in the other. The voluntary sector was keen in both areas. Senior officers and the private sector in one local authority are committed to the scheme, which makes it possible to identify resources, and that has been very useful. In the other area, however, there was a lack of involvement by senior officers, and private firms were only marginally involved. Can the Minister suggest ways to encourage local authorities and the private sector to get involved? Will he perhaps make some funds available to start the process when need is identified?

Mr. Lammy: I know that my hon. Friend does excellent work with the advice sector in his community, but I remind him that we spend £900 million on civil legal aid in this country. Also, I refer him to the Matrix review, the first review of the CLSPs, which makes a number of recommendations. It welcomes the establishment of the CLSPs, but it also calls for the appointment of an executive director to give them greater coherence. Other recommendations are the adoption of a three-year strategy and a programme board. I am considering those recommendations, and will be happy to discuss the matter further with my hon. Friend.

Mr. David Kidney (Stafford) (Lab): Does my hon. Friend the Minister accept that the first stage of the CLSPs has been a success, in that a full geographic coverage has been established, but that we must now make the second stage of the process a success? That is, we need to tie in more firmly all those partners that must co-operate. They include voluntary sector agencies, private legal service providers and, crucially, local government. What is being done to tie in local government and secure its commitment to the success of the CLSPs?

Mr. Lammy: We now have 99 per cent. coverage across the country, which is a tremendous improvement on the situation of three years ago. At that time, people did not know where the resources were, it was not possible to refer people for advice, and there was no quality benchmarking process for the advice that people received. However, further progress remains to be made. We must ensure that there is greater coherence and definition, and that involves working more closely with local government.

House of Lords Reform

17. **Mr. Andrew Turner** (Isle of Wight) (Con): If he will make a statement on the Government's policy on the powers of the upper House. [175297]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): The Government remain committed to reforming the second Chamber, but to proceed in the present climate of determined opposition in the Lords would crowd out the current legislative programme. Nevertheless, the Government will return to the issue in our manifesto, and I hope that we will gain a consensus on reforms that would maintain the supremacy of the House of Commons and ensure a proper revising role for the second Chamber.

Mr. Turner: I thank the Minister for that reply. Just as the design of a car differs from that of an aeroplane, because they have different functions to perform, should not the design of the House of Lords depend on the functions that the Government have in mind for it to perform?

Mr. Leslie: Most hon. Members would agree with the notion that the House of Commons should be supreme in the final decision-making process and, therefore, that the powers of the House of Lords should follow that overriding principle. The Lords has a revising function, but any change to increase the legitimacy of the second Chamber would need to maintain the balance that we already have.

David Winnick (Walsall, North) (Lab): If, as my hon. Friend says, the House of Lords is a revising Chamber, why should it have any powers of delay? If it is to have such powers, they should be for a maximum of three months. The present delaying period is far too long and gives too much power to the unelected second Chamber.

Mr. Leslie: My hon. Friend clearly believes that the House of Commons should be supreme, as do I. It is important that the second Chamber can exercise revising functions, including asking the Commons to reconsider. However, that has to be a reasonable power, exercised in a reasonable manner.

Mr. Jonathan Djanogly (Huntingdon) (Con): Was not the replacement of the hereditary principle with the hybrid hereditary and crony principle only ever meant to be a short-term answer? The total failure of the Government's policy of Lords reform has destroyed the legitimacy of any plans that they may now have to vary the powers of the other place.

Mr. Leslie: I welcome the hon. Gentleman to his new role on the Front Bench and congratulate him on his appointment. He raises the issue of the hereditary peerage. The Government still believe that we should get rid of the hereditary peerage, but unfortunately we met considerable opposition in the second Chamber that could have jeopardised the whole legislative programme, especially if Conservative and Liberal Members ganged up and blocked all the other good measures that we want to introduce. We will rightly

return to the issue and ensure that we introduce reform that squares the supremacy of the Commons with extra legitimacy for the second Chamber.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is not evidence mounting daily that the transitional arrangements are becoming too permanent? There is little incentive for Government to reform an upper House to make it more effective. Does my hon. Friend the Minister believe that there is sufficient political will to achieve that reform, and will he consider deleting the present powers of the House of Lords to veto secondary legislation and, at the same time, incorporating a power for it to veto or substantially delay constitutional reform?

Mr. Leslie: There is certainly the political will on the Labour Benches to reform the second Chamber. It is possible to find a solution and reach a consensus on the issue. We have encountered opposition from the Conservatives and Liberals in the other place. We hope that they will start to act in a more grown-up and mature manner so that we can find a consensus on the issue. I live in hope.

Mr. Paul Tyler (North Cornwall) (LD): The Minister has just heard another complaint about the House of Lords being unelected. Do the Government now accept that it would be folly to tinker with the powers of the other place unless and until it is prepared to face up to the need to make it more democratic and representative and to tackle the issue of its composition?

Mr. Leslie: The hon. Gentleman has a point to the extent that composition should be dealt with at the same time as the roles of both Chambers. It is important to maintain Commons supremacy, but a change in the legitimacy of the second Chamber may have a de facto impact on its role and functions. We will need to bear that in mind when we reach the final stage of reform, as I am confident we will.

Sir Patrick Cormack (South Staffordshire) (Con): Is not the best way of securing the supremacy of this House to ensure that the other House is never either wholly or partly elected?

Mr. Leslie: That may be one option, but other people may feel that the second Chamber needs to be more connected with the public at large, although not as supreme and as much of a final decision maker as the House of Commons. The hon. Gentleman has his views and other hon. Members have theirs; I think that it is possible to find a solution to the issue.

Supreme Court

18. **Mr. Andrew Robathan** (Blaby) (Con): If he will make a statement on the potential for political interference in the (a) funding of and (b) appointment to the proposed supreme court. [175298]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): The Government's proposals are specifically designed to minimise any possibility of political interference in either the funding of the supreme court or appointments to the supreme court.

Mr. Robathan: Has the Minister seen the comments made by Lord Hope of Craighead in his written evidence to the Lords Select Committee? He was particularly interested in funding and pointed out that the Law Lords' running costs are currently met by the parliamentary vote, over which the Treasury has no control, and that that insulates the Law Lords almost entirely from interference by the Executive. He said:

> "At present, the executive cannot lay a finger on the work that the law lords do. In an uncertain world, this is a vital guarantee of judicial independence where it matters most which our history has bequeathed to us, and I do not think that it should be given up."

Those are the comments of a very senior former judge. Will the Minister comment on them?

Mr. Leslie: I have seen those comments. Indeed, the Select Committee in the other place has been looking into many issues relating to how we might fund a supreme court in a way that preserves its independence. Yes, we want as much independence as we can possibly give, but we are talking about taxpayers' money and the House of Commons has to vote that money from our electorate, so at some level there must be a degree of accountability for the spending of taxpayers' money. That is not to say that we cannot find a way of having independence in the system, and I am sure that a solution can be found as the debate continues.

Keith Vaz (Leicester, East) (Lab): Does the Minister not agree that, although there should be no political interference, there has to be political involvement in the whole process? That is the only way that we can achieve accountability to Parliament. Will he confirm that, in the ongoing discussions about the new supreme court, the higher judiciary are being kept informed of the Government's proposals? Far too often over the past few weeks, very senior judges have criticised the proposals, yet we know that there is an ongoing dialogue between the Lord Chancellor, other Ministers and the judiciary. Will the Minister confirm that they are all being kept fully informed and that they consent to the changes that are taking place?

Mr. Leslie: My hon. Friend is right. We need to ensure that we have that dialogue and partnership with the judiciary in the reforms that go ahead. Of course, there will be differences of opinion, and different ideas and solutions will be suggested, but at the end of the day I hope that we can gain consensus and see the Constitutional Reform Bill approved by the other place and brought to this House as soon as possible.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): Does the Minister recognise that not only the funding but the staffing of the Appellate Committee of the House of Lords are entirely protected from the Executive, because the Committee is part of the House of Lords, and that it will be necessary to write into the Bill a much clearer arrangement to protect the funding from the Executive and to give the court designated officers who are not themselves part of the Executive?

Mr. Leslie: The right hon. Gentleman is the Chairman of the Select Committee whose report we shall debate in more detail in Westminster Hall on Thursday—I am just advertising that for other hon. Members. We shall be looking into how we can improve independence of funding, although I have to point out that the Department for Constitutional Affairs, as a UK Department, is capable of providing that level of ministerial accountability for taxpayers' money. That is an important principle because, ultimately, Parliament has to account to our electors for a resource that is procured from them.

Democratic Processes

19. **Mr Adrian Bailey** (West Bromwich West) (Lab): What steps the Government are taking to ensure wider participation in the democratic process. [175299]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): The Government have taken several significant steps to encourage wider participation in the democratic process: for example, introducing citizen education in schools; combining this year's local and European elections on the same day; making voter registration easier; and piloting all-postal voting.

Mr. Bailey: I thank the Minister for his reply, and I applaud the measures that have been taken. Does he agree that improving participation in the democratic process is a matter not merely of making voting easier but of engaging people and enthusing them from an early age? What steps is the Department taking, with other Departments, to engage people in the political process, especially young people?

Mr. Leslie: The work of the Department for Education and Skills, with our Department, has proved particularly successful—not least because citizenship education has been part of the national curriculum for the past two years, as a compulsory subject for 11 to 14-year-olds, which is intended to improve political literacy and social responsibility, and awareness of wider community issues and how decisions are made locally and nationally. That is a major step forward, which over time will produce greater awareness and participation among all our citizens.

Mr. Andrew Mackay (Bracknell) (Con): Does the Minister accept that, for the first time for a very long time, many of my constituents will be enfranchised to vote in the local elections on 10 June? Many of my constituents leave home before 8 o'clock and often do not get back until after 9 o'clock. Why on earth cannot polling stations in local elections always open at 7 am and close at 10 pm? If that is good enough for European elections and elections to the House, surely it is good enough for local elections. Would we not then have greater participation?

Mr. Leslie: The right hon. Gentleman makes a very reasonable point. There is a strong case to standardise opening hours for polling stations—something that the Electoral Commission has recommended. We do not have a legislative vehicle at present for that, but I will certainly bear in mind the strong case that he makes.

Mr. Gordon Prentice (Pendle) (Lab): I have not met many hon. Members who are in favour of compulsory voting, but has the Minister considered rewarding people who vote, perhaps by tweaking their tax code or by giving a modest increase in benefits if they are benefit recipients?

Mr. Leslie: Perhaps the greatest reward that we can give to our electors is a Labour Government, providing quality services to a consistently high standard. I hope that that reward will continue long into the future.

Mr. Alan Duncan (Rutland and Melton) (Con): One of the merits of our traditional system was its simplicity—people would just put a cross on the ballot paper and the person with the most votes won. The trouble is that the system has become very complicated, which is probably turning people away. Let us just consider London on 10 June: people can vote for the London Mayor, under a supplementary vote system, where they express a first and second preference; they can vote for the London assembly, with an additional member system, by voting for a candidate in an additional, top-up party list; and they can vote for the European Parliament with a closed party list. So they have five votes with three completely different systems—without the added complication of whether to vote in person or by post. Surely that growing complication, with a multiplicity of voting systems and methods, is causing a lot of disapproval and misunderstanding. Is it any wonder that people say, "Stuff the whole thing—we're not going to bother to participate at all."?

Mr. Leslie: I was hoping that the hon. Gentleman would ask me about the d'Hondt mechanism for counting results, but he did not get round to that one. I recognise the likelihood that some areas will have several different ballot papers in June's elections, but I would caution his underestimating of the electorate's intelligence and their ability to cope with such things. Most people can manage to understand that they have a ballot paper, that they cast their vote and that they see the results when those ballots are counted. That is the nature of our democracy at present.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend—sorry, hon. Friend; I have promoted him. [HON. MEMBERS: "In time."] Does he agree that we might achieve greater enthusiasm for the democratic process if the editors and owners of certain tabloids refrained from frequently commenting unfairly on hon. Members?

Mr. Leslie: I have found that most newspapers tend to be very fair and reasonable with politicians, and I have great relations with many of them, but my hon. Friend has concerns about certain of the red-top tabloids. All I can say is that the House needs to keep a close eye on the truth in matters that relate to hon. Members.

Lay Magistracy (East Anglia)

20. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet members of the lay magistracy in East Anglia to discuss the workings of the local justice system. [175300]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): Although I have no current plans to meet representatives of the lay magistracy in East Anglia, I am, of course, ready to do so if that would prove useful.

Mr. Bellingham: It may well prove useful. Is the Minister aware that most of the lay magistrates whom I have met feel very let down by the Government? They feel undervalued, unwanted and unappreciated and they are concerned about the number of court closures. What would he say to lay magistrates today to boost their morale and improve their standing? In addition, will he confirm that there will be no more small court closures?

Mr. Leslie: On the latter point, there have been no court closures this year, in contrast to the closure of 21 magistrates courts in the last year of the Conservative Administration. I believe that the best way to secure high morale among magistrates is to reiterate how much we, on both sides of the House, value them. They are volunteers who provide a good, solid and continuous service in the administration of justice, and I, for one, am very grateful for the work that magistrates do.

LEADER OF THE HOUSE

The Leader of the House was asked—

Standing Committees

30. **Dr. Alan Whitehead** (Southampton, Test) (Lab): To ask the Leader of the House if he will submit plans to the Select Committee on the Modernisation of the House of Commons to simplify papers for standing committees. [175289]

The Leader of the House of Commons (Mr. Peter Hain): I am aware that some Members find the form and number of Standing Committee papers unhelpful. The Modernisation Committee is considering the accessibility of the House's publications in its current inquiry on Parliament's engagement with the public, which includes the form of the papers provided for members of Standing Committees.

Dr. Whitehead: Does my right hon. Friend accept that, in many ways, the present arrangements for Committee papers resemble the form-guide sketch from the Marx brothers' "A Day at the Races", in that one needs four documents—the Bill, the explanatory notes, the list of amendments tabled and the Chairman's selection of amendments—to understand what is going on? Does he have any proposals on methods whereby all those documents could be combined, for perusal by both the public and Committee members?

Mr. Hain: The Procedure Committee is also considering the matter. I understand my hon. Friend's point. The Modernisation Committee has held a number of evidence sessions with members of the public in which that point has been repeated, especially by visitors who are attending a Standing Committee for the first time. We need to address the issue, but pulling the various papers—the Bill, the explanatory notes, the amendment paper, the selection list, the background papers, Library notes, and so on—into one document would be difficult and perhaps costly. None the less, simplifying the process should be a common objective.

Mr. Oliver Heald (North-East Hertfordshire) (Con): May I suggest one way of improving papers for Standing Committees—a sort of modernisation, perhaps even a tidying-up exercise? [HON. MEMBERS: "No!"] One or two of my hon. Friends say no, but should not the Opposition be allowed to publish explanatory notes with key amendments on the Committee amendment paper?

Mr. Hain: That is taking modernisation very far indeed. Were the hon. Gentleman ever to find himself in government—which is unlikely, despite his being a nice fellow—he might take a rather different view.

Mr. Peter Pike (Burnley) (Lab): Does my right hon. Friend agree that the evidence taken so far by the Modernisation Committee makes it clear that Standing Committees are the least understood part of our proceedings? It is evident to me as a member of the Chairmen's Panel that Members often do not understand how amendments are selected and how their amendments will be voted on if they choose to press them to a vote.

Mr. Hain: Of course, selection of amendments is not a matter for the Leader of the House, but my hon. Friend underlines the point made by my hon. Friend the Member for Southampton, Test (Dr. Whitehead) that the procedure in Standing Committees is baffling to visitors. On the other hand, members of Standing Committees deal with highly complex aspects of Bills that will become law, and such matters have to be dealt with seriously and technically in order to conform to the legislative requirements. We have to get the balance right, but I am sure that it has to be struck in favour of greater clarity and openness and a more welcoming atmosphere for visitors to the House.

Mr. Paul Tyler (North Cornwall) (LD): Does the Leader of the House accept that the Modernisation Committee has evidence that not just Members and visitors but people with a direct interest in the legislation who may be affected by the outcome find the whole procedure unintelligible? Does he accept that we need to look seriously, for example, at the timing of advance notice of issues that are coming up in Standing Committee? We must, as the hon. Member for Burnley (Mr. Pike) said, look hard at the way in which Select Committees have improved their procedures and made themselves much more intelligible to everybody with an interest in those matters.

Mr. Hain: Yes, indeed. Select Committees have done an admirable job in that respect. As for the serious issue of people knowing what is coming up, I assume that that is a vote for programming, which enables us to do that. For the interested groups to which, I assume, the hon. Gentleman was referring indirectly, and which may have a direct stake in legislation, knowing what day an issue will be discussed in Committee and at what time is a tremendous benefit of programming. The hon. Gentleman's wider argument, however, is generally very welcome.

HOUSE OF COMMONS COMMISSION

The honourable Member for Roxburgh and Berwickshire, representing the House of Commons Commission, was asked—

Smoking

31. **Mr. Gordon Prentice** (Pendle) (Lab): To ask the honourable Member for Roxburgh and Berwickshire, representing the House of Commons Commission, if the House of Commons Commission will ban smoking in the Members' Tea Room. [175290]

Sir Archy Kirkwood (representing the House of Commons Commission): The Catering Committee makes recommendations on smoking in Refreshment Department outlets, including the Tea Room. I am sure that it would be happy to receive views from hon. Members, particularly the hon. Gentleman. As a good employer, the Commission discourages House staff from smoking, but it is also keen to protect them from the effects of passive smoking.

Mr. Prentice: That is a good reply. I do not consider myself a health fascist in any sense, but the time has come to protect our staff and Members themselves from passive smoking. In addition, there is not a single sprinkler in the building, so this world heritage site could easily go up in flames. I hope the Catering Committee will turn its attention to this serious matter.

Sir Archy Kirkwood: Most members of staff and most Members are non-smokers, but not all of them, so we must bear that in mind. Many smoking restrictions have been put in place, where practicable, on a case-by-case basis, but the hon. Gentleman's question is timely, and it may well be time for the Commission to look at the question of smoking in the Palace precincts in a fresh light. I am happy to consult colleagues and report progress to the House.

Julie Morgan (Cardiff, North) (Lab): Is the hon. Gentleman aware of the study published by Imperial college last week that showed that every week passive smoking kills about one person working in the hospitality industry? That obviously affects our staff in the Tea Room as well as Members, so does he not agree that now is the time to act?

Sir Archy Kirkwood: Absolutely. We are conscious of that study presented at the Royal College of Physicians, and it is an important development. Passive smoking is emerging as a new health risk in the workplace more generally, so it is right that the House should recognise that and look at the issue again.

LEADER OF THE HOUSE

The Leader of the House was asked—

Select Committees

32. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): To ask the Leader of the House, what proposals he has to ensure greater representation of minority parties on departmental Select Committees. [175291]

The Deputy Leader of the House of Commons (Mr. Phil Woolas): My right hon. Friend the Leader of the House is aware of the concerns of minority parties about their representation on departmental Select Committees and on other Committees. Progress has been made in addressing their concerns in a number of ways: for example, by accommodating their interests in the nomination for recent Joint Committees for pre-legislative scrutiny, and for Standing Committees on Bills and on Delegated Legislation.

Mr. Llwyd: I thank the Minister for his reply, but it did not address the question that I tabled on departmental Select Committees. At the moment, Labour is over-represented by three Members and the Liberal Democrats by two Members, but Plaid Cymru and the Scottish National party are under-represented by two Members, which is not right in any democratic set-up. What progress has been made on giving us a place on the Liaison Committee?

Mr. Woolas: I thank the hon. Gentleman, and I accept that his concern is genuine. I could quibble over his arithmetic, but his general point is a valid one. I urge him to bear in mind the fact that Committees are established at the beginning of a Parliament, and the rules are set out in Standing Orders. I remind the House that the previous arrangement, whereby the minority parties were represented by the Liberal Democrat Chief Whip, was changed at their instigation, and that that is now done by the Government Chief Whip, who is involved in discussions on the matter.

33. **Ms Meg Munn** (Sheffield, Heeley) (Lab/Co-op): To ask the Leader of the House if he will submit proposals to the Select Committee on the Modernisation of the House of Commons to open the House to visitors on Saturdays. [175292]

The Leader of the House of Commons (Mr. Peter Hain): The Modernisation Committee has considered the accessibility of the House to visitors as part of its inquiry into connecting Parliament with the public. The question whether the House should be open to visitors on Saturdays is also a matter for the Administration Committee, in the first instance, and for the House of Commons Commission.

Ms Munn: I thank my right hon. Friend for his answer. Although Sheffield is less than 200 miles from

London, the travelling time ranges between three and five hours. Even when the House sits at 2.30 pm, many of my constituents find it difficult to arrive in time for a proper tour around the House. Constituents throughout the United Kingdom, many of whom live much further away than Sheffield, should have more opportunities to visit the House, with or without their MPs.

Mr. Hain: I understand the force of my hon. Friend's argument, because my constituency is a similar distance from Parliament, and visitors travelling by coach have to set off at about 5 am. I am pleased by the way in which the new visitors' services manager has taken on that question—for example, we have agreed an earlier 9 am start for tours, and Member-guided tours starting at 8 am are being planned. He also ensures that, where possible, priority for tour slots later in the day is given to those travelling from constituencies furthest away from Westminster. Given the security implications, however, whether it would be cost-effective and sensible to open on Saturdays is an issue. Owing to the efforts of the Central Tours Office, numbers on Member-guided tours in the first three months of this year have increased by 9,500 over the equivalent period last year.

Regulation of Hormone Disrupting Chemicals

12.31 pm

Geraint Davies (Croydon, Central) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision about the regulation of hormone disrupting chemicals; and for connected purposes.

Every year, millions of tonnes of toxic chemicals, which do not break down, which build up in the bodies of people and animals and which disrupt hormone production, are released into the environment, increasing cancers and infertility and causing mental and physical problems in children and adults and contamination across the ecosystem. We may accept the growth in chemical production from 1 million tonnes in 1930 to 400 million tonnes in 2000—the chemicals are used in plastics, toys, computers, food packaging and manufactured products—but the continued use of dangerous or risky chemicals is unacceptable where safe substitutes exist.

The Bill calls for the phasing out of persistent chemicals that do not break down and for the substitution of safer alternatives. Such chemicals are bio-accumulative and build up in the body, and they are also endocrine disrupting and therefore cause hormone imbalance. The Bill precedes the REACH legislation on chemical regulation, which will be proposed in the European Union next year. In our year of EU presidency, I hope that the UK takes a leading role in sharpening up the protection of our environment and in adopting a precautionary approach based on the best scientific evidence in order to eliminate dangerous chemicals from manufacturing.

The scale of the problem is great—300 man-made chemicals are found in the human body. Babies are born with a toxic burden of chemicals inherited from their mother in the womb, and those chemicals affect hormone production in the ovaries, the testes and the thyroid gland, causing cancers and genital deformities and reducing the immune system. Such chemicals are present in polar bears in the Artic, in tree frogs in tropical rain forests and in seals off the coast of the United Kingdom. Unlike drugs, chemical manufacturers do not even have to show that such cocktails of toxic chemicals are safe before marketing them.

Hormone disrupting chemicals are endemic in toys, cabling, food packaging, feeding bottles, tins, cleaning products, food and water. I pay tribute to WWF and the Co-operative bank for bringing the issue up the political agenda, partly through their advertisements, which ask the simple question, "Why should chemicals usually found in the manufacture of carpets, curtains, sofas and cleaning products turn up in the bodies of polar bears?" The answer is, of course, that such chemicals go through the whole ecosystem and end up causing damage throughout the world.

In recent years, the incidence of testicular cancer has grown—in fact, it has doubled in the past 30 years—and breast cancer has increased by 50 per cent. Research now links hormone disrupting chemicals to some of those problems. Man-made chemicals have been linked to learning disabilities and hyperactivity. Polychlorinated biphenyls—PCBs—in mothers are transferred in pregnancy to babies, giving rise to lower birth weight, poorer reflexes, delayed movement, retarded mental development, and language, verbal and numeracy difficulties. They also give rise to learning and memory problems in adults.

Brominated flame retardants are found in human breast milk. In Britain, we have the sad record of our butter having a higher concentration of brominated flame retardants than any butter in the world. Yet those chemical products can be removed, as they are, in the manufacturing sector by the Swedish company IKEA.

We need to consider the additional cost that not having such a ban imposes on the health service in terms of treating allergies, cancers and skin disease. Professor David Pearce has estimated that that saving could be in the order of £50 billion over the next 17 years or so.

We need to establish which chemicals should be substituted, based on the level of evidence and proof, which will vary from chemical to chemical. In the first instance, we must take a unilateralist approach to listing the harmful chemicals and beginning to eliminate them. That is what has occurred in Denmark, Greece, Germany, France, Finland and Austria. Ultimately, we need to use European Union legislation to phase out completely all persistent and bio-accumulative hormone disrupting chemicals where safer alternatives exist. We owe it to ourselves, our children and our planet to respect the safety of our environment and of future generations.

Question put and agreed to.

Bill ordered to be brought in by Geraint Davies, Siobhan McDonagh, Laura Moffatt, Ms Dari Taylor, Mr. Alan Campbell, Andy Burnham, Julie Morgan, Mr. Alan Meale, Syd Rapson, Mrs. Betty Williams, Donald Anderson and Mr. Andrew Love.

REGULATION OF HORMONE DISRUPTING CHEMICALS

Geraint Davies accordingly presented a Bill to make provision about the regulation of hormone disrupting chemicals; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 16 July, and to be printed [Bill 114].

Orders of the Day

Gender Recognition Bill [*Lords*]

As amended in the Standing Committee, considered.

[Relevant documents: The Nineteenth Report from the Joint Committee on Human Rights of Session 2002–03 on the Draft Gender Recognition Bill, HC 1276-I and II, and the Fourth Report (HC 303) and Twelfth Report (HC 603) from the Committee of Session 2003–04, on its continuing scrutiny of bills.]

New Clause 1

RELIGION

'(1) If a court's determination of any question arising under this Act might affect the exercise by a religious organisation (itself or its members collectively) of the right to freedom of thought, conscience and religion, it must have particular regard to the importance of that right.

(2) In this section "court" includes a tribunal.'.—*[Mr. Leigh.]*

Brought up, and read the First time.

12.38 pm

Mr. Edward Leigh (Gainsborough) (Con): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss amendment No. 1, in page 9, line 37, at end insert—

'(ha) the disclosure is made between officials of a voluntary organisation which is also a religious organisation, in connection with its functions, and is necessary to,

(a) comply with the doctrines of the religion, or

(b) avoid offending the religious susceptibilities of a significant number of the religion's followers.'.

Mr. Leigh: I rise to speak to these two proposals, which stand in my name. I am delighted to say that my hon. Friend the Member for Daventry (Mr. Boswell), who is the Conservative Front-Bench spokesman, has put his name to them, as have five Labour Members, including the right hon. Member for Swansea, East (Donald Anderson) and the hon. Member for Bootle (Mr. Benton), several of my Conservative colleagues, a Liberal Democrat Member—the hon. Member for South-East Cornwall (Mr. Breed)—and an Ulster Unionist Member, the hon. Member for Belfast, South (Rev. Martin Smyth).

That breadth of support shows that they are genuinely cross-party amendments because this is not a party political issue, but a question of religious freedom. Religion is not the preserve of any one party and it is appropriate that concern for freedom of religion should be shared by politicians from all parties.

The amendments tackle the two main issues that were raised in a legal opinion, dated 23 March, which James Dingemans QC prepared. Hon. Members may remember that he was counsel to the Hutton inquiry. First, he states that the Bill contains scope for "divisive and costly litigation" against churches. Churches are bodies of limited means and one can imagine that the prospect of any sort of litigation concerns them gravely.

The Bill creates scope for transsexual people to take legal action against a church that refuses to recognise them in their acquired gender. Clause 9 declares that a man who persuades a gender recognition panel to grant him legal status as a woman becomes a woman "for all purposes". If a church refuses to recognise that, he may sue that church.

Some ridiculous legal cases have already been brought against churches. We are not inventing a worry about something that does not exist. The most well-known case is probably that of a transsexual man called Bill Parry, who sued a Baptist church in south Wales because it would not let him attend the ladies' prayer meeting. In paragraph 30 of his opinion, Dingemans states:

"It appears from the reports of the debates that the Government view is that such challenges should fail. Although . . . it seems to me that that should be the result—

I emphasise the words "should be the result"—

"the cases are likely to occupy considerable time and divert the resources of the Churches into litigation."

The new clause seeks only to address the problem and to make matters crystal clear.

Secondly, Dingemans says that the criminal offence against disclosure in clause 22 breaches freedom of religion. Clause 22 makes it an offence for an officer of a voluntary organisation to disclose the birth sex of a person who has a gender recognition certificate. A place of worship constitutes a voluntary organisation. In paragraph 21 of his opinion, Dingemans refers to the example of a Roman Catholic priest who would break the law if he disclosed to his bishop that a male candidate for ordination was a female-to-male transsexual. Such information would obviously be of interest to the bishop.

Another example is that of a curate who discovers that a marriage candidate is a transsexual and knows that his vicar, who disagrees with transsexualism, is unaware of the matter and is about to perform the marriage. The curate would commit a criminal offence if he said anything to the vicar. A private conversation between the curate and the vicar or between the priest and his bishop could be a criminal offence under the Bill.

We have held such debates previously and the Government said, "Don't worry—the curate just has to ask permission." However, the transsexual lobby called for the offence. They and the Government say that privacy is paramount and one understands some of the reasons for that. What if the transsexual refuses to give consent? The Government put the clergy at the mercy of the transsexual person who may sue. The Government's assurance works only if they can guarantee that 100 per cent. of transsexuals will give consent. Even if 99 per cent. do consent, what about the 1 per cent. who may not? What is the curate to do in those circumstances? He could place himself in contempt of the Bill.

Dingemans says that, to protect religious rights, the Bill must

"permit disclosures necessary to allow the religious organisations to regulate themselves in accordance with their religious beliefs."

That is all that we seek to do. I am not trying to impose ideas on anybody outside the church groups. I simply want to allow the religious groups to regulate themselves. That is all that amendment No. 1 would achieve.

Chris Grayling (Epsom and Ewell) (Con): Does my hon. Friend agree that perhaps the most inalienable human right is the right to act according to one's conscience and not to be called to act against it? However far one might wish to go to protect the rights of individuals who face difficult and challenging circumstances, doing that at the expense of the conscience of others is unacceptable.

Mr. Leigh: That is all that we are trying to achieve. We are not attempting to impose any religious views on anybody else. Surely it is axiomatic in a free society that religious groups should be allowed to conduct their affairs in the way that they wish. People have fought and argued for that for generations. We may not agree with their views, and some people might hold those views in contempt or find them extreme, but those religious groups must have the right, in a free society, to conduct their own groups according to their own beliefs, albeit without imposing their views on anyone else.

12.45 pm

Mr. David Kidney (Stafford) (Lab): I am genuinely concerned about this issue. Does the hon. Gentleman acknowledge the disagreement in the 12th report of the Joint Committee on Human Rights with the learned QC's general opinion, along with the success of the hon. Gentleman's argument on the narrower point about an exemption for people wishing to pass on information to the clergy, who can then have the benefit of the conscience clause in refusing to perform a marriage ceremony? Would the hon. Gentleman regard it as a satisfactory outcome if the Government were to grant that lesser exemption?

Mr. Leigh: The hon. Gentleman is quite right. I am glad that he has raised that point because I was about to come to the Joint Committee's report, which concludes that the only exemption necessary to protect religious rights is for Anglican clergy conducting marriages, and that it should be legal to tell them a person's birth sex so that they can exercise their right under the Bill to refuse to conduct the marriage. The hon. Gentleman has made a fair point and I hope that the Minister will also respond to the Joint Committee on Human Rights. I hope that he will tell us what he intends to do about this because it is very late in the day to be putting things into the Bill. The Joint Committee of the House of Commons and the House of Lords agrees with Dingemans in this respect.

I want to be entirely fair with the House, however, so I must point out that—as the hon. Gentleman mentioned—the Joint Committee disagreed with Dingemans's reasoning on other points, although it does not give a detailed consideration of its arguments. I have consulted Dingemans on this report, and I am afraid that we get into rather complicated legal arguments here. The very fact that those complex arguments exist proves that this might be fertile ground for litigation. We have to accept that lawyers disagree on this—as they do on many things—and that it is therefore possible that a church could be taken to court. The church could win the case in the end, but it might have to spend some of its limited resources in doing so.

Mr. Michael Fallon (Sevenoaks) (Con): If learned lawyers disagree on which article of which convention should prevail, surely the best thing to do would be to get the statute right in the first place. Does not that make the case for my hon. Friend's new clause?

Mr. Leigh: That is all that I am seeking to do. I will deal with Pepper *v.* Hart in a moment, and with the rights of Ministers, however distinguished, to make subsequent orders, but it is terribly important to get the Bill as clear as possible when we are legislating in these complex and difficult areas.

Dingemans says that the view of the Joint Committee rests on the assumption that the transsexual's article 8 right to privacy "trumps" the article 9 right to freedom of religion. The report says that

"in any balancing exercise against the practice of enforcing uniformity amongst the members of a religion, the Article 8 rights must prevail."

Mr. Dingemans points out that this approach is wrong within the terms of the European convention on human rights, because article 17 forbids an individual or a state from using a convention right to destroy or overly limit other convention rights. Article 8 cannot therefore be said to trump article 9 in the way implied in the Joint Committee report. I know that that might confuse some hon. Members and I have been struggling with it myself this morning, but it shows some of the problems that we face and illustrates why it is important to clear them up.

Mr. Tim Boswell (Daventry) (Con): Does my hon. Friend agree that the context in which these conflicting rights are to be exercised is also important? That is referred to in the contrary legal opinion. It is one thing to exercise a right to privacy at home, as it were, but it is another thing to participate in a public act such as attendance at a place of worship.

Mr. Leigh: Yes. The right to privacy, as Dingemans makes clear, is very strong. It is stronger the closer one is to one's own home environment. As one goes out into another environment—perhaps into a church group—so the article 8 right is eroded. But these are complex and quite new areas of law that are being developed all the time, as my hon. Friend well knows.

I shall deal with the detail of the amendments in a moment, but first let me anticipate, as we have had some of these debates before elsewhere, some of the objections that hon. Members might have. Let us be clear that the amendment is not about religious bigotry. I do not believe that an amendment that dealt with religious bigotry in any sense would be supported by experienced Members such as the right hon. Member for Swansea, East or the hon. Member for Bootle.

I often mention the Plymouth Brethren when I speak in the House about religious liberties. It is a fact, Mr. Speaker, that the Plymouth Brethren would not let you or me anywhere near one of their services—not unless we changed our religious beliefs. They certainly would not let us take communion, and they would not even let us near their Sunday school class. Most hon. Members, and perhaps all hon. Members, would be excluded from their group. That is their right. We may think their views are extreme, but they have that right in our free society. They are a religious community. We may not agree with their views, but we accept that they have the right to hold their views.

In moving the amendments, my concern is to protect religious freedom. The Bill touches on highly controversial ethical matters, about which there is considerable disagreement in society at large. Within religious communities the views—the disagreements—are even stronger. It is true that many very good Christians have no strong views about the matter. It is equally true that many other equally valid Christians do have strong views about whether a man can become a woman. That is not to say that they want to be nasty to transsexuals. They believe, although the House may not agree, that it is their duty to reform them. They want them to repent, just as they want me to repent. But if a transsexual walks through the door of a church, they would welcome them as they welcome all people. That is what they are there for: to welcome people and, they believe, to share the gospel with them. Very few churches in the country would turn away a transsexual from visiting the church.

What if the women in the church have a prayer group in which they may discuss intimate female issues? Why should they be carted off to the High Court for refusing to allow someone to attend that female prayer group whom they have known as a man for the past 30 years? Why should that happen to those ladies? Some disagree with the views of such ladies on the issue. They think those churches are wrong. That may be a perfectly valid point of view. Some—I will deal now with this point, which I think is a very unfair point—compare their views with racism.

I believe that comparing the views of those church groups with racism is wrong—indeed, scandalous. The law says, rightly, that one cannot refuse a person attendance at a prayer meeting for being black. That law was never opposed by any churches. I have never heard of any church group in the United Kingdom that would want to keep a black person out of any meeting whatever. Christianity is a cross-racial religion. There are more black practising members of Christianity than there are white members, and many churches in the UK are living examples of racial harmony.

The reason racism is wrong, and has always been wrong, is that one cannot choose one's race. There is no element of moral choice in the matter, so one's race says nothing about one's character. However, choosing to embark on an operation to change one's sex may or may not be right, but it may be in some people's view a controversial decision. It is certainly a moral issue. Because it is, in the view of some, a controversial and a moral issue, it is surely right that members of religious groups should be entitled to their views.

Lynne Jones (Birmingham, Selly Oak) (Lab): Until the hon. Gentleman began his latest point, I thought he moved his amendment very sympathetically and I agreed to a considerable extent with what he said. I hope that the Government take on board the issue of religious conscience. However, when the hon. Gentleman speaks about a women's group discussing intimate physical matters, I wonder what that has to do with religion. When he talks about people exercising choice, the point about transsexual men and women is that they do not feel that they have a choice. They feel that their correct gender is the gender to which they want to be reassigned.

Mr. Leigh: I accept that that is the view of transsexuals and that there is a debate about these matters. However, there are some people in Christian communities or in some churches who hold the views that I was presenting. They may or may not be right, but that is not the issue that the House must address today. The hon. Lady may hold the views of those people in contempt, if she wishes. I am not asking her to make any judgment of them. I fully accept that many transsexuals believe they are trapped in the wrong body and that for them it is not a moral or controversial case—it is simply righting some kind of physical wrong.

We can discuss all these issues later on Third Reading. I am dealing with the narrow point of how particular people should conduct their own affairs and their own meetings. Contrary to what the hon. Lady believes, many people in this country believe that there is a moral choice involved. Should we as the House of Commons impose our views? I accept that the Bill is supported by those on all the Front Benches and will become law in wider society. The only question we are considering in this narrow set of amendments is whether we should impose the general law on the particular circumstances of religious groups conducting their own private meetings. That is all we are talking about.

Mr. John Bercow (Buckingham) (Con): My hon. Friend will not be surprised to know that I am rather perturbed by the general thrust of his remarks. If the House, on what is undoubtedly a controversial issue, reaches a judgment on what it thinks is the appropriate human rights treatment of transsexuals, surely it is both wrong in itself, and a dangerous signal to send in relation to other potential legislation, that people, whatever their private views, should somehow be allowed to opt out of the legal and human rights judgment that the House has made.

Mr. Leigh: The answer is that people are not opting out. The Bill will become law. A man will be allowed to become a woman and his birth certificate will be changed. In all respects in society—getting a job and going about his or her daily business—if she was a man who is now a woman, she will be a woman. Is my hon. Friend really saying that when we are dealing with people who have particularly strong moral or religious views we should override those views not in society as a whole, but in their own private meetings and in their own church?

Mr. Bercow *indicated assent.*

Mr. Leigh: If my hon. Friend really believes that, it is a deeply illiberal point of view.

Rev. Martin Smyth (Belfast, South) (UUP): Liberal or not, the harsh reality of life is that when the state has sought to interfere in the internal affairs of church bodies, there has been constant persecution. If the hon. Gentleman's new clause is not pressed through, it will lead to tension that the country should not have to face. Since 1647, the state has had no rule in the internal affairs of the Church of Scotland.

Mr. Leigh: We would all agree that the last thing we want to do is return to the controversies in the House in

[Mr. Leigh]

the 16th and 17th centuries. We want to keep out of all that. We want nothing to do with what people do in their own churches.

Mr. Bercow *rose—*

Mr. Leigh: I give way to my liberal Friend.

Mr. Bercow: I thank my hon. Friend for giving way. Over the past five years I, in common with many other Members, have been accused of many things. I do not think I have been accused of illiberalism until now, but there is always a first time. May I put it to my hon. Friend that what he is arguing, in reasonable and measured terms, is that people should have a right, because of their convictions, to exclude from their private gathering a person or people of whose status they disapprove? That would provide a dictionary definition of intolerance, and intolerance should be inimical to anyone with a religious commitment.

1 pm

Mr. Leigh: I have already said that I cannot think of any—or many—churches that would exclude a transsexual from their services. Being a Christian is about welcoming everybody, even people of whose past, morals or anything else one might thoroughly disapprove. But there may be a case that may not be entirely unreasonable. I have already mentioned the real case of the ladies in the Baptist church in south Wales—incidentally, the judge finally came down on their side, and they won the case. Were they being entirely unreasonable in saying, "We are a group of ladies, sitting in a private meeting, and discussing intimate female matters. We know that this chap has been man for the last 30 or 40 years, and we would prefer him not to attend our meeting"? It is ridiculous that they should be carted off to the High Court simply for saying that. They were not excluding this man from anything else. My hon. Friend's argument is too wide. Let us return to the narrow point that this House should not, under any circumstances, impose its views on private religious meetings.

The new clause borrows without modification the wording of section 13 of the Human Rights Act 1998, on which I hope all Members can now agree. Section 13 was introduced by this Government in response to religious liberties concerns about the effects of the Act. The wording draws attention to the scope for a clash between religious and other rights. Religious rights are often overlooked, so it reminds the court—that is all the amendment does; it is very narrowly drawn—to pay particular attention to those rights when resolving any dispute affecting a religious group. If some religious group were in certain circumstances acting completely unreasonably, I presume that it would fall as foul of my amendment as of the Bill as drafted. The wording could not be more modest: it simply places in the Bill an acknowledgement that applying this new law in a religious context could affect religious liberties. It seeks to ensure that rights are not ignored, which will help to deter vexatious litigation against churches under the Bill. It will give churches that are sued an extra legal argument that they can use.

I know that the Minister will say that there is no need for the amendment. Funnily enough, he will not use many of the arguments used by my hon. Friend the Member for Buckingham (Mr. Bercow). He will say that his lawyers have advised him that churches would win any cases brought against them under the Bill that try to change their doctrinal beliefs on transsexualism. He will say that the Bill does not add to anti-discrimination law, and that a transsexual will be no more likely to succeed in suing a church after the Bill's enactment than before it. I will happily give way now to the Minister if what I am saying is completely different from what he intends to say, but I assume that that will probably be his argument, and that he will not use the wider philosophical arguments that my hon. Friend the Member for Buckingham deploys with such skill. He will say that our concerns are sensible, but we should not worry because the Bill does not add to anti-discrimination law.

I say, I think my hon. Friends say, and I know Mr. Dingemans says, that this Bill changes the legal landscape. It says that a man can become a woman in law. How can the Minister be so sure that that fundamental change will not have an effect on the courts? In 1648, the Earl of Pembroke, when a Member of the other place, said that a Parliament can do anything but make a man a woman and a woman a man. Parliament is doing precisely that today. That is why this is an important legal landmark. If Parliament is making that decision, with which the amendment does not argue, it is wrong for the Minister to say that that important legal landmark will not change the legal landscape and open up the possibility of litigation.

Lynne Jones: The hon. Gentleman is wrong when he says that Parliament is making a man a woman and vice versa. Parliament cannot do that—neither would it be right for it to do so. In this Bill, Parliament is rightly recognising the personal and human rights of people who, through no fault of their own, find themselves trapped in the wrong gender, and wish to have their correct gender recognised.

Mr. Leigh: That is entirely right. Parliament cannot do that, and from the hon. Lady's point of view, what it is doing is recognising a medical fact. But it is still an important decision, and to argue that it does not change the legal landscape and that it does not open up the possibility of litigation—especially given the opinions of different lawyers to which I have referred—is to be unduly optimistic. I say that to the Minister in advance of what will no doubt be a convincing speech.

James Dingemans QC says that the Bill will lead to costly and divisive litigation against churches. He agrees that the churches should win in the end, but points out that that will divert their resources into litigation. Furthermore, he says that leaving things that way breaches religious rights. Even if they win, churches may be unable to reclaim their costs against a claimant who is legally aided. Where are they expected to get £100,000 for a Court of Appeal case? It cannot be right to leave the Bill in this state.

Let me deal with Pepper *v.* Hart. In the other place, Ministers offered Pepper *v.* Hart statements to clarify that the Bill was not intended to restrict church rights. Pepper *v.* Hart was a legal ruling that ministerial

statements could be used when there were drafting ambiguities in the law, and when the drafting of legislation left something to be desired. It was a retrospective solution to drafting inadequacies. Surely we cannot and must not come to the stage at which Ministers refer to Pepper *v.* Hart in advance of a Bill becoming an Act, saying, "Don't worry, the Bill does not need to be entirely clear. I am now giving a Pepper *v.* Hart statement. Lawyers in future can refer back to my remarks, so what I am saying should give reassurance to churches." Should we not try to make the legislation watertight before we reach that stage?

Mr. Fallon: Surely the point about Pepper *v.* Hart is that, whereas it may influence the courts and the decision that they make in any litigation, it will not prevent that litigation. The fact that the Pepper *v.* Hart precedent has been set, and that these ministerial statements have been made, will not prevent the churches from incurring the expense.

Mr. Leigh: Precisely. Pepper *v.* Hart is an aid to litigation: it does not prevent it.

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. David Lammy): Does the hon. Gentleman accept that this place can never stop litigation, but that it prescribes certain circumstances in which judges may stop litigation? We have regulations related to vexatious litigants, we have costs orders, and the Legal Services Commission has the power, under the sufficient benefit test, not to fund a particular case. In many circumstances, across the legislation that the House passes, judges and courts have the power to stop vexatious litigants or cases that have no merit.

Mr. Leigh: Why, then, did Mr. Bill Parry succeed in suing that church in south Wales, forcing it to incur costs by going to the local county court? Although the judge found in its favour, he said that it would have to pay half the costs—several hundred pounds. That may be nothing to a company, but to a small Baptist church in south Wales, it is quite a lot of money. Of course, the Minister is right, but given the views that we have had from various lawyers, it is not entirely clear to me that judges would in all circumstances stop such litigation. Whether such litigation is vexatious is a value judgment, and the view could be taken that it was not vexatious.

Mr. Lammy: I would simply say that this is a matter for the independence of the judges, and that the case that the hon. Gentleman mentions was conducted in the absence of the Bill, which has not received Royal Assent. Clearly, if a claimant were legally aided, one would expect the Legal Services Commission to make a judgment on the merits of future cases if a series of cases had been unsuccessful.

Mr. Leigh: That may or may not be true in the context of legal aid. We cannot say with any certainty that the commission would always reach that view, and the plaintiff might not be legally aided.

I do not see why such a moderate new clause, which simply quotes existing human rights legislation, cannot be incorporated in the Bill, to save the churches all this trouble. It would make things so much easier.

Chris Grayling: Probably relatively few church groups would feel able to go as far as the litigation process. Unless reassurance along the lines proposed by my hon. Friend is written into the Bill, it will constitute a huge risk. How many would take the chance? The financial downside of losing would be enormous.

Mr. Leigh: That is probably realistic. Most would have to cave in, although some would want to fight because they rightly or wrongly believe that this is an important issue for them.

Amendment No. 1 simply adds a further instance in which disclosure of a person's birth sex will not be a criminal offence. There are already exceptions for pension companies, and for other purposes. Currently, under clause 22, if one bishop tells another that a priest who has moved to his diocese changed sex, he will have committed a criminal offence. The amendment remedies that obvious anomaly.

In earlier discussions, some have rightly pointed out that the clergy are used to being discreet, and have claimed that such an exception is not necessary. But even the most discreet priest will have occasion to disclose personal matters about worshippers to his fellow clergy. That may be necessary to avoid problems in the church.

Let us use the Labour Whips Office as an example. The Whips are used to this distinction. We would all deplore it if the Whips gossiped about our private lives—of course they never do that—but what if a Labour Member is about to be promoted to a ministerial post, and one of the Whips is aware of some enormous crisis that is about to break in his personal life? Of perhaps that never happens either. It would surely be irresponsible of the Whip not to give some indication of that to those who are deciding whether to appoint him. The same might apply to the appointment of a new volunteer or member of staff in a church. If the church has strong beliefs about what it means to be male or female, it would cause enormous offence to appoint a new leader of women's ministries, only for it to emerge later that she used to be a he, and is the father of three children.

Others compare privacy over a sex change with privacy over abortion. Could a minister disclose the fact that a woman in the church had previously had an abortion? The answer is, under present law, yes—and in certain circumstances, some members of the clergy might consider it appropriate where someone might be asked to provide pregnancy crisis counselling, and that would not currently constitute a criminal offence. Why should talking about an abortion be legal and talking about a sex change be illegal? Do we really want this to be a criminal offence?

It is interesting to compare the Bill's treatment of religion with its treatment of sport. Sport is big business, of course. It is an industry with a huge amount of money and a huge amount of influence, political and otherwise. In popular culture, it is much more important than religion. When sporting bodies wanted an exemption from the Bill, they got their way. The Government originally said that they had nothing to worry about, using arguments similar to some that we may hear today; but when those bodies continued to press for an exemption, the Government gave way. The financial rewards for winning meant that the issue had to be addressed. What concerned the sports industry was that

[Mr. Leigh]

some man somewhere might consider dramatic surgery to enable him to become a winner in female events. The Government have allowed sports groups to discriminate against transsexuals when it is necessary to protect competitive sport.

We simply want churches to have an equal right to decide their affairs when they sincerely believe that it is necessary to protect their religious doctrine. There is a lot of concern about this in religious communities. Today's Report stage is our last opportunity to amend the Bill. I hope that the Government will look on the amendments sympathetically, and that they will allow their supporters a free vote so that we can reach a considered decision.

1.15 pm

Mr. David Drew (Stroud) (Lab/Co-op): It will not take me long to make my point.

I was with the hon. Member for Gainsborough (Mr. Leigh) for about half his speech, but the second half made it a bit more difficult for me to agree with him. If a group feels uneasy about being joined by someone on the basis of gender, I see that not as a religious issue but as an issue of people's feeling that their own inclination could be affected.

I thought that the hon. Gentleman was entirely right about conscientious objection. Some of my church leaders have approached me expressing their unease. If we are to produce statute, it would be helpful if we got it right at the outset rather than assuming that it will be improved in due course by custom and practice and further legal challenges.

As always, we have been provided with helpful notes. The hon. Gentleman was magnanimous enough to say that—bar the point that I am about to raise—the Joint Committee on Human Rights did not support his legal opinion, although it did support his view on protecting the clergy's rights in terms of conscientious objection in the event of advance disclosure of an issue that could arise in a particular church. The Joint Committee said that, in relation to marriage, that should not be an offence, but it could be covered by secondary legislation. Is that the Government's opinion? I understand that they are likely to clarify their general approach today, but I should like to know specifically why such a provision should be introduced in secondary legislation.

I would not pretend to have any legal knowledge—I am anything but a lawyer—but I feel that secondary legislation is by nature a weaker form of protection than primary legislation. If it is argued that this question can be covered suitably by secondary legislation, I shall want to know why. I shall also want to know when the secondary legislation will be introduced in what the hon. Gentleman described as the likely event that the Bill is passed today and goes on to become law. It is not unusual for secondary legislation to be somewhat delayed, which would give someone an opportunity to test the provision in the courts.

There are a few questions that need to be answered very quickly to put the minds of some of us at rest. We should like the problem over conscientious objection to be overcome, in the context of more general human rights issues to do with the wider community; but that must be done in this Bill and at this time, because otherwise we could leave too much to risk.

Richard Younger-Ross (Teignbridge) (LD): When I started to listen to the hon. Member for Gainsborough (Mr. Leigh), and looked at the wording of the new clause, I had some sympathy with what he was trying to achieve. Such questions were raised on several occasions during our deliberations in Committee, and the Minister made it very clear that this issue was not a problem. He put the case that nothing was required and that what was feared could not happen.

I think that all of us on the Committee, like the hon. Member for Stroud (Mr. Drew), received representations from members of our Churches and faith communities who had concerns, having seen the QC's interpretation of the legislation, and fears about how the Bill might be interpreted. I hope that the Minister will take account of those fears and concerns, recognise that they are genuine and perhaps consider whether there is any way in which some of the clauses could be tweaked slightly to allay them.

I hope that the Minister will explain why he will reject the new clause. I hope that he will reject it because it is a rather heavy-handed way of trying to deal with a perceived problem. It sets out to change primacy in legislation. There would be a great risk if we accepted an amendment to the Bill that said that religious freedom and the faith of a Church had primacy over everything else in the Bill—which is effectively what the new clause would do. I am not saying that that would necessarily affect other legislation, but my fear would be where we would stop. Would we then say that there should be similar clauses in other legislation?

Chris Grayling: Is the hon. Gentleman saying, then, that Parliament should not be minded to take religious views and principles into account? He appears to be saying that Parliament should not see itself as constrained by those issues.

Richard Younger-Ross: I refer the hon. Gentleman to my opening comments, in which I said that the Minister should take account of those concerns in the legislation and how it is drawn up. However, in my view, we cannot make an amendment that would give primacy to a Church or set of beliefs over all other aspects of legislation. The new clause would set a precedent of giving the Church—or faiths—primacy over legislation, and human rights legislation in particular. Human rights legislation is designed to protect us all in matters other than just those covered by the Bill. If we accepted this new clause, it would be argued that such amendments should be made to other legislation, in other fields.

Dr. John Pugh (Southport) (LD): Does my hon. Friend accept that human rights legislation covers precisely those rights of freedom of thought, conscience and religion?

Richard Younger-Ross: This new clause would put the freedoms, thoughts and rights of that faith over human rights legislation.

Dr. Pugh: I can see no mention in the new clause of any specific faith. It simply mentions general rights, which as I understand it are general human rights.

Richard Younger-Ross: I wonder whether we are getting on to how many angels can dance on the head of a pin. The purpose of the new clause is to change the legislation to give primacy to those Churches over the Bill's clauses. If that were not the case, there would be no purpose in the hon. Member for Gainsborough moving the amendment.

Mr. Bercow: May I help the hon. Gentleman?

Richard Younger-Ross: I should be grateful.

Mr. Bercow: May I put it to the hon. Gentleman that the charge against the new clause moved by my hon. Friend the Member for Gainsborough (Mr. Leigh) is slightly less exacting and severe than that which the hon. Member for Teignbridge (Richard Younger-Ross) has levelled, but that it is nevertheless significant? The charge against new clause 1 is not that it would render the rest of the Bill null and void, but that it would deny to transsexuals the principle of equality of treatment that underlies the Bill, and which is its raison d'être. It is mightily difficult to envisage precisely what paragraph (b) of amendment 1 would mean in practice.

Richard Younger-Ross: I take the point. I am not trying to make the charge against the hon. Member for Gainsborough that he is trying to undermine all human rights legislation. I would not say that, but to deny transgendered people those rights under this Bill undermines the very reason for the Bill itself, in the context of a particular group and society. There are exclusions in the Bill, which we have debated and accepted. The question is how far we go in accepting exclusions.

Chris Grayling: Will the hon. Gentleman give way?

Richard Younger-Ross: I want to make some progress, but I shall give way one more time.

Chris Grayling: I am grateful. Will the hon. Gentleman encapsulate for the House at what point he believes that the legislature should or should not override the conscience of individuals in order to secure the human rights of others?

Richard Younger-Ross: How long will we be staying here tonight? There are some general points in the Bill that I hope will clarify that, although I accept the point. It is very difficult to know where to draw the line, but we have done that in other cases.

Mr. Bercow: Will the hon. Gentleman give way just once more?

Richard Younger-Ross: I am too generous.

Mr. Bercow: The hon. Gentleman's generosity of spirit invariably gets the better of him, and today is no exception. It was very good of him even to start to answer the tortuous essay question that my hon. Friend the Member for Epsom and Ewell (Chris Grayling) posed. I put it to the hon. Member for Teignbridge that the gravamen of the issue is this: respect for some people's rights should not extend so far as to allow them to practise their rights if that violates those of others. Granting the respect for rights that my hon. Friend the Member for Gainsborough has in mind would do damage to the rights of others. That is the unacceptability of the proposition.

Richard Younger-Ross: The hon. Gentleman puts the matter extremely clearly and concisely, in his own impeccable way. I was going to put it differently, but he has encapsulated the point beautifully.

I want to continue in my way on the consequences of the new clause. The hon. Member for Gainsborough referred to Christians not excluding others. I wish that that were the case. It might be that in this country, the Christian Churches do not exclude others—because, in effect, of the legislation that we have brought in over the years to stop such discrimination. Not so long ago that was not the case, and we would not have to go very far to find other countries where some Christian Churches have excluded others for all sorts of reasons. There have been exclusions on mental health grounds, on grounds of colour and on grounds of gender. That has all happened in our lifetimes, and happens in other parts of the world today.

Andrew Selous (South-West Bedfordshire) (Con): Will the hon. Gentleman give way very briefly?

Richard Younger-Ross: Go on.

Andrew Selous: I am most grateful to the hon. Gentleman; he was generous in Committee and he is being generous again now. Is not the nub of his argument that, as far as religious organisations are concerned—let us not forget that they are what the clause is talking about—he is trying to say that secular, humanist, human rights-based law should have precedence over a concern for freedom of religion?

Richard Younger-Ross: I have to tell the hon. Gentleman that that law does have precedence. Laws that we have passed already affect how churches can act. That does not affect religious thought or what people think, but it does affect their actions. There are a number of examples of that. However, we are diverging into other areas. Let me come to the nub of my point, and then the hon. Gentleman might catch Mr. Deputy Speaker's eye and be able to put his arguments. Perhaps he himself will be generous in allowing interventions on those points.

1.30 pm

The essence of my argument is that the hon. Member for Gainsborough was wrong: there is discrimination within Christian Churches, and I make that point as a practising Roman Catholic. All is not always rosy in the religious garden. Much has been made of how my own faith treated unmarried mothers in Ireland, denying them basic human rights. Today, all of us—including even the Roman Catholic Church—would accept that that was an appalling way to behave. This legislation deals with other discrimination issues, and I hope that in passing it—as we doubtless will—we will protect people who have been discriminated against for centuries.

[Richard Younger-Ross]

That brings me to my second argument with the hon. Member for Gainsborough. He used the word "choice"—as if one wanders downstairs in the morning, looks in the mirror and suddenly thinks, "I want to be a woman today." That is not how it happens. There was an excellent recent television series about intersexual people: those whose gender is determined by doctors at birth for hormonal or chromosomal reasons and who are thereby denied a choice at an early stage in their life, and who then decide that the doctors got it wrong, and that the gender that they wish to be is not the same as that to which they were assigned at birth.

My hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris)—he sends his apologies for not being here—is a doctor, and perish the thought that I should do a disservice to doctors by saying that they make mistakes, but the fact is that they do. *[Interruption.]* Apparently, my hon. Friend is here but has just left the Chamber; he was late arriving because his train was delayed. A number of mistakes were certainly made so far as intersexual children were concerned, as the television series to which I referred demonstrated perfectly well.

One can go further. Who knows how the brain works? We still do not fully understand how it works. Who understands what triggers a person's brain—often at the very young age of three, four or five—to decide that they are in a body of the wrong gender. *[Interruption.]* I welcome my hon. Friend the Member for Oxford, West and Abingdon back to the Chamber. We do not know at what stage such things happen. We do not know precisely what causes a person to decide that they are of the wrong gender, and that they wish to adopt the gender that they consider has always been theirs. Such people have the mind of a woman but happen to have the body of a man, or vice versa. Who is to determine what happened to them, and whether the cause was hormonal or chromosomal?

Andrew Selous: In the interest of informing the House, it would be remiss of the hon. Gentleman not to point out that some transsexual people—I understand that that is the correct term to use if we are not to cause offence—move from one sex to the other and back again. So it is not always the case that their sexuality is predetermined from birth.

Richard Younger-Ross: The hon. Gentleman makes a fair point—

Mr. Deputy Speaker (Sir Michael Lord): Order. This is not a general debate on these issues; we have a specific new clause before us, and the hon. Gentleman should address his remarks to it.

Richard Younger-Ross: We shall doubtless return to the issue mentioned by the hon. Member for South-West Bedfordshire (Andrew Selous) at a later date, Mr. Deputy Speaker, but before I finish I should like to make two points. If the new clause is accepted, every member of a faith community will be able to know that a person is transgendered, yet it would be an offence for anyone outside that community to know that information. That is an impossible situation and it is not practical. In my view, it would be totally wrong to pass legislation that allows small sections of a community to be informed of a matter about which those outside it cannot be informed.

Reference has been made to the Bill's sports exemptions. Under the terms of that new clause, a transgendered person who wanted to take up a sport that relates specifically to their new gender would be unable to do so in certain circumstances. The new clause makes such provision because such a person would perhaps be consciously choosing to take up that sport in the knowledge that they enjoy the physical advantages of their formal birth gender. One of the Bill's purposes is to prevent others from knowing such things, and to enable such people to go through their lives without everyone knowing their history and pointing at them. To enable everyone in a church community to know that a person is transgendered is to deny that person access to that community. That is a profoundly un-Christian and ungodly thing to do.

Mr. Alan Hurst (Braintree) (Lab): I shall not detain the House for long as I simply want to discuss a fairly narrow issue that was raised by a curate in my division, the Rev. Malcolm Peters of St. Michael's church, Braintree. First, I understand that a concession has been made in the Bill, in that clergy of the Church of England and of the Church in Wales will no longer be obliged to perform a marriage if the applicants for marriage fit the necessary requirements. Secondly, if the curate came to know in his official capacity that he was dealing with a transsexual person and he declined to marry them, it would of course be open to the applicant to move on and to apply to the rector or vicar. As matters stand, the curate is prohibited from notifying his vicar or rector of the position.

The new clause and amendment of the hon. Member for Gainsborough (Mr. Leigh) seek to cure that problem and, indeed, to go wider. The difficulty is that they go too far. Under the terms of amendment No. 1, it would be necessary to

"comply with the doctrines of the religion",

but in certain Churches there are divided views as to the doctrine on this matter. The Church of England in particular would have a problem, given that a number of its bishops were in the forefront of promoting the Bill in the other place. The definition of "doctrines of the religion" would be very difficult to define.

Amendment No. 1 also refers to "religious susceptibilities". I am not certain what a religious susceptibility is, and again, no definition is provided. However, the greatest problem is caused by the amendment's reference to the religious susceptibilities

"of a significant number of the religion's followers."

Are followers communicants, members of the Church in question or those who attend a certain number of Sundays a year? The term "follower" needs to be defined before we can consider what constitutes "a significant number". Is a significant number half, three quarters or two thirds? The amendment is defective because it seeks to spread itself too widely.

The approach should be that of the fiduciary relationship. Does an official trusting relationship exist between, for example, the curate and his vicar, or between the vicar and his archdeacon and bishop? If it

is possible to define the parameters of a trusting relationship between Church officials, an appropriate provision should be drawn up, so that such information can be passed on. If such a provision went much further and the church warden and the head of the Sunday school were notified, there would be no end to the process, and such information would become the tittle-tattle of communities, particularly small ones. That would completely undermine the whole purpose of the Bill, which is to allow those who move from one sex to another to do so with dignity and privacy.

I would support the new clause and amendment of the hon. Member for Gainsborough if they were more narrowly defined. I fully accept that we should deal with definitions now if we possibly can, and I shall be interested to hear the Minister's comments at the end of the debate. As has been said, the power already exists for the making of subsequent orders, in order to define further categories to which disclosure can be made. However, we should think hard and carefully about what those categories should be, so that we preserve both the spirit of the Church concerned, and the privacy and dignity of the person with whom it is dealing.

Chris Grayling: I want to say a few words in support of new clause 1. Given all the concerns about this section of the Bill—probably voiced to most hon. Members by local Church or religious groups—the approach that my hon. Friend the Member for Gainsborough (Mr. Leigh) has taken in the new clause is eminently sensible. It sends a clear signal of intent from this place to the courts to enable them to form the right judgments in the event of these matters coming before them. One hopes that such cases will be few and far between.

I read closely and with interest the work of Dingemans, which should be a totemic reference point for the House. It is a piece of work carried out by one of our leading QCs. It offers legal advice of which we should be mindful and it will undoubtedly have an influence if these matters are brought before the courts. One section of Dingemans' work— paragraph 17—jumped off the page at me. It states:

> "Religious rights have a 'primordial place' in a democratic society and the 'pluralism indissociable' from a democratic society depends upon religious rights. It is not the function of the Courts (or the legislature) to judge the acceptability of the religious views (even if the Judge or the members of Parliament are members of the same religion) if the religious views have attained a sufficient level of cogency. Indeed, as the views become less accepted by modern society as a whole, the greater becomes the burden on the Courts and legislature to protect them."

That is a safe set of words, of which we should be mindful in considering these matters.

My hon. Friend the Member for Gainsborough is right about the risks that exist when a leading QC takes a view with which the Government may disagree. Those who have considered the Bill may disagree with it, but it is there, on paper, and it comes from a leading legal authority. My hon. Friend is right that it may give rise to debate after the Bill has been passed and it may form one part of the subsequent arguments in the courts. It is surely beholden on the House to ensure that we do all that we can to get it right and to send the right signals about our intent to those who will examine the provisions in the courts. We must not end up leaving it to the courts to interpret our motives in the House. If we do, individual Church and religious groups may incur huge expenses in going through the process.

Mr. Bercow: Unlike my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), I rarely become agitated, but I am bound to say to my hon. Friend the Member for Epsom and Ewell (Chris Grayling), who read out learned counsel's views as though it were a conclusive commentary affecting the result of the debate, that he should take great care not to conflate and confuse legal judgments with political judgments, the latter being our responsibility. There is a difference between people of a religious faith holding views and being allowed to take actions reflecting those views, which damage other people's rights. That is the gravamen of the argument here.

Chris Grayling: But we should all be mindful of the points that Mr. Dingemans makes. Both we and the courts have a duty to be mindful of the consciences, views, beliefs and rights of people in our society. It is important to protect the rights of all involved in the process—an important point sincerely put earlier—but that argument works both ways. Although we are duty bound to look after the rights of a small set of individuals in our society who face real problems—there is much in the Bill to be welcomed—we also have a duty to ensure that in protecting the rights of those individuals we do not trespass on the inalienable rights of others. It is a difficult balance to strike. I put my dissertation question to the hon. Member for Teignbridge (Richard Younger-Ross) and he is right to say that it is a difficult line to find, and it is not always easy for us to do so.

Mr. Bercow: I am grateful to my hon. Friend for giving way again. He used the word "inalienable". Does he believe that it is the inalienable right of one person to kick another person out of a meeting because the person doing the kicking out disapproves of the change of gender of the other person? That seems a very curious definition of an inalienable right and I do not believe that the founding fathers would have fought for it.

Chris Grayling: Fundamentally, every individual in our society must have the right to hold sincere religious views. I do not believe that any individual should have the right to force someone else to abandon views that they hold sincerely according to their conscience. As I said, it is a difficult line to find, but it is dangerous to trespass across it.

1.45 pm

Mr. Lammy: May I put on record the fact that it is certainly not the Government's intention for religious people to abandon their views? The opinion of James Dingemans was a good one, which I read with close interest, but the hon. Gentleman will appreciate that other eminent QCs, the Clerk to the Joint Committee on Human Rights, the eminent Lord Chancellor and many other lawyers are involved. The key question is not the balance—in the sense of the amount—of legal opinion, but the judgment call that has to be made. It is a balance not simply between having religious freedom or not having it, but between the important right to religious

[Mr. Lammy]

freedom, which is enshrined in our Human Rights Act 1998, and the fundamental and important right to privacy. That is the key point and it is the path that the Government must follow as we examine these important issues.

Chris Grayling: I would agree with most of what the Minister said: we are dealing with a difficult and sensitive area, and it is right to be mindful of the rights of all involved on the different sides of the debate. It would be wrong for the House to be unduly prescriptive either one way or the other in respect of the amendments to the Bill. What makes new clause 1 attractive to me is that it is not designed to prescribe exactly what the courts should decide. It simply sends a message from this place to the courts stating that we are concerned that the religious rights of individuals in our society might come under significant pressure as a result of the Bill's enactment. We want the courts to be mindful of that and to err on the side of the protection of religious freedoms if and when—one hopes that it is only if: ideally, it is not at all—these matters come before the courts. It is surely right for the House to send out the message that a small group of people in our society who have not been properly looked after by the law in the past should be looked after more effectively in the future. Nevertheless, in providing a solution to their problems, it is crucial to ensure that we do not force others to go against their own consciences and their own religious views.

Mr. Lammy: I discern a dichotomy in what the hon. Gentleman has said. He says that it is important that the Bill does not place religious communities under significant pressure. He acknowledges that the community of people concerned—perhaps one of the smallest minorities on behalf of whom the House has sought to assist by passing equality measures—is only about 5,000 in number. All hon. Members have transgendered people in their communities. This group of 5,000 people are vulnerable, and they have experienced significant prejudice. In my experience, their gender dysphoria makes them meek and timid about their appearance, and other things. The notion that they might take on our Churches in some significant way does not match everyday experience. I suggest to the hon. Gentleman that it is important that he keeps a sense of perspective in his remarks.

Chris Grayling: The Minister is right that we are talking about a small group of people, but we live in a litigious society. I am sure that every hon. Member would wish that these matters will never come before the courts but, if that happens, the House must give a signal to the courts. These are difficult issues and it is hard to separate the two sides in the debate. However, as we extend rights to one group of people, it is right for us to ask the courts to be mindful of the risks that that might present to the moral and religious views of other groups.

Andrew Selous: I agree with my hon. Friend. The Baptist church in south Wales was advised that it would have lost its case if the provisions of the Bill, as drafted—that is, unamended by new clause 1—had applied. My hon. Friend is describing the reality of what Churches will face from a very small litigious minority.

Chris Grayling: I think that my hon. Friend's contribution speaks for itself. He is right. We aim to provide an additional degree of protection: we do not want to be prescriptive, but we want to reassure those Church groups who may have to confront these matters. New clause 1 has been drafted carefully, and offers a sensible balance between the different dimensions of the question at issue. It would strengthen the Bill and send a message of reassurance to religious groups, but it would not change fundamentally what the Government are trying to achieve.

I commend the new clause to the House. I hope that the Minister can be persuaded to change his mind and accept it, as it would make the Bill better, fairer and more just.

Lynne Jones: I understand that, in the light of the Dingemans opinion and of the report of the Joint Committee on Human Rights, the Government may put forward proposals to give practical clout to the clause in the Bill that deals with conscientious objection, in respect of marriage and, I hope, ordination. I welcome that.

The hon. Member for Gainsborough (Mr. Leigh) made some valid points in the first part of his speech, and there is no doubt tension between the provisions in articles 8 and 9 of the convention on human rights. However, he also talked about the rights of women's discussion groups, and I do not see how that can have anything to do with religious freedom. It is on a par with discussions about who should use the ladies' toilet: it is irrelevant, and involves a complete misunderstanding of transsexualism.

I have circulated some briefing notes to hon. Members about transsexualism, and I emphasise that it is not a matter of choice. Transsexuals are people who feel compelled to have hormonal treatment or surgery so that their physical characteristics can be brought into congruence with the way that they feel about their gender identity.

There are other tensions between articles 8 and 9 of the convention. The Bill proposes that married transsexual people must dissolve their marriages if they want to exercise their human rights under article 8. There is a great bond between people whose marriages have subsisted through the upheavals and difficulties that arise when one spouse decides to change into what they see as their correct gender. The strength of that bond may in part be due to strong religious beliefs about the sacredness of the vows taken at marriage.

The Bill requires people to choose between how they exercise their rights under articles 8 and 9. I am very sad at that. We will discuss that in detail later, but it shows how difficult these matters are. Religious freedom has no overwhelming priority over the right to privacy and other freedoms provided for in human rights legislation. We must strike a balance between rights, and the Bill does that, by and large. Some elements could be tweaked: there are some changes that I should like to be made, and I shall appeal to the Government to amend the Bill accordingly.

Andrew Selous: I shall be brief, as most of the arguments have been well aired already. I wholeheartedly support new clause 1, to which I am a signatory. The idea that religious groups should be allowed to regulate their affairs should not cause the House any difficulty.

At the start of the Bill's progress through the House, I received a letter from a transsexual person in my constituency. The letter told me of the writer's hopes for the Bill and detailed some of the difficulties encountered in the writer's life. I am pleased to say that the Bill goes a long way towards addressing some of those difficulties.

However, hundreds of churchgoing people around the country, and ministers and pastors too, have written to me to express concern about the Bill's possible effects—on their communities, the finances of their Churches, and the pastoral oversight that their Churches exercise. I am not sure that the Government realise the extent of that anxiety. The Government want to provide genuine remedies to the real concerns of transsexual people, and they can do that without causing the offence and upset that will be caused if this Bill is enacted.

The Minister said that most transsexual people are mild mannered and that they do not want to cause offence. He is absolutely right: I was delighted to meet, for the first time, some transsexual people at the end of some sittings of the Standing Committee considering the Bill. I concur with the Minister's assessment, but any society has a small minority of people who are litigious, sometimes aggressively so. The case involving the Baptist Church in south Wales has been mentioned, and I repeat that the Church was told that it would have lost the case if the Bill, unamended by new clause 1, had been the prevailing legislation.

Churches are not rich organisations. The money that they have should be spent on promoting the gospels and on the other work that they do. It should not be used to fight lawsuits.

The nub of the issue is that it would not be right for the House to impose a secular, humanist provision based on human rights on religious organisations in respect of the conduct of their affairs. The Bill contains plenty of protections for transsexual people, and justifiably so, but the new clause is very mild and states merely that the courts should "have regard" to the sensibilities of religious organisations. I hope that the Government will accept the new clause.

2 pm

Richard Younger-Ross: Can the hon. Gentleman provide the philosophical argument that would explain why it would be right for a Church to allow someone into the church to practise their faith and to use the ladies' toilets, which is an example he has cited, but not to sit down with other women—because the person would legally be a woman—to debate religious matters.

Andrew Selous: The hon. Gentleman picks a specific example and it is not for us to speculate what would happen in an individual church—*[Interruption.]* No, I will address that point. It is, rightly, an established custom in many different Churches to have male prayer groups and female prayer groups. They are sensitive flowers, which grow up over a period of time and in which confidences are shared. People do not share intimate details of their life unless they have confidence that what they share will be respected, and there are some issues that men prefer to discuss with other men and women prefer to discuss with other women.

Mr. Lammy: Oh, please!

Andrew Selous: The Minister seems to have an objection to that. It may not be the custom in the Churches of which he has knowledge, but it is the custom in Churches up and down the country. All I am saying is that we need a degree of sensitivity to the situation, which is not too much to ask.

Glenda Jackson (Hampstead and Highgate) (Lab): Is the hon. Gentleman arguing that if a religious belief carries with it an acceptance of a practice—such as female circumcision, polygamy or stoning to death a woman taken in adultery—it should be outside civil law and this House should allow it to be part of the structure of this country or should not voice any criticism of other countries where such practices take place?

Andrew Selous: Of course it would be ridiculous to say that we could not have views about the strange practices of various faiths in different parts of the world. The hon. Gentleman—*[Laughter.]* I am sorry; I mean the hon. Lady. She is talking about religious views, but the new clause does not address the issue of theology, so that point is not germane to the argument.

I hope that the Government will come to realise the extent of the concern about this matter among good people, who do not seek to cause trouble. They just wish to ensure that they can run their Churches in a way that accords with their beliefs.

Mr. Colin Breed (South-East Cornwall) (LD): We have had a good debate on the new clause. I was pleased to add my name to the new clause because it has provided the opportunity for a wide-ranging debate. I have great sympathy for people diagnosed with gender dysphoria. In fact, I have also been contacted by a constituent who has suffered considerably and will be assisted by many of the provisions in the Bill.

The new clause focuses narrowly on the issue of religious liberty. In the past hour, we have seen that a fine balance must be struck between protecting the rights of certain individuals and maintaining the religious liberties that have been enjoyed by many churches over a long time. The issue concerns many hon. Members with widely varying perspectives. Of those who added their names in support of the new clause, some supported the Bill on Second Reading, some voted against it and many abstained. That shows that one can support the Bill and the new clause, because it does not go against any of the central principles. Instead, the new clause would add to the Bill's list of qualifications.

The majority of transsexual people who will take advantage of the Bill's provisions will just get on with the rest of their life. Many of them will find that going to church will pose no particular problem. The issue centres on those few who may take advantage of some of the provisions to pursue a litigious or vexatious case against a particular church, minister or official. I hope,

[Mr. Colin Breed]

therefore, that we can strike a balance between protection of the individuals and protection of the rights of church members, who might be widely affected by a case against their church.

We often qualify rights and we are right to do so, because unqualified rights can be taken to extremes by some people. We are getting used to a certain amount of extremism in society. Some people utilise reasonable legislation that is meant to be used reasonably, to pursue extreme court cases that entail huge costs for those who have to defend them. That is why I support the new clause. It would not do the transsexuals' cause much good if vexatious cases were to be brought against various churches, because they would receive huge publicity and could undermine many of the good aspects of the Bill. It is regrettable that some people might take their rights to extreme lengths, not only under this Bill but under other legislation, because that undermines what might be called political correctness. That is unfortunate, but it is happening more and more frequently. People get their own back, as they see it, by pursuing matters to court, even if they do not necessarily have a great chance of success. However, they can significantly undermine—perhaps even bankrupt—individuals or organisations. I hope that the Minister can allay my fears on that point.

Yesterday, I met a group of ministers and they raised one specific fear that I wish to put to the Minister. It concerned the public disclosure aspect of baptismal records. They explained that baptismal records are public records and they wondered whether their disclosure would lead to any difficulties under the Bill.

Dr. Pugh: I agree with the hon. Member for Buckingham (Mr. Bercow), who said earlier that this is an issue of the balance of rights—the rights of transsexuals and the rights of some churches that think they will be affected by the Bill. He is right to say that legislators frequently have to decide between rights with a view to the overall common good, and sometimes hard choices need to be made. However, in this instance a reasonable compromise may be available. We need to make a tough choice because both sides cannot have their own way.

I have been impressed by this debate—the sensitivity of the speakers, their passion and the way in which they have treated a profoundly moving and puzzling phenomenon. I am convinced that it is no part of the objectives of the Bill to discriminate against religion, to cause any religious furore, to trample on conscience or to make religious bodies feel that they will be treated worse than sporting bodies.

A compromise is possible, but I do not know whether new clause 1 will achieve it. I hope that it will. However, it would not—on this point I disagree with the hon. Gentleman—give an inalienable right to any religious body. It simply states that the Government should be mindful of freedom of conscience and religious belief. It asks only for mindfulness, not an inalienable right.

Mr. David Heath (Somerton and Frome) (LD): I have much sympathy with what my hon. Friend says, but I have a problem with the word "particular". It is difficult for the courts to interpret correctly. To elevate one right above another in statute in that way is unhelpful to the interpretation of the intention of the legislation.

Dr. Pugh: I shall not take it on myself to comment on the perfection or otherwise of the wording of the new clause—

Mr. Leigh: It is simply taken from the Human Rights Act.

Dr. Pugh: I thank the hon. Gentleman for that intervention, but I do not want to comment on how far-reaching the proposal may be or how troublesome it might be at a later date; nor can I comment on a QC's advice. However, the Minister needs to give us powerful, clear and unequivocal reassurance. That is important, first, to people of genuine and benign religious conviction and, secondly, to the people the legislation seeks to help.

John McDonnell (Hayes and Harlington) (Lab): I, too, have received reservations from local religious leaders about the disclosure of information aspects of the Bill. This is one of those Bills where never so many MPs met with never so many religious leaders; I hope that it has done us some good.

There are clearly anxieties about litigious individuals, especially as regards the disclosure of information—the particular point that has been raised with me. However, my understanding of the suggested amendments is that they could provoke more litigation than the existing provisions.

Can the Minister clarify my understanding of the provisions? Under subsection (5) of clause 22 the Government have provided for the Secretary of State to make specific orders to define what will or will not be an offence in relation to disclosure of information. They have also given assurances that they will look at the Dingemans advice and consider how it might be interpreted in the development of such orders, to avoid the risk of litigation that would bear heavily on individual religious institutions while preserving the balance of interest for the people the Bill would benefit. Subsection (5) thus gives us the opportunity to take a common-sense approach that would protect all interests, and would also enable us to introduce further orders to eradicate any problems that might arise in future. We should then be giving as much security as possible to all sides in the debate.

Mr. Boswell: This has been an excellent debate. The House is grateful to my hon. Friend the Member for Gainsborough (Mr. Leigh) for introducing it so comprehensively and for sparking off some other excellent contributions. I found very little to quibble about in my hon. Friend's own contribution. I merely point out that although I speak from the Front Bench I neither require nor encourage my colleagues to follow me in this matter. All votes from these Benches today will be free votes.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): All votes are free votes.

Mr. Boswell: Indeed, but the votes today are particularly free and we should welcome and celebrate the diversity that they may yet produce.

Mr. Bercow: I am grateful to my hon. Friend for giving way and I am sure that we are all particularly grateful to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) for pointing out that all votes are free votes, but does my hon. Friend the Member for Daventry (Mr. Boswell) think that that was the view expressed by our right hon. and learned Friend when for a brief period he was a Government Whip?

Mr. Boswell: Some things in this place are perhaps best left unsaid, especially among consenting friends, if I may put it like that.

I speak as a supporter of the Bill but also as someone who signed the new clause with enthusiasm and amendment No. 1 with a degree of tentativeness, and who has listened to the representations made to me. The Bill deals with some difficult issues, many of which we dealt with equably in Committee. Almost all the letters I received about the Bill were from faith interests, the majority from Christian interests. They reflected the opinions of a variety of churchmanship, from Catholic to Free Church. We should remember, too, that other faith communities, including Muslim communities, are exercised about the Bill to some degree or another.

I am a Christian, as I made clear in Committee, so I may be said to have an interest. In general, I support the Bill but I have reservations about these aspects. It has been right to debate them and we look forward to the Minister's response. Equally, however, I have reservations about the situation that might arise if we were to enact the new clause.

As a general rule, I do not like partial legislation; as several hon. Members on both sides of the House have pointed out, there should be no special deal for the Churches. They should not have carte blanche against the provisions of the law, as the hon. Member for Hampstead and Highgate (Glenda Jackson) said, to do exactly as they like when that is unacceptable to the House. We must defend that principle. Equally, however, we must respect their sensitivities and their broad underlying decencies wherever we possibly can.

2.15 pm

I do not seek to patronise the many people who wrote to me personally—the number ran into three figures—because we know how things can be encouraged. People read about something and want to write to someone to express their concern. However, it is possible that not all my correspondents fully understood all the implications of the Bill and the safeguards that it already contains. Indeed, I am not absolutely sure that any of us do—it is a complex matter, with legal cruces to which I shall turn in a moment. It is also possible that some people, even those in faith communities, may be motivated by personal dislike of or distaste for transgendered people. I do not condone that and I do not follow them in it, but it is possible that some people may be using some of the practical difficulties as a shield behind which they can advance such views. I certainly do not want to encourage that. Nevertheless there is a body of interest and concern among decent and responsible opinion, mainly in the Christian Churches, that should be properly addressed.

The Minister will be able to make this point better and more clearly than I, but there are already several serious safeguards in the Bill and they should be embodied in good practice. We should, for example, try to embody them in Christian practice. A minister has the right to ask, and the respondent the right to decline to answer, the question: "Are you or are you not a transgendered person?" That is a reasonable and proper question—for example, in regard to marriage—especially if the rules of the Church preclude particular offices or practices to a person in that situation.

An individual, whether or not they are a minister of religion, has the right to pass on information, provided that it is done with the consent of the person concerned. That is obviously the best situation in practice. Nevertheless, despite those safeguards, the faith communities have concerns and have written eloquently to us about them.

First, faith communities have concern about practices that they would regard as normal and reasonable. Secondly, they are concerned about the discharge of their pastoral duties—for example, between one member of the clergy and another. Thirdly, and more widely, they are concerned about the threat of litigation that, even if they were to win it, might incur considerable hassle and cost to a relatively small community, unused to early recourse to legislation.

The Minister will rightly say that nobody can be precluded from taking up their rights under the law as a matter of principle—nor should they be; as he has already reminded the House, if that were contrary to public purposes there are already safeguards. However, to my regret, we are moving towards a society that is highly litigation-driven, where people will seek either to assert and secure their rights or to make a point about their putative rights at the expense of a third party.

Chris Grayling: On a point of order, Mr. Deputy Speaker. I apologise to my hon. Friend for interrupting him, but the Officers of the House might like to be aware that there is a pronounced smell of burning on the Opposition side of the House.

Mr. Deputy Speaker: I am well aware that there is a smell of burning on both sides of the House, and it is being investigated at the moment.

Mr. Boswell: I was doing my very best not to make an inflammatory speech and I am sorry that I have so conspicuously failed to do so, but let us heroically return to the point in the hope that the fires will not be in store for us all.

There has rightly been a great deal of discussion about the legal opinion of James Dingemans, QC in this matter. There then equally has been put against that opinion—as a layperson, I am enjoying this rather vicarious clash of the champions—the view of the Joint Committee on Human Rights, which says in its 12th progress report that it does not agree with it. Of course, as the Minister will be aware, the Joint Committee concedes that, in the spirit of the legislation, there

[Mr. Boswell]

should be a conscience clause for clergy, who would not be required under the Bill to marry transgendered persons, to be told that those persons are trangendered. That is an entirely reasonable provision, and perhaps the Minister will tell us how he intends to proceed on that.

Frankly, such a safeguard does not deal with a number of other conscience clause issues that might arise—for example, if a priest is transferring from one diocese to another, the pastoral duties of a bishop to advise the neighbouring bishop of the priest's status as a transsexual person, and in certain faiths where it is not acceptable for such people to proceed to ordination, the fact that they are so. Those are very difficult issues, but they undoubtedly come within the overall gamut of the Dingemans opinion.

Mr. Drew: I am grateful to the hon. Gentleman for giving way and for battling on despite all before us. Those who have taken up this issue with me have particularly wanted to protect their own clergy. Although I support the case behind new clause 1 in outline, what worries me is that no distinction is drawn in it between the additional protection that clergy may need because of the vulnerable position that they may be put in, and the religious freedom that we as Christians would all wish to exercise but which we, through our conscience, would have to take a risk in exercising. Does he accept that there is a problem?

Mr. Boswell: I certainly accept that there is a problem, although with respect—I mean that—the right approach to the solution may not have been found, because some faith communities do not organise themselves separately into clergy and lay people, and a difficulty is obviously created if that is so. As the hon. Member for Braintree (Mr. Hurst) said, that may be something to do with the relationship of trust when someone is in a position of trust or management. That may need to be thought about. I am well conscious of the fact that if the new clause does not prevail in a few moments, the Minister may want to go away and think very much about what may be done under the order-making powers to try to safeguard people's positions. I am pleased to see that he is at least nodding concern, if not assent, about that point.

There is, however, a real worry, and my hon. Friend the Member for Gainsborough has been entirely right to bring this to the House's attention and there are more general applications for these concerns. Even with good will on the part of the Churches and the faith communities and with good will, as I am sure there will be, among the great majority of transgendered people themselves, who will not seek to make political or demonstrative points, the danger is that this will end up in a kind of legal Tom Tiddler's ground. I am a little surprised that no one has quoted the last paragraph of the Dingemans opinion, which bears quotation in full because it expresses very well the concerns in this matter. He says:

"The Bill contains provisions which would criminalise disclosures made for religious purposes which are likely to infringe the religious rights of individuals. Further the Bill, in its current form, gives scope for litigation against individual Churches seeking to act in accordance with their religious beliefs. Such litigation is likely to be divisive, costly and of benefit only to the lawyers."

That is my sensitivity on this matter.

I said, however, that I believe that some of those issues perhaps have a wider application than the Bill itself. I will say very briefly—I am conscious of the fact that I am speaking to a motion on Report, rather than raising a general issue—that my own experience and concerns arise as a co-sponsor of the Promotion of Volunteering Bill. Again, there is the problem. A large number of hon. Members on both sides of the House want to achieve common support for the voluntary sector, but we are conscious of the fact that, in a litigation-driven culture, people are moving towards recourse to law, suing on risks that may or may not have been inherent in the situation, with all the problems that brings for small, relatively unsophisticated bodies in fighting off that kind of litigation.

My hon. Friend the Member for Gainsborough referred in his most telling remark—he took the words from my lips, so I shall have to repeat them on his behalf—to the legal debate about whether one convention right should trump another. That is exactly the point. With respect, he and I cannot resolve that issue—it is not our job to do so—but the fact that there is such a debate creates the conditions for litigation, which is of benefit only to lawyers.

I happen to believe that, as we clear the path through blatant issues of discrimination and the abuse or denial of human rights that have characterised our society over the years—we need not make huge political points about them or claim to have been politically virtuous in dealing with them—and as we gradually put our society in the right way in respect of the treatment of women, minorities or whatever, we begin to find that we have done the easy part. We have dealt with things about which discrimination should never have been allowed to occur in the first place. However, we then come across clashes where one right overlays and diminishes another right, and we then have real problems on our hands.

We need to remember that all this came from the European Court of Human Rights judgment that the United Kingdom had infringed articles 8 and 12 of the European convention on human rights, but article 9 deals with practising religion. There is no provision in the European convention or the Human Rights Act 1998 for one measure to trump another. They must all be held in balance. It will be more difficult for the House to hold those things in balance than in the past, but our job today is to try to get them as best in balance as we can. That is a real-world issue.

Mr. Heath: I am most grateful to the hon. Gentleman for giving way because I want to correct what I said earlier. The hon. Member for Gainsborough (Mr. Leigh) is absolutely correct to say that such things are expressed in precisely those words in section 13 of the Human Rights Act 1998, which would have effect irrespective of whether the new clause were included in the Bill; it would still qualify the attitude of the courts in interpreting the workings of the Bill.

Mr. Boswell: I am grateful to the hon. Gentleman for that clarification. I, too, had noticed that happy

coincidence. The Minister, if he is smart, will say, "But we don't need to do it because it is there already." That is an argument, but he needs to be encouraged to take seriously the kinds of concern that have been expressed.

I conclude—we have had enough debate on the issue, although we look forward to the Minister's response—by saying that new clause 1 enshrines the convention rights and is a proper declaratory statement of the rights in relation to religion. On amendment No. 1, I have somewhat greater qualifications because of the difficulty with partiality, but I would tell the Minister that we have collectively identified concerns and the elements of a possible problem. We need to take that seriously and, if possible, legislate now. We certainly also need to keep our minds open to making changes by order that would make those fears prove unfulfilled in practice.

2.30 pm

Mr. Lammy: I am grateful to the House. We have had an excellent debate on this important issue. Clearly, important issues for religious organisations arise from the Bill and the right to freedom of religion is certainly extremely important. It is, rightly, enshrined in our law by virtue of section 13 of the Human Rights Act 1998, whose effects have just been described. The wording of the new clause is in large part borrowed from that section, but the existence of section 13 means that new clause 1 is unnecessary. We have already enhanced protection for the right of freedom of religion in our law.

We have not sought to rely solely on section 13. Throughout the preparation and the parliamentary passage of the Bill, we have engaged with the views of religious organisations and those who, as a matter of religious doctrine, do not accept that a person can change their gender or sex. As we might expect, disagreement remains on that principle, and we have heard that expressed today. However, in the course of several meetings with, among others, the Bishop of Winchester, officials of the Church of England, the Evangelical Alliance and the Christian Institute, we have begun to work through the practical issues that need to be resolved. Following those discussions, in the House of Lords we widened the conscience clause in relation to marriage. That change was widely welcomed. It is important to put on record our respect for religious freedoms and communities and our ability to produce a conscience clause that protects clergy.

Andrew Selous: I know that representatives of the Evangelical Alliance were grateful for the opportunity to meet the Minister's officials last week. I have learned from my discussions with them that they have serious concerns and want new clause 1 or a very similar provision to appear in the Bill.

Mr. Lammy: I have just explained the close relationship between the Bill and section 13 of the Human Rights Act, but perhaps the hon. Gentleman will be more pleased to hear later passages of my speech.

We must protect the rights of transsexual people and we believe that it is essential that the Bill should provide protection for their privacy. The benefits of recognition in the acquired gender would be greatly compromised were there to be open access to the fact that a person is recognised in the acquired gender. The Government have to weave a path between the two rights: the right of religious freedom and the right of privacy. In that respect, amendment No. 1 is unsuitable: as my hon. Friends the Members for Stroud (Mr. Drew) and for Braintree (Mr. Hurst) said, it is extraordinarily broad and, given its use of words such as susceptibilities and doctrines, would not provide the exemption that religious organisations want.

We accept that religious organisations have some important concerns, but they relate to specific issues. We have heard about the disclosure that might need to take place during the course of considering a person for appointment as a religious minister, whether ordination or appointment to a congregation. Those responsible might want to know whether the person concerned has been recognised in the acquired gender. It has been suggested that similar issues arise when a transsexual person wishes to be considered for membership of a faith community. The hon. Member for South-West Bedfordshire (Andrew Selous) mentioned the rules and practices of some religious communities that would want to exclude people who have acquired gender—although I say for the record that that is not my Christian tradition within the Anglican communion.

A further issue is disclosure to a religious minister who is about to conduct a marriage ceremony. My hon. Friend the Member for Braintree described a case in which someone else—for example, the curate—knows that one of the parties is recognised in the acquired gender; in that case, the curate might feel obliged to tell the minister, yet clause 22 might prohibit disclosure of that important information.

There may be several solutions to such problems and it is right that we approach them in a common-sense fashion, asking what a curate or a faith community faced with such a problem would do in the circumstances,

Andrew Selous: The Minister uses emotive words such as exclude. The clergy and pastors with whom I have spoken are concerned simply to ensure appropriate and sensitive pastoral care. Exclusion is no part of their agenda.

Mr. Lammy: I am grateful to the hon. Gentleman for putting that on the record.

Chris Grayling: The Minister has set out a number of scenarios in which a problem could arise. Does he accept that the benefit of new clause 1 is that it addresses the unexpected, as well as the expected? Undoubtedly, situations will arise that Parliament has not anticipated and of which the Minister did not think when preparing his speech. Does he accept that a signpost in the Bill stating that Parliament wants the courts to be mindful of religious rights is therefore desirable?

Mr. Lammy: Let me make some progress and explain how we would deal with such situations.

We have always said that the primary solution must be to seek the consent of the transsexual person to disclosure. We are discussing sensitive personal information and it is reasonable that, for the most part, the consent of the individual should be required before

[Mr. Lammy]

disclosure can occur. As I said in Committee, my experience and, I am sure, that of most hon. Members suggests that if a member of the clergy or a member of a faith community were to receive such information, they would quietly and calmly seek the consent of the transgendered person to their passing on that information, should they wish to do so.

In another place we extended the conscience clause so that a religious minister is allowed to refuse to marry a person if the minister has a reasonable belief that the person is recognised in the acquired gender. We understand that baptismal certificates are often requested in cases involving marriage, membership or appointment. Unless a person was baptised after the age of 18, the baptismal certificate would be in the original gender and thus provide the information needed. The hon. Member for South-East Cornwall (Mr. Breed) asked whether disclosure of baptismal certificates would cause problems. I refer him to clause 22(4)(c), which allows an exemption for cases in which someone could not have known that the person was transgendered.

Mr. Boswell: Will the Minister advise the House, now or later in his speech, or perhaps in writing, whether an offence will have been committed by somebody who discloses historical information—for example, in a baptismal or academic certificate—in good faith, with no knowledge of any intervening change of gender? Secondly, if the release of the information is an oblique or indirect way of securing or passing information about a change of gender, but the disclosure arises simply from the release of historical material that is not an official document, will the person be guilty of an offence under clause 22?

Mr. Lammy: The wording of clause 22(4)(c) is clear. It states:

"the person ... does not know or believe that a full gender recognition certificate has been issued".

Mr. Gerald Howarth (Aldershot) (Con) *rose—*

Mr. Lammy: We have only dealt with new clause 1 and I should like to make progress. It is important that we deal with as many groups of amendments as possible this afternoon.

As Members will see, clause 22 provides the Secretary of State with the power to prescribe further exemptions to the prohibition on disclosure in secondary legislation. Our intention is to use that power to provide for detailed exemptions wherever necessary. It is already clear that problems arise only in very specific circumstances. As I have said, we must respect both the rights of transsexual people and the right to freedom of religion and weave a path between them. By using secondary legislation and engaging in dialogue with religious organisations, we are seeking to deal with that problem.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Can the Minister assure us that that secondary legislation will be amendable?

Mr. Lammy: The hon. Gentleman is well aware of the practices and procedures of the House. He was not here earlier, when another relevant issue was raised. We do not intend that there should be a gap between the coming into force of secondary legislation and the operation of the scheme for legal recognition.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Mr. Deputy Speaker. To help the House, can you clarify that the procedure just referred to the Minister means that secondary legislation is not amendable when it comes back to the House for consideration?

Mr. Deputy Speaker: I am anxious not to be drawn into the technicalities, and that is a point of debate for the Minister to answer.

Mr. Lammy: Many hon. Members have referred to the Joint Committee on Human Rights, whose members did not accept the James Dingemans opinion across the board. They were, however, concerned about the conscientious objection provision, but went on to say:

"such provision could also be made by the Secretary of State by order, in exercise of the power in clause 22(5)".

Mr. Drew: My hon. Friend will recall that I asked him to commit himself to writing to hon. Members about the introduction of secondary legislation so that we have a clear timetable. We need to know that secondary legislation will be introduced as soon as he has communicated with the Churches so that we have provisions in law at the earliest opportunity.

Mr. Lammy: As I told the hon. Member for West Derbyshire (Mr. McLoughlin), there will be no gap between secondary legislation and the gender recognition scheme, but it is right that we are sensitive to the wishes of religious communities and continue to talk with them to establish specific exemptions. Simply seeking to impose section 13 of the Human Rights Act on the Bill will not create the targeted approach that we are seeking. We continue to work with religious organisations, but I cannot recommend that the House accept the new clause.

2.45 pm

Mr. Leigh: It is my duty to conclude our excellent debate. First, the matters in amendment No. 1 are very sensitive indeed and concern conversations between clergymen about candidates for marriage and ordination. There is probably a broad consensus across the House that those conversations have to be protected and the Minister has given various undertakings on secondary legislation which, as was made clear in an intervention, may not be as satisfactory as including a provision in the Bill. None the less, I accept what he said in good faith and shall not press the amendment further.

I wish, however, to press new clause 1 to a vote. We have entered a moral maze and are dealing with difficult issues. People have spoken with great conviction, passion and sensitivity on both sides of the argument. There are broadly two cases against my new clause. One is absolutist—not made by the Minister, incidentally—and asserts that it is wrong for Church communities to remain outwith the general will of the House. They cannot insulate themselves, however strong their opinions.

Another view, expressed by the Minister, was that my new clause was not necessary because it simply replicates the words of section 13 of the Human Rights Act, so we can rely on that provision. However, to counter his argument, there is controversy among lawyers about whether we can rely on it. We have heard Dingemans's opinion, which is not, I accept, supported by the Joint Committee on Human Rights, so there is a dispute. That underlines my point that there is fertile ground for litigation.

In conclusion, I am not asking anybody in the House to accept what the Church communities say or agree with their views. In a free society, however, such communities should regulate their own affairs and have the right to conduct them according to their deeply held religious beliefs. The House should not impose its views on them, so we need the protection of new clause 1, which I shall press to a vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 104, Noes 276.

Division No. 187] **[2:47 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, rh Michael
Atkinson, Peter *(Hexham)*
Beith, rh A. J.
Bellingham, Henry
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Burns, Simon
Burstow, Paul
Burt, Alistair
Cable, Dr. Vincent
Chapman, Sir Sydney *(Chipping Barnet)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Davey, Edward *(Kingston)*
Davies, rh Denzil *(Llanelli)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Doughty, Sue
Duncan, Alan *(Rutland)*
Ewing, Annabelle
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Forth, rh Eric
Gale, Roger *(N Thanet)*
George, Andrew *(St. Ives)*
Greenway, John
Grieve, Dominic
Hancock, Mike
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Keetch, Paul
Key, Robert *(Salisbury)*
Knight, rh Greg *(Yorkshire)*
Laing, Mrs Eleanor
Lamb, Norman
Lansley, Andrew
Leigh, Edward
Liddell-Grainger, Ian
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Mawhinney, rh Sir Brian
Mitchell, Andrew *(Sutton Coldfield)*
Moonie, Dr. Lewis
Murrison, Dr. Andrew
Osborne, George *(Tatton)*
Ottaway, Richard
Paterson, Owen
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Robertson, Angus *(Moray)*
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Stanley, rh Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Thurso, John
Tredinnick, David
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Viggers, Peter
Walter, Robert
Waterson, Nigel
Webb, Steve *(Northavon)*
Weir, Michael
Wilkinson, John
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Young, rh Sir George

Tellers for the Ayes: Andrew Selous and Chris Grayling

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Richard
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baird, Vera
Baker, Norman
Barnes, Harry
Barrett, John
Barron, rh Kevin
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bennett, Andrew
Bercow, John
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chidgey, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cranston, Ross
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davidson, Ian
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dobson, rh Frank
Donohoe, Brian H.
Duncan, Peter *(Galloway)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Holmes, Paul
Hoon, rh Geoffrey

Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hughes, Beverley *(Stretford & Urmston)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Keeble, Ms Sally
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
McFall, John
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Marris, Rob *(Wolverh'ton SW)*
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morgan, Julie
Morley, Elliot
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Oaten, Mark *(Winchester)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
Öpik, Lembit
Organ, Diana
Owen, Albert
Page, Richard
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Helen
Squire, Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Taylor, Dari *(Stockton S)*
Taylor, Dr. Richard *(Wyre F)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Tonge, Dr. Jenny
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes: Gillian Merron and Mr. John Heppell

Question accordingly negatived.

New Clause 2

APPLICATION FOLLOWING ISSUE OF AN INTERIM GENDER RECOGNITION CERTIFICATE

'(1) The petitioner or respondent for annulment or dissolution of a marriage under section 12(g) of the Matrimonial Causes Act 1973 may apply to the court to order that—

(a) all rights and benefits of any private pension scheme, or

(b) all property rights, or

(c) both

should continue to subsist following the annulment or dissolution of marriage provided that the petitioner and respondent can satisfy the court that both parties to the existing marriage intend to live together as partners.

(2) In this section—

(a) a "private pension scheme" means—
(i) an occupational pension scheme,
(ii) a personal pension scheme, or
(iii) a stakeholder pension scheme,

of which either the petitioner or respondent was a member before the application for annulment or dissolution of the marriage.

(b) "property rights" means the right in any property, whether real or personal, owned jointly by the parties.

(c) "court" means the court hearing the petition for divorce.

(3) For the purposes of this Act, a couple "live together as partners" if subsection (4) or (5) applies.

(4) This subsection applies if—

(a) none of the provisions of sections 1, 11 or 12(a) to 12(f) of the Matrimonial Causes Act 1973 apply;

(b) the couple live together;

(c) the couple retain their responsibilities in relation to any existing dependants; and

(d) the couple maintain existing financial support for one another.

(5) This subsection applies if the couple have—

(a) registered as a civil partnership, or

(b) given notice of a proposed civil partnership to a registration authority,

under the Civil Partnerships Act 2004.

(6) Any order made by the court under subsection (1) shall be void if the circumstances set out in subsection (3) cease to apply.

(7) An appeal against any order made by the court under subsection (1) shall be heard by the court.

(8) An appeal under subsection (7) must show that the circumstances set out in subsection (3) cease to apply.

(9) Any person may show cause why an order made by the court under subsection (1) should not be made by reason of material facts not having been brought before the court; and in such a case the court may—

(a) notwithstanding anything in subsections (6) or (7) above, make the order;

(b) rescind the order;

(c) require further inquiry; or

(d) otherwise deal with the case as it thinks fit.—*[Hugh Bayley.]*

Brought up, and read the First time.

3 pm

Hugh Bayley (City of York) (Lab): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 2, in page 16, line 14, schedule 2, at end insert—

'"( ) An annulment or dissolution of marriage under section 12(g) shall be subject to the provisions of section [Application following issue of an interim gender recognition certificate] of the Gender Recognition Act 2004."'.

Hugh Bayley: Hon. Members who attended Second Reading or served on the Standing Committee will know that I have been trying to protect the pension rights of transsexuals and of their wives and husbands.

When a married person is diagnosed with gender dysphoria and commences gender reassignment treatment, an enormous emotional strain is placed on the marriage, and in most cases the marriage comes to an end. In a few cases, however, the married couple wish to stay together. I have two constituents who are in that position. They have been married for many years and have grown-up children. The wife, as so many women did in the past, stayed at home to bring up the children and has no pension provision in her own right. In that sense, she is dependent on her husband, and will be so in retirement if she survives for longer than him.

In Committee, it was established that the decision by one partner in a marriage to live in the opposite gender, or the decision to go forward with gender reassignment treatment or to apply for an interim gender recognition certificate, would not affect in any way the state pension rights or the private pension entitlement of either party to the marriage. However, the situation changes when a married person applies for a full gender recognition certificate, because the Bill requires a married couple to divorce in order to get legal recognition in a new gender for a party to the marriage. Divorce law does not cope well with that, because it assumes that a couple who go to court seeking to divorce will separate. In all other circumstances, of course, divorce or the annulment of a marriage does lead to separation or follows separation, and the divorce court has the job of dividing and apportioning property and responsibilities between the two parties. In a case such as that of my constituents, where the couple are required to divorce so that one of them may obtain a full gender recognition certificate but they do not intend to separate, provision needs to be made for property, including pension rights, to be shared.

Amendment No. 2 would add a new provision to schedule 2 by amending the Matrimonial Causes Act 1973 to give the divorce court further powers to deal with the new reason for divorce that is introduced by the Bill—divorce on the grounds that a party to a marriage is applying for a full gender recognition certificate. New clause 2 sets out what those new powers would be: in short, that those seeking annulment or dissolution of a marriage under section 12(g) of the 1973 Act—

Mr. Hogg: I support the hon. Gentleman's argument, which has a great deal of force. Does he agree that trust law would assist him, in that where those who have been party to a marriage both contributed to the family assets, there will already be a resulting trust in favour of one or both parties? His amendment would give statutory expression to such trusts, and is to be supported on that basis alone.

Hugh Bayley: I am grateful to the right hon. and learned Gentleman. As I understand it, the property rights of the couple can be retained in such a way as to give them shared rights, although that rarely happens in a divorce. Because of that, it may not be necessary for me to press my amendment to a vote. I will be grateful if the right hon. and learned Gentleman wishes to intervene later in my speech if he feels that I have missed a point in the argument. In relation to property rights other than pensions, I understand that in the special and unusual circumstances that we are considering, a divorce court would be able to retain property—for instance, a shared family home—in joint names if the couple continued to live together in that home following the divorce.

The new clause would allow those seeking a divorce on the grounds that one of the couple was seeking a full gender recognition certificate to apply for the pension rights and the property rights in the marriage to continue after annulment or dissolution, provided that the couple continued to live together. The new clause gives two alternative definitions of living together: one where the couple do not establish a civil partnership; the other where they establish a civil partnership under the Civil Partnership Bill, which is before the House.

The new clause would also protect the right of both parties to the marriage and of others with an interest, such as a pension provider, to go to court at a later date to vary the terms of the settlement if the circumstances changed—for instance, if the couple ceased to live together.

I tabled my amendments as a safeguard to enable the House to debate the issue further on Report and to allow the Minister, if she is so minded, to make a statement about how the Government believe that private pension providers should act in circumstances such as those that I am describing.

Mr. Hogg: I have a great deal of sympathy with the hon. Gentleman's suggestion, and I think that he is right in principle, but I am troubled by one point. When the certificate of gender recognition has been granted and the party has married again, what is the position of the pension provider in relation to the second marriage partner?

Hugh Bayley: The right hon. and learned Gentleman makes an important point. In those circumstances, most pension providers would try to vary the terms of the

[Hugh Bayley]

divorce settlement and the continuance of the pension rights of the spouse from the first marriage, because they could not offer the same rights to two spouses. I have therefore drafted the new clause in a way that would allow an interested party such as a pension provider to go back to court if circumstances changed and one party or the other decided that they would no longer live with their former wife or husband but marry some other person. In those circumstances, insurance companies or pension providers could go to the courts and argue that they should be released from the obligation to the former spouse in order to fulfil their obligation to a new spouse. It would be open to the court to determine the appropriate action in those circumstances.

Earlier, I said that I tabled the amendments as a safeguard to allow further debate; I hope that it will not be necessary to press them to a vote. I should like to explain the reason for that. After the debates in Committee, I contacted the National Association of Pension Funds and the Association of British Insurers to seek their advice about practical ways in which to safeguard the pension rights of spouses of transsexuals in circumstances similar to those of my constituents. I asked my hon. Friend the Under-Secretary to hold a round-table conference at the Department to devise a way forward. She agreed and we held the meeting on 29 March.

At the meeting, we concluded that, in the context of state pension provision, the Bill would leave couples such as my constituents no worse off. Indeed, in some circumstances, they could be better off. We also concluded that it would not be necessary to amend the Bill in relation to private pension provision so long as we could be sure that providers would grant the same survivors' rights to unmarried dependants who lived with their former husband or wife as that person enjoyed when they were the husband or wife.

We agreed that the National Association of Pension Funds, the Association of British Insurers and the Department for Work and Pensions should draft a guidance note for the industry—pension providers—and for married transsexuals and their spouses to spell out what would be regarded as good practice in providing pension benefits to the former spouses of transsexuals who had obtained a full gender recognition certificate.

The guidance note has been through several iterations and I want to put on record my thanks to Robin Ellison of the National Association of Pension Funds, Nicholas Hillman from the Association of British Insurers, John Lawson from Standard Life and Simon Boniwell, the official at the Department for Work and Pensions, for their work in preparing the draft guidance note. I believe that the draft covers all the necessary issues, although the subject is complicated and the wording needs to be made clearer for a lay audience. I know that my hon. Friend the Under-Secretary agrees, and I believe that the conversion of a technical document into plain English is in hand.

I want to ask my hon. Friend the Under-Secretary two questions. First, I emphasise that she has been generous with her time in allowing me to work with her officials and those in the private sector to prepare the advice. However, other hon. Members have similar concerns and I hope that she will allow a working copy of the draft to be shown to any other Members who have a special interest so that they could comment on it.

Secondly, when do the Government intend to make the draft public? It would be helpful for that to happen as soon as possible so that married couples in the circumstances that we are considering can obtain advice about the best action for them to take to protect the security of both partners in old age.

3.15 pm

I should also like briefly to put on record my thanks to Mark Buckley of PricewaterhouseCoopers, which is the adviser to my constituents' pension scheme. The scheme asked Mr. Buckley to respond on its behalf to several questions that I raised on behalf of my constituents. He confirmed that the scheme's trustees agreed that there was no objection to paying the spouse's pension to the scheme member's former wife following the couple's divorce provided that the former wife was financially dependent on her former husband at the time of her former husband's death and that her former husband had not remarried. In other words, it was agreed that the divorce would make no difference to the entitlement of the transsexual's wife to a pension should she outlive her husband or former husband.

The scheme inserted the proviso that the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) mentioned a moment ago. If circumstances changed and the former husband remarried, the right to a survivor's pension for the former wife would not necessarily follow.

Mr. Mark Oaten (Winchester) (LD): Will the hon. Gentleman clarify that his discussions with the pensions sector related not only to private pensions but to public sector schemes?

Hugh Bayley: Yes. I understand that the guidance would apply to public sector second pensions. The National Association of Pension Funds represents public sector pension providers such as local government pension schemes as well as private sector occupational pension schemes run by big companies.

The response of PricewaterhouseCoopers to the questions that I asked on behalf of my constituents is a model response for other pension providers. I have given a copy of the letter to the Department for Work and Pensions and asked the officials who are drafting the guidance note to ascertain whether they can replicate the language and the clarity of the statement that PricewaterhouseCoopers made about the pension rights of the wife.

Mr. Hogg: The hon. Gentleman has been generous in giving way. I am slightly troubled that we would vary deeds of trust and rely on voluntary practice. Would not it be better to have a statutory intervention so that the trustees knew their statutory duties? If we adopt the approach that the hon. Gentleman explains, we rely on the good faith of the trustees and their willingness to act in accordance with the guidance.

Hugh Bayley: The right hon. and learned Gentleman makes an important point. I shared that view when I

first considered the problem. Perhaps it is because of my short experience as a Minister in the Department for Work and Pensions—or Social Security, as it was then—that I realise that it is important to the public for pensions legislation to be as simple and unencumbered as possible.

The number of people likely to find themselves in similar circumstances to my constituents—a married couple who, when one of them seeks recognition in a new gender, wish to remain together and live together as though they were married in terms of financial dependency on each other—will be very small. There might perhaps be 30, 40 or 50 such people. I took the view that to add another block of legislation to what already stretches to hundreds of pages on pension provision in order to deal with such a rare occurrence would be unnecessary, provided that there was clear guidance to trustees as to what was expected of them in such circumstances.

In a sense, the question that I put to PricewaterhouseCoopers—or rather, to my constituents' scheme provider, which asked PricewaterhouseCoopers to respond—convinced me that the industry would respond appropriately and decently in such circumstances. That response came fairly quickly, given that the advisers had to consider a situation that they had not encountered before and to examine the legislation. I was impressed by how diligently they did so, and I therefore took the view that it would not be necessary to add yet another page to a complicated area of legislation. The right hon. and learned Gentleman makes a good point, but my judgment is that the House has a terrible tendency to over-legislate, and this is one occasion on which leaving the matter to the good sense and judgment of pension fund trustees would be a fair and reasonable thing to do.

Glenda Jackson: I would be grateful if my hon. Friend clarified something that I clearly have not understood, even though he is presenting his argument with great cogency. I understand that the wife of a divorced couple who had been financially dependent on her former husband at the time of his death would retain her pension rights. The issue has now been raised of a possible marriage, however. What would happen to the woman in those circumstances? Would she lose all her rights to a pension that would presumably have been funded, in the main, by her former husband?

Hugh Bayley: My hon. Friend raises an extremely important point. In such circumstances, the dependent partner in the marriage, who could, of course, be a woman or a man, would have the ability to go back to the divorce court to ask for the divorce settlement to be varied so that their property would no longer be shared—because they were no longer living together—and so that some alternative arrangement could be put in place. The most likely arrangement would be a division of the assets, which could well include pension splitting. Alternatively, it could result in what is known in the trade as offsetting, whereby the wife might get the family home, for example, and the husband—or former husband, in this case—might get the pension. The court would deal with their assets anew, recognising that their circumstances had changed and that the divorce had become a separation as well as a technical arrangement to allow one party to get the gender recognition certificate that they sought.

Glenda Jackson: I am grateful for that explanation, but would the court be bound to take into consideration the income of the new partner when dividing up the old partnership's assets?

Hugh Bayley: I am not a divorce specialist—still less a divorce lawyer—and I am afraid that I cannot answer my hon. Friend's question. My understanding, from a legislator's point of view, is that the court would be able to come to whatever decision it saw fit. One would imagine that a wife—if I can use the shorthand—who, having agreed to live together with her former husband in a dependent relationship, found that that was no longer possible, would make representations to the court, or ask her lawyer to do so, with a view to getting a half share of the financial assets of the marriage. I would expect the court to agree to that in most circumstances. There could be circumstances when such an arrangement might be varied because one partner or the other had responsibility for dependants, for example, but I imagine that the court would treat the rights of the wife in the same way as they would in any other divorce hearing, in otherwise similar circumstances.

Lynne Jones: In subsection (4)(d) of my hon. Friend's new clause, the criterion is that

"the couple maintain existing financial support for one another."

As I read that, it would apply to either spouse, or former spouse. If each had their own pension and one died before the other, the surviving partner would be entitled to the appropriate share of the pension. I am a bit concerned, however, that my hon. Friend has been referring to "dependants", which might describe people who did not have a pension in their own right. Will he clarify that that is not what he means by "dependants"?

Hugh Bayley: Yes, I can give that clarification. The lack of clarity might have arisen because I have been talking about both the general situation for couples who divorce in order for one of the partners to get a full gender recognition certificate, as well as the individual circumstances of my constituents. The advice from PricewaterhouseCoopers related to my constituents' individual circumstances, but the draft guidance note that officials at the Department for Work and Pensions have produced—together with the National Association of Pension Funds and the Association of British Insurers—covers the general situation in a way that I hope my hon. Friend would approve of. I know that she has followed this area of public policy for much longer and much more closely than I have, so I hope that she will have the opportunity to look at the draft, and if she feels that it does not do what ought to be done in advising the Department and the industry, I am sure that she will give us her comments.

Several hon. Members *rose—*

Hugh Bayley: I am trying to finish my speech, but I shall give way to the hon. Member for Portsmouth, South (Mr. Hancock).

Mr. Mike Hancock (Portsmouth, South) (LD): Like the hon. Gentleman, I have constituents in the scenario

[Mr. Mike Hancock]

that he first described, where one partner is solely dependent on the pension that has been accumulated by the other partner. Where both partners have pension rights solely to themselves, they stay together and one or other of them dies, and one of them has gone through the gender change and the certification process, does the guidance that the hon. Gentleman has worked through with the Minister's office state that those pension rights stay with that person when the partner dies, even though they have pension rights of their own?

Hugh Bayley: It is impossible to give individual advice to hon. Members in the Chamber; each pension scheme is different. In the case of the hon. Gentleman's constituents, one would have to establish whether the pension scheme provided a spouse's right to a pension following the scheme member's death, and one would then have to clarify with the pension provider whether it would continue the spouse's right following the dissolution of the marriage. That can be done only on a case-by-case, scheme-by-scheme basis.

The guidance note seeks to tell people such as the hon. Gentleman's constituents the issues on which they should seek clarification and how they should go about it. The guidance note also gives a strong steer to the industry that it should not use circumstances such as these as an excuse for denying people security in old age as a result of pension rights that they had established, simply and solely because the partner who was the source of that security in old age changes their gender or seeks legal recognition of a changed gender.

Several hon. Members *rose—*

Hugh Bayley: I must make progress. I am sure that hon. Members who wish to intervene will be able to make their own speeches. I thank my hon. Friend the Minister for her helpful response to my proposal that a guidance note be prepared. I shall listen carefully to her statement about the role that that guidance note will play.

3.30 pm

Mr. Frank Field (Birkenhead) (Lab): My hon. Friend the Member for City of York (Hugh Bayley) has been so comprehensive and so excellent in his delivery that I can be mercifully brief.

On Second Reading, I intervened on the very point that we are discussing. Although the Bill seeks to meet an injustice that a number of our constituents feel, I was anxious that we should not create another injustice for another group of people in place of the original injustice. I spoke in theory; my hon. Friend spoke from practice. That shows the value of single-Member seats, where the buck stops with each of us for our individual constituencies, and as a result we cannot pass on our responsibilities or pretend that someone else is attending to them.

My hon. Friend the Member for City of York said he hoped that our hon. Friend the Minister would read into the record the spirit in which he hoped the guidance would operate, and say whether and at what point the guidance would be made public to hon. Members and, perhaps equally important, to our constituents. I ask my hon. Friend the Minister for one clarification. My hon. Friend the Member for City of York rightly said that we are dealing, fortunately, with a small number of people who feel the grievance, but if one person feels the grievance, it is 100 per cent. It is not mitigated by the fact that there may be only 39 or 49 other people in a similar position. That is why it is important for my hon. Friend the Minister to deal with the issue.

Suppose that the private providers do not all come up to the standard that my hon. Friend the Member for City of York hopes and believes they will, given their track record so far. We only need a couple of providers to fail to live up to that expectation for some of our constituents to feel that, while meeting what is a legitimate grievance for some of our constituents, we have created an equally horrible grievance for them.

Mr. Boswell: Those who participated in or subsequently read the reports of the Standing Committee will know that it was characterised by large measures of cross-party agreement on a number of important issues. This is one of them. I pay tribute to the hon. Member for City of York (Hugh Bayley) for bringing to the matter his personal expertise from his constituency case. As has been said, a small number of people are affected, but that is no reason to perpetuate an injustice if it can be dealt with.

I look forward to the Minister's response, as she, too, has been sensitive in this area. The only question at issue is what the best response is and whether it will leave some people feeling that they have not received the justice to which they feel entitled. I take the point made by the right hon. Member for Birkenhead (Mr. Field). If we deal with most of the problem but leave one or two people dissatisfied, that aggravates things for them.

From the exchange between the hon. Member for City of York and my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), I think there is a convincing case for dealing with the matter by guidance note. That will cover most cases, including, I hope, those where the provider is a member of the National Association of Pension Funds.

My only reservation—I do not want to go on at great length, as I know this is a difficult and complex subject—relates to the question of public sector schemes. It is absolutely true, as the hon. Gentleman has said, that a large number of those are and should be members of the NAPF in relation to their private sector or second pension provision, which is fine. Typically, of course, entitlements can be transferred between public and private sector easily in that regard. When considering statutory pension schemes, the difficulty is that they are often prescribed in statute, and are very complex. I hope that the Minister can at least reflect, and perhaps comment this afternoon or subsequently, on cases in which trustees of public sector schemes may find that their discretion is fettered in ways in which some of the private schemes would not be, and are unable to produce the deal that would otherwise be available to persons in the private sector. That is not an easy matter—I believe that there are about 600 public sector schemes—but I hope that it will be considered.

The broad outline is uncontentious. The hon. Gentleman has worked hard with the Minister, and I have been anxious not to clutter things and get in the

way, but he has had the courtesy to keep us in touch. He needs to share that, and it would be sensible for the Minister to put the guidance note in the Library for all to see. We are on the verge of resolving this issue, without a Division and in conformity with the decent spirit that the Committee showed previously.

Lynne Jones: I, too, thank my hon. Friend the Member for City of York (Hugh Bayley) for his work on the issue of pensions justice for transsexual people and their spouses, prompted by the injustice that they will be forced to dissolve their marriage if the transgendered person is to be able to realise their human rights in that status.

I am not entirely convinced by the argument that a statutory requirement, as in new clause 2, would impose significant complexity on the pensions industry. The Government's record on simplification of pensions policy is not entirely good in that regard. Having said that, I also want to thank the Minister for the co-operation that she and her Department have given my hon. Friend. I hope that the guidance note will provide sufficient incentive to all pension providers to ensure that people in the unique position of being forced to dissolve their marriage are protected and retain their pension rights. Because of the small numbers involved, this is not particularly financially demanding of pension schemes, although it is possible that some might be in very small pension schemes and the trustees might be pleased to save themselves what they might consider a considerable burden of paying out a pension in the event of the decease of a spouse in a former marriage involving a transgendered person.

As the hon. Member for Daventry (Mr. Boswell) has said, the guidance note proposal goes a considerable way towards alleviating some of the anxiety, but I am not entirely convinced that it would not have been better either for the proposals laid down in new clause 2 to be accepted or for the Government to consider whether it is necessary to require couples to dissolve their marriage before a transperson can have a gender recognition certificate.

Mr. Hogg: I have three questions, but before I come to those, I want to congratulate the hon. Member for City of York (Hugh Bayley), who has been addressing a serious problem, for which the House is grateful.

First, the hon. Gentleman is relying on guidance—practice directions. When trustees come to construe a trust, however, they have legal obligations. I am far from certain that guidance, or practice direction, would relieve them of their obligations under the trust if the trust were fairly clear in its interpretation. I suspect that statutory intervention might be required.

My second point relates to public sector pension schemes. I may be wrong, but my understanding is that many of those schemes are statutory in origin, relying on statutory instruments. In that case, the duties of a trustee are constrained by the language of the statutory instrument in question, and statutory intervention rather than guidance would be needed to alter the obligations of a trustee in respect of a public-sector trust.

My third point is rather different. I have been looking again at schedule 4, and asking myself what would be the effect on a marriage of the acquisition of a new gender. I note that the original marriage is voidable, not void: unless the parties go to court to have it annulled, the original marriage remains valid. I assume that, as a consequence, if a party whose spouse has acquired a different gender does not want the marriage annulled—it being voidable rather than void—the original marriage will remain subsisting, and the parties' rights will be defined with reference to the original pension scheme. I realise that that is a technical point, and I am sorry if I have not made it clear to the Minister. She is stirring in her seat, and I shall be happy to give way to her if I have not.

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): We have had a short, sharp but erudite debate, for which we should thank my hon. Friend the Member for City of York (Hugh Bayley). As I listened to him answering questions from all comers, it was as if he was still a social security Minister, and I felt that I might be redundant. His ability to answer so many questions—I shall return to some of those that remain—shows how deeply he has thought about an issue which, although it arose from a constituency case, is replicated around the country, albeit in only a small number of instances. The speed and depth of his responses demonstrate that he has examined the matter closely, and his amendments tabled in Committee and on Report make it clear that he is not a bad parliamentary draftsman either. We have seen worse, sometimes from parliamentary counsel—although I shall probably suffer as a result of that comment.

The amendments are similar to those tabled by my hon. Friend in Committee. They are narrower, in that they relate simply to a married couple who must divorce for one member to obtain a gender recognition certificate, but intend to stay together. They are, however, broader in that they refer to all property rights rather than just private pension rights.

Mr. Hogg: I realise that I am coming to the argument rather late and may have misunderstood the position—in which case I apologise—but my understanding of schedule 4, which I think governs the effect of an acquired gender on a subsisting marriage, is that it is voidable, not void. In other words, no party is driven to take a divorce by reason of the acquisition of the gender; it is merely that the party is entitled to go for an annulment.

3.45 pm

Maria Eagle: Although the right hon. and learned Gentleman's definition of voidable, as opposed to void, is certainly right, the person who is acquiring the new gender cannot get the interim certificate that enables him or her to get legal recognition until there is a divorce. It is in that sense that my hon. Friend the Member for City of York and others have said here and in Committee that the law requires a divorce. I hope that that clarifies the way in which the legislation will work. It does not turn on whether the marriage is voidable or void; one will not get the interim certificate without having a divorce.

Lynne Jones: May I just clarify one point? I think that my hon. Friend means that one cannot get a full

[Lynne Jones]

recognition certificate without a divorce. The interim certificate is granted before the divorce, purely in recognition that that person has transgendered. My understanding is that that interim certificate gives either party to the marriage the right to annul that marriage.

Maria Eagle: I thought that that was what I said; if I did not, my hon. Friend has done me a favour by clarifying the point. I hope that that satisfies the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) on that specific point. I shall return to some of his other points.

I am trying to emphasise the fact—as did my hon. Friend the Member for City of York—that the new clause and amendment are about the very small group of people, even within the transgendered community, who are married and wish to stay together once there is final recognition in the acquired gender. That will be a small number of people—we have heard such figures as 40 or 50 bandied around. However, as my right hon. Friend the Member for Birkenhead (Mr. Field) and the hon. Member for Daventry (Mr. Boswell) made clear, that does not take away the fact that the issue is still pretty important to that small number of people, whom we are in effect requiring to divorce if one party to their marriage wishes to have their legal right to be recognised in their acquired gender. I recognise that the issue is important, as did my hon. Friend the Member for City of York.

The Government's position on these issues has not changed. It is a fundamental principle of the Bill that once a legal change in gender is secured, the person must be treated for all purposes as being of the acquired gender. It cannot be right in a Bill that intends to give legal recognition to a person's change in gender then to start treating that person in the old gender for some purposes and in the new gender for others. That is what leads to some of the issues that have been raised here about financial disadvantage that might arise because someone simply acquires a human right, which the Bill exists to enable them to do. That is the nub of all the problems and issues that are before us. However, the Government still believe that it would be wrong to start to make exceptions to the Bill's general principle that once the acquired gender has been legally acquired, that person is to be treated in all circumstances and cases as being in the acquired gender, not the old one.

My hon. Friend the Member for City of York referred to the useful meetings that we had. Although they were held under the auspices of the Department, I pay tribute to him for playing a dynamic part in ensuring that they happened. There was a meeting of the National Association of Pension Funds, the Association of British Insurers and others with my hon. Friend on 29 March. Short though our debate on this issue was, we discussed such a myriad of different potential circumstances—different pension schemes, different ages at which this might become an issue, different amounts of pension already accrued and so on—that it seemed fairly evident to me from that debate that it would be difficult to try to legislate to deal with the problem in every single way in which it might show its face.

We believe that making exceptions to general principles would not be helpful in this instance, and could have unintended consequences. The representative of the National Association of Pension Funds certainly made it clear that he did not believe that the trustees of pension schemes should be asked to fetter their discretion in the way that the amendments propose. Different pension schemes have different rules, are of differing sizes and have differing levels of discretion. Some already provide survivor benefits for unmarried partners as of right, or at the trustees' discretion.

We continue to believe that the best way of dealing with the situation is for individuals to ask their pension scheme trustees for advice about the provision that the scheme makes for unmarried partners and the conditions that apply, and to consider their options in the light of that information. They can then decide whether and when to ask for gender recognition, in view of all the financial circumstances that apply to them at that time.

Glenda Jackson: Is help not already available for the industry, and would it not be possible for the small number of people who will be affected in this way—those who intend to live together post-transgender for the rest of their lives—simply to be incorporated through the legislation? Indeed, such legislation has benefited same-sex couples in this regard.

Maria Eagle: That would not be at all as easy as it sounds. Such people may well have every intention of continuing to live together after a divorce and a gender reassignment, but nobody can predict what will actually happen. At a time when we are trying to simplify private pension provision rules, and in dealing with what is a very small number of people, it would be difficult and complicated to produce rules and requirements for schemes without intruding on the rights and duties of schemes and trustees.

We certainly want to proceed by way of guidance and to see whether that will work. Such guidance has proved useful in the case that motivated my hon. Friend the Member for City of York. He met with a very positive response when pursuing the pension rights of his constituents, and we hope that the same will be true of the small number of people affected by the provision. That it is certainly our preferred solution.

Andrew Selous: Will the guidance and advice apply to all public sector pension schemes?

Maria Eagle: I am about to deal with the various points that have been made and I shall try to answer such questions before I sit down. To be fair, my hon. Friend the Member for City of York has already correctly answered most of the questions that were raised, which is why I feel slightly redundant. Having said that, Members are tempting me to speak for far longer than I probably should. To the extent that the NAPF covers public sector as well as private sector schemes, its guidance notes apply in equal measure to both.

My hon. Friend the Member for City of York asked when the guidance would be made available to the public. We intend that the application packs and the

enclosed information be available to all those who apply to the gender recognition panel from January 2005 at the latest. My Department and I have no worries about making our guidance available, as soon as it is drafted and completed to our satisfaction. Of course, the guidance note produced by the NAPF and the industry is not mine to bandy around, and I shall have to ask them when they are willing to make it public. I am certainly happy to respond to those Members who have an interest in this issue, once I have consulted those who play a part in the preparation of the guidance note, but I should make it clear that there is no point in allowing a guidance note to be surrounded in secrecy.

My hon. Friend the Member for Hampstead and Highgate (Glenda Jackson) asked a question relating to general divorce law. I should point out that I am not a divorce lawyer—or indeed any sort of lawyer any more. I do not wish to get drawn into specific instances, but I can say that the court has the power to make pension-sharing orders on divorce. To the extent that couples are concerned that even though they intend to stick together after divorce, that may not actually happen, they can certainly have pension sharing on divorce. That would be the right thing for them to do.

My right hon. Friend the Member for Birkenhead asked a number of questions. One was what would happen if pension providers did not live up to the hopes that we have all expressed in the House today. May I tell him that our first example has been the constituents of my hon. Friend the Member for City of York? It seems that a good and positive outcome resulted in that instance. I am optimistic about people's responses to such problems. When the Bill becomes law, when the guidance note and the rules for trustee schemes have been published and when the members start to discuss the issues, I hope that we will not encounter any serious problems. At this stage, all I can say is that, if that proves not to be the case, we will have to examine the position again. I am sure that the House would not expect me to commit the Government any further than that at this stage, but we want to be as helpful as possible to ensure that people do not lose out.

Let me emphasise again that the primary purpose of the Bill is to enable legal recognition in the acquired gender and to give human rights to a group of people who have demanded them but who have been ignored in the past. That is the Bill's primary purpose, and no other purpose overrides it. To the extent that we have to make choices between that purpose and others, we have to choose the primary purpose, and I hope that no problems will result from that.

The guidance from the Department will advise individuals to approach their schemes for information about what would be likely to happen if a decision were taken to divorce as a result of one person wanting to gain a final gender recognition certificate. Couples can take a decision on the basis of what information comes back to them from their particular scheme about their particular circumstances.

The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who is obviously a trust lawyer—he convinced me through his questions that he knows a lot about trusts and equity—asked what would happen if the construction of the trust fettered the good will of the trustees. Obviously, all I can say is that the trust deed comes first. Trustees will be able to respond positively to the extent that they have the discretion to do so. We hope that they will do so, but if the rules of the scheme and the trust deed are such that they do not have discretion, clearly the answer will be rather different. We wait to see what happens.

The right hon. and learned Gentleman also referred to public sector schemes and the wording of statutory instruments. I am not in a position today to tell him whether there would be problems with the construction of statutory instruments. No doubt that will become clear as we start to go through the process. Again, if there is a major problem, we will have to consider it when it emerges. I believe that I have dealt with the right hon. and learned Gentleman's other point.

Mr. Hogg: The Minister is making a perfectly fair response. One could envisage circumstances in which some people lost out, but in which we found out that there was a problem with the statutory instrument only after they had lost out. The Minister might then have to consider the possibility of paying benefits retrospectively on the introduction of any statutory change.

Maria Eagle: The right hon. and learned Gentleman, in talking about retrospection in relation to benefits, is tempting me into serious constitutional waters, but I hear what he says, and we would have to consider it if a problem emerged. I will have to take that point away with me, although we hope that there will not be any problems.

The hon. Member for Daventry spoke about scheme rules and discretion, and asked me whether the guidance notes could be placed in the Library. As I said, there is no point in keeping a guidance note secret. I, for one, would want to spread the guidance as far and wide as possible for the benefit of those for whom it might be of some use.

I end by paying tribute to the dedication and effort of my hon. Friend the Member for City of York. I hope that I can convince him not to press the new clause, and that the guidance note on which the Government and the industry are working hard will do the job that he wants done. Finally, I hope that he will not be too upset if I say again that he has done a very good job for his constituents.

4 pm

Hugh Bayley: I feel almost as if I have been praised to death. I should begin by thanking my right hon. Friend the Member for Birkenhead (Mr. Field) and my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones), who put their names to the proposal. As to whether guidance, as opposed to statutory provision, will be sufficient, there is a great temptation for Back Benchers to be fundamentalist and to press for legislation just in case it is needed, even though that may be a one in 10,000 chance. When I ceased to be a Minister, I decided that I should not set for my successors a sterner test in respect of the necessity for legislation—or anything else—than I would have set for myself.

[Hugh Bayley]

My hon. Friend the Minister said kindly that she wondered whether she was redundant. She is not: she is a very good Minister, as her response to my concerns on this matter shows. It is I who feel redundant after her answers to all the difficult and penetrating questions asked by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg).

Of course, non-statutory guidance will not override trustees' responsibilities. However, when the trustees have discretion, how will they use it? I want them to use it in a way that protects the rights of the spouse of a transsexual who legally changes gender. The guidance will give advice to trustees about how to use discretion, and it will move them in the right direction.

The hon. Member for Daventry (Mr. Boswell) said that there had been good co-operation across the parties on this matter. I am grateful to him for his help and support in Standing Committee, and to the hon. Member for Winchester (Mr. Oaten), who also put his name to the amendment.

The Minister said that she hoped the guidance would provide the level of protection needed by the small number of people who find themselves in this situation. The implication was that we would have to make some legislative provision if the guidance failed in that respect. If my judgment that the guidance note will be sufficient proves to be wrong, I assure my hon. Friend the Member for Birmingham, Selly Oak that she can enlist me as a willing supporter in pressing for statutory provision. However, I do not think that that will be necessary, and I prefer to have a simple and unencumbered Bill.

The Minister said that she was willing to consult other Members who have expertise in this matter about the content of the guidance that is sent out. I am grateful to her for that. I accept that the final draft of the guidance needs to be signed off by the ABI and the National Association of Pension Funds as well as by her Department, so she cannot give the House a firm date, but I am pleased to hear that she hopes the guidance will be available before the Bill goes live, assuming that it receives Royal Assent.

In light of the clear assurances from the Minister, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 3

OLYMPIC ATHLETES

'Unless and until the International Olympic Committee publishes a policy on participation by transgendered people, athletes resident within the United Kingdom and wishing to compete in the Olympic Games shall be required to inform their National Olympic Committee if a gender recognition certificate has been issued to them under the provisions of this Act.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss new clause 6—*Changing and washing facilities*—

'Nothing in this Act shall prejudice the rights of the management of facilities where there are gender specific changing and washing areas, such as open showers and open sports changing areas, to regulate their procedures as they see fit, providing reasonable provision is made for transsexuals.'.

Mr. Boswell: It will indeed be convenient to consider new clause 3, which I tabled, with new clause 6, tabled by my hon. Friend the Member for South-West Bedfordshire (Andrew Selous), who was a member of the Committee. I hope that all the issues on the selection list will be discussed before the deadline, but the bracketing of these two new clauses under the heading "Sport" is a little bizarre, because they are very different. Given that new clause 3 relates to Olympic competition, I wondered whether we might call the new clauses the coxless pairs. I shall allow my hon. Friend to row his side of the boat in a minute, but I wish to concentrate on the Olympic issue.

We did not discuss the issue in Committee, but it has concerned my noble friend Lord Moynihan, who is active in debates on sport in the other place and in Olympic affairs. The Minister may know that as part of our all-singing, all-dancing home affairs team I am also a member of our culture, media and sport team, and take a certain vicarious interest in Olympic activities. We all want our activities to be successful and conducted to the highest possible standards.

New clause 3 would impose an immediate duty on British athletes who have received gender reassignation to advise the British Olympic Association of that. That is entirely consistent with clause 19, which concentrates on the need for fair competition and, in certain cases, safety. It would give sports administrators the chance to withdraw their sports from the provisions of the Bill.

Mr. Oaten: I come fresh to the issue, and I wonder whether the hon. Gentleman could explain why he has limited the clause to the Olympic committees. If the arguments are valid, surely they apply also to a range of other sports.

Mr. Boswell: Clause 19 provides that national sports administrators have responsibility for their own sports, which is how it has worked in the past. I imagine that the situation will be different for different sports—for example, the shot-put and boxing. We are happy with those general provisions, but the difficulty occurs when the various sports administrators seek to integrate in a national effort to produce a team for the Olympic games—as we shall do shortly. In that sense, the new clause sets out a clearance procedure that would require any transgendered person in receipt of a certificate to advise the British Olympic Association of that. The requirement is an important safeguard to secure consistency and good order.

The hon. Gentleman may have spotted that the implied suggestion in the new clause is that the International Olympic Committee should get on with the job of defining a satisfactory international policy. If time permits, we shall debate the Minister's welcome change of heart on European gender recognition certificates and the immediate rights that would attach under British law if the Government's amendments are

adopted. I would like to see the integration of national policy on the issue, but it would be even better if it were overtaken by a proper decision by the IOC. We all understand that it is difficult to formulate policy—it is what we have been discussing all afternoon—but I hope that the IOC will get on with it so that we all know where we stand. I also hope that the IOC's policy will have a common basis with ours.

Mr. Oaten: I understand a little better now, but if the IOC produces a set of standards, would they then cover the Commonwealth games, the European championships and athletics at all levels in this country?

Mr. Boswell: I cannot give the hon. Gentleman a definitive answer. My immediate reaction is that it would be for the competent authorities in each case—the Commonwealth games committee, for example. Just as we want international standards on anti-doping, so, too, we want standards that are internationally agreed and applicable to all competitions, whether at Commonwealth, European or Olympic level. That is the aim of the new clause and I shall be interested in the Minister's response. I was not intending to press the matter to a vote but it is important that the Government focus on it.

I turn briefly to new clause 6, tabled by my hon. Friend the Member for South-West Bedfordshire. The Minister will be aware that we had to hurry our consideration of my hon. Friend's proposals in Committee, so the matter was not adequately dispatched. We all understand what good practice would be; we do not want people purposely to create embarrassing situations and I seek the Minister's assurance that that will not happen in practice. My hon. Friend's observations, at greater leisure than he was permitted in Committee, will help us to come to a conclusion.

Andrew Selous: I rise to speak briefly to new clause 6, which, as my hon. Friend the Member for Daventry (Mr. Boswell) said, had about three minutes' debate at the very end of the Standing Committee proceedings.

First, let me say what the new clause is not about. It is right and proper that transsexual people should use changing and washing facilities appropriate to their acquired gender. That is what should happen and I am confident that in a vast and overriding number of cases it will happen without difficulty. However, as the measure will give legal recognition, in all cases, to the acquired gender, I want the House to consider, and the Minister to explain, what would happen if someone had a gender recognition certificate but had not undergone sex reassignment surgery and wanted to cause difficulties to the management of the facilities.

Mr. Lammy: The hon. Gentleman will know that under the Bill a person would have to be diagnosed with gender dysphoria, to have lived with the condition for two years, to demonstrate that there was some permanence in the condition and to convince the panel that they merited a gender recognition certificate. He is right to suggest that that may not always mean that they had undergone an operation—there could be medical reasons for that—but those are substantial hurdles to overcome and that is the purpose of the Bill.

Andrew Selous: I am grateful to the Minister for that clarification but, to return briefly to a point raised in our debate on new clause 1, I do not know whether he is aware that in the Diane Parry case in south Wales, Diane Parry's physical appearance was very much that of a man. I am concerned about circumstances where someone is legally a man but physically a woman or vice versa, and where there are open changing areas. For example, in football or other sports, teams might change together and there are no cubicles, and in the armed services it is common to find open showers with no cubicle division.

I accept that the possibilities are remote but I want to know what would happen in such circumstances. It is relevant because, as the Minister may be aware, several pub landlords have experienced difficulties in this matter, although they relate to an issue that is separate from my new clause. I simply want to understand what will happen where there are open changing and showering facilities.

4.15 pm

Mr. Lammy: I do not want to prejudice what I may have to say shortly, but surely the hon. Gentleman is not suggesting that we should legislate to allow a form of prejudice because it may exist in pubs throughout the country.

Andrew Selous: New clause 6 does not deal with pubs. It clearly deals with the specific circumstance of complete nudity in open changing areas. The Minister has a slight habit of setting up men-of-straw arguments that differ from the arguments made by those with whom he is debating. I ask him to restrict himself to the circumstances of new clause 6. I used the pub analogy only because that is happening now, so the scenario that I envisage is not wholly far fetched.

There is always a very small litigious minority. I accept that the vast majority of transsexual people will want to behave in a discreet and private manner; but, given the Diane Parry case in south Wales, if we are to pass a law of this nature, the Minister needs to explain clearly what will happen to a sports club if parents say, "Right. My children aren't going there anymore." The club could go out of business. He also needs to explain what could happen in the situation that I describe in respect of good order in the armed services, in which I served for 12 years, so I know a little about that. Those are the type of issues that the new clause raises.

Richard Younger-Ross: We debated this issue briefly in Committee. Is the hon. Gentleman aware that most female changing rooms are already divided into cubicles? My background is in architecture, and I cannot think of an instance in all my time in architecture where we have ever built open changing rooms.

Andrew Selous: The hon. Gentleman is quite right. The public swimming pools that most of us use and where I go to with my family almost entirely have changing rooms with cubicles. That is not a problem. If

[Andrew Selous]

he reads new clause 6 carefully, he will see the word "open" before the words "showers" and "sports changing areas." He will be aware that hotel sports areas often have open changing areas; football clubs and many other sports clubs have open changing areas; and open showers are very common in the armed services.

The difficulty arises purely in a case where someone is legally a man but has the body of a woman, or vice versa. It may be a small and far-fetched case, but we are entitled to know what would happen for the sake of good order and for another reason as well: the purpose of the Bill is to give transsexual people some rights that are overdue and should rightly be given to them. If the Minister does not deal with the issue that I am raising, there will be resentment and a public backlash that will undo the very work that he is trying to do. He has said time and again that we cannot legislate for other people's concerns on these matters. I am not entirely sure that that is right. It is the function of a Parliament that is considering such matters in the round to ensure that there are reserve powers—I emphasise the word "reserve"—so that public resentment does not build up and undermine the support for the very group that the Bill seeks to help.

Lynne Jones: Does the hon. Gentleman seriously think that a trans-man who has not undergone phalloplasty would go into a male changing room, for example, with a football team and expose himself? That is highly unlikely. I can confirm that there are open women's changing rooms. I went into one just over the road this morning. Quite frankly, the idea that a male-to-female trans-person would be granted a recognition certificate if they did not undergo a penectomy is, again, unthinkable.

Andrew Selous: If the hon. Lady is fair, she will acknowledge that I said that, hopefully, the circumstances to which my new clause relates would never arise. However, we would be negligent in our duty as legislators if we did not get some guidance from the Minister on what would happen if they did. Perhaps the hon. Lady is not aware that, in the south Wales case, Diane Parry had a full beard at the time when he wanted to join in the ladies' activities. Thus the scenario that I am describing is not wholly far-fetched.

Lynne Jones: To be candid, if the hon. Gentleman is suggesting that someone who sports a full beard would have their application for a gender recognition certificate granted, I wonder what world he is living in.

Andrew Selous: The hon. Lady attacks me for raising the issue, but on several occasions over the years the House has not foreseen potential developments. I fully accept that the vast majority of transsexual people will not want to go down that route, but there is always the litigious minority to deal with. I am keen to avoid public resentment and concern.

Mr. Lammy: The hon. Gentleman keeps talking about a litigious minority. I remind him that there are more than 60 million people in this country and only about 5,000 transsexuals, and the Bill contains a number of hurdles. For example, the person concerned must have had gender dysphoria, and as my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) explained, persons with that condition do not want to be exposed in public in that way. Surely, therefore, the hon. Gentleman's preoccupation with the minority becomes redundant. Has he not argued himself out of the position from which he started?

Andrew Selous: No, I do not think that I have. Who would have thought that the Churches would be dragged through the courts by people from a very small minority of 5,000 people in a country of 60 million? Yet that has already happened, and other legal cases are in the system. I want the Minister to take the matter seriously. What will happen to a sports club in the scenario that I have described? Is there any protection in the Bill?

Mr. Lammy: Let me begin with the remark made by the hon. Member for Daventry (Mr. Boswell). The International Olympic Committee announced on Monday last week its policy on the participation of transsexual sportspeople. The policy will apply in the forthcoming Olympic games in Athens. In brief, it allows transsexual sportspeople to compete in their acquired gender, but only if they have legal recognition in the acquired gender and have undergone surgical and hormonal treatment such as to minimise any gender-related advantage. The hon. Gentleman said that we have been waiting a little while for that announcement, but he will understand that, as a consequence of it, new clause 3 is not necessary—although I am grateful for the manner in which he proposed it, as if to move things along. Indeed, the new clause acknowledges that any policy announced by the IOC should supersede any suggestion that it contains.

The Government agree that it is for the IOC to decide the terms on which transsexual sportspeople may compete in the Olympic games. Clause 19 provides UK sporting bodies, including the British Olympic Association, with the scope to restrict the participation of transsexual sports people where that is necessary to maintain competitive parity or for the safety of other competitors. The IOC has been guided by similar considerations, and we believe that the clause provides UK sporting bodies with sufficient scope to use the IOC guidelines.

Mr. Boswell: I am grateful to the Minister for updating me. I cannot claim responsibility for single-handedly getting the IOC to get its act together, but could he or the Under-Secretary confirm whether there is any possibility, given that transgender people, in addition to the remedial medication to which he referred, typically have to continue with other medication indefinitely, will fall foul of anti-doping codes? Will medication that they are required to take, whether medically or legally, lead to such problems?

Mr. Lammy: The IOC prescribes a two-year period for hormonal treatment and so on. The hon. Gentleman has asked an important question to which I do not have an answer off the top of my head, but I shall be happy to deal with it later.

Although the IOC acknowledges that hormonal and other treatments used by transsexual people typically eliminate any competitive advantage that male-to-female transsexual people may have over other women, there may be cases where competitive parity or the safety of other competitors are valid concerns, and the IOC recognises that, as does clause 19. We shall issue guidance to sporting bodies in advance of the implementation of the Bill setting out the legal position and the scope that remains, quite properly, for sporting bodies to make decisions that reflect the needs of their particular sport.

Lynne Jones: I am interested that my hon. Friend said that safety grounds might prevent a trans-competitor from competing. Sports bodies already have the power to exclude someone if safety is a factor, and in Committee I queried the need for clause 19. I am pleased to learn that the IOC has made it clear in its ruling that claims, pursued in the House of Lords, that the Bill

"has put the entire future of competitive sport in jeopardy"

are entirely bogus. The IOC's sensible proposal negates the need for clause 19.

Mr. Lammy: I am grateful to my hon. Friend for putting her views on the record. There were arguments circulating in another place that were deeply unhelpful, but clause 19 makes the position clear. My hon. Friend will accept that there are many sports in which these issues simply do not arise, but there are other contact sports such as rugby and basketball where safety considerations might be pertinent. By definition, the individuals playing those sports come into contact with others, so although the parity test remains, the safety requirement needs to be taken into consideration as well.

In an intervention, I made clear the Government's position on new clause 6, which raises an issue that, even though we had only three minutes to deal with it in Committee, was, I believe, dealt with satisfactorily. Its implication is, unfortunately, that transsexual people are more likely to expose themselves or seek to cause offence than other people who use communal changing or washing facilities.

Richard Younger-Ross: Is not the logic of the new clause on changing facilities that there should be separate changing cubicles in shops, not communal changing areas? Equally, changing rooms at swimming pools would have to have a door saying "Transgender person".

Mr. Lammy: I am grateful for that intervention from the hon. Gentleman, who has drawn the natural conclusion from the debate. Frankly, new clause 6 would warrant the exclusion of transsexual people from changing and washing facilities, and the creation of separate facilities for their use.

4.30 pm

Andrew Selous: If the Minister is fair, he will acknowledge that at the start of my remarks about new clause 6, I said that I hope, expect and believe that the vast majority of transsexual people—if not all of them—will use the facilities appropriate to their acquired gender. I am discussing a reserve power to cover serious difficulties, and we all accept that such circumstances are a remote possibility.

Mr. Lammy: The hon. Gentleman may well approach the issue on the basis of separate-but-equal treatment, but the Government entirely reject the implication of the new clause that transsexuals might set out to cause offence to others. That is not the Government's experience, and we therefore reject the new clause.

The Government also believe that separate facilities for minority groups are objectionable, and we urge the House to reject the proposal. For obvious reasons, many hon. Members fought to ensure that separate signs for minorities became a thing of the past in South Africa, and we did not engage in that fight in order to set up such prejudice over here.

Mr. Boswell: In view of the Minister's assurances, particularly in relation to new clause 3, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 4

MARRIAGE BETWEEN TRANSGENDERED PERSONS

'(1) This section shall have effect in connection with marriages between two persons both of whom have subsequently applied for and received an interim gender recognition certificate under section 4(3) of this Act.

(2) Both parties to a marriage who have each received an interim gender recognition certificate under subsection (1) may jointly apply to a gender recognition panel for the issue of a full gender recognition certificate to each of them, and in such cases the Gender Recognition Panel may confirm the continuing validity of the marriage between them.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss new clause 7—*Successful applications: married couples—*

'If an interim gender recognition certificate has been issued to a person under section 4(3) an application may be made to the Secretary of State to award a full gender recognition certificate without the provisions of Schedule 2 or section 5 having effect if—

(a) neither party to the marriage wish the marriage to be dissolved or annulled,

(b) both parties to the marriage can show they intend to continue living together, and

(c) the marriage took place before the date of Royal Assent of this Act.'.

Mr. Boswell: New clause 4 is tabled in my name and, I am pleased to say, that of the hon. Member for Birmingham, Selly Oak (Lynne Jones), who played a big part in the constructive discussions in Committee. I have remarked before—and I do so again—that the Bill brings together a remarkable range of issues. New clause 3 concerned the Olympics; new clause 4 concerns an entirely different and rather small problem. The problem has wider implications, however, and I shall

[Mr. Boswell]

discuss them and new clause 7, which my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) tabled, in a moment.

Hon. Members on both sides of the House share a strong wish to underpin the importance of marriage, and above all not to force persons lightly or wilfully to annul their marriages, unless it is strictly necessary. New clauses 4 and 7 have slightly different effects, but they are both designed to underline that principle.

New clause 4 would have a small numerical effect, but—this point was made in earlier debates—the principle is important for those concerned. New clause 4 relates to a limited number of real world cases, although it might apply in future. The Minister will be familiar with the arguments because, although we motored through the Bill in Committee, we discussed this point.

First and foremost, the matter concerns an issue of principle, which is to try to support marriage wherever it subsists and is seen to do so. We envisage a situation in which two persons marry as man and woman—whether they knew about these issues when they contemplated marriage is not my concern—and then both decide that they need gender reassignment, so they apply for gender recognition certificates. They both receive interim certificates, but are unable to convert them into full gender recognition certificates to give them legal effect unless and until they annul their marriage. Because they were married and wish to continue to be married—albeit with different genders—I cannot see any reason in principle why we cannot cater for that situation.

In Committee, I tweaked the Minister by saying that I thought that might be one of those issues that was invented here, or words to that effect. He made the valid point that concerns arose about mucking about—my phrase, not his—with the marriage certificate. I then tabled a new clause that made provision for rewriting the marriage certificate. The new procedure proposed in new clause 4 strikes down that objection by suggesting that both persons could apply to the gender recognition panel for full certificates at the same time as the issuing of a statement confirming the continuation of their marriage. That would be a more elegant and simple solution.

That deals with the technical argument, but the Minister will realise that there are wider concerns of a prudential nature in relation to inherited rights. In Committee he made the slightly surprising assertion, which I have checked again in the *Official Report*, that discontinuation of the marriage for 24 hours—its extinguishing and almost immediate reintroduction—would not invalidate any inherited rights. The only comparison that I can suggest is that of the late King Baudouin of Belgium, who stood down for 24 hours because of some legislation that he found objectionable and was then reinstated. I do not know whether that is treated as one reign or two in Belgian law, but that need not concern the House. In the context of British law, would the courts recognise the continuation of all the rights and duties in what is effectively a continuing relationship?

My new clause is based on the important point that persons should not be required to divorce or annul their marriage unless it is absolutely essential that they do so. That brings me to the new clause tabled by my hon. Friend the Member for Sutton Coldfield. He has been persuasive in arguing his case with me, but he needs to do so before the House, and I will consider what to do in the light of that.

Mr. Forth: I wonder whether my hon. Friend the Member for Daventry (Mr. Boswell) can help me through this, as I was not a member of the Committee. Do I understand him to say that the effect of his new clause would be that two people who were of different genders, and would now again be of different genders albeit reversed, could continue to be married; but that the effect of new clause 7, tabled by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), would be that two people of different genders who had been married—

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Are married.

Mr. Forth: I thank my hon. Friend for his correction. Would the effect be that two such people could now continue to be married when of the same gender? If so, the two new clauses would have quite different effects, because my hon. Friend the Member for Daventry wants to maintain different-sex marriage, whereas my hon. Friend the Member for Sutton Coldfield appears on the face of it to want to allow the sanctification of same-sex marriage.

Mr. Boswell: As I understand it, my right hon. Friend has it exactly and puts it very clearly to the House. My difficulty with my hon. Friend's new clause is that it would arguably validate same-sex marriages. We could have a debate about same-sex marriages, although the House is perhaps not ready to do so. The Minister and other hon. Members will know that that matter is highly controversial, even in the United States—in one state, in particular. We could not fruitfully discuss it now, not least because Ministers have consistently said that they are against same-sex marriages and seek to underpin different-sex marriages.

My hon. Friend's new clause would facilitate the continuation of marriage in several situations about which he feels strongly because they may involve the maintenance of pension entitlement and so forth. We rehearsed that at length in Committee and to some extent this afternoon. However, his proposal could in effect lead to marriage between persons of the same gender. I would warm towards it more if we had tried to confine it to validating—retrospectively, if we wish—grandfather rights or grandmother rights to persons who are already married, on the grounds that there is no reason to break up such relationships. Like other hon. Members, I know serious people of repute who are in a continuing relationship, which is currently marriage but will not be.

However, in trying to limit the effect of new clause 7, my hon. Friend the Member for Sutton Coldfield has weakened the validity of his argument. There will be persons unknown to the House who will marry in future in a specific gender, subsequently wish to undergo gender reassignment and perhaps wish their relationship to continue. Under the new clause, they would be

precluded from doing so because they were not married before the Bill was passed. That is invidious and shows the weakness of principle behind my hon. Friend's point.

I readily concede to my hon. Friend and others who have put their names to new clause 7 the strong practical argument about the need to encourage continuing relationships and to protect the financial and other positions of vulnerable people if they choose to change the nature of their relationships. That is perfectly understandable and should not be sacrificed to a wider principle about preserving marriage between different genders.

However, I understand that the sensitivity of my hon. Friend's points, which are set out in the new clause and were mentioned in Committee, will be easier to bear because of the Civil Partnerships Bill. I outlined in Committee my impatience for that measure, which has now appeared. I also expressed my support for that measure in principle because we should persist with the doctrine that marriage should be between people of different and legally recognised genders but, if persons of the same gender wish to have a continuing, genuine relationship through civil partnership, we should also facilitate that. We say yes to relationships but no to marriage between persons of the same gender. In that spirit, I express advance reservations about new clause 7 but commend new clause 4 to the House.

Mr. Andrew Mitchell: I rise to support new clause 7. I am conscious that my hon. Friend the Member for Daventry (Mr. Boswell), speaking from the Front Bench, has hopped from foot to foot about the provision and I understand the reasons for that. Most of us who have considered the issue carefully will have been caught on the horns of the dilemma that he outlined so eloquently.

I did not serve on the Committee, although I have read the proceedings. Clearly, there was considerable support for the principles behind new clause 7. I bring no expertise to the issue of gender dysphoria—we are considering complex and deep matters—but, like several hon. Members, I have two constituents who are caught in the situation that new clause 7 tries to tackle. My experience of them rather than any expertise in the psychology or medicine of gender dysphoria has led me to table the new clause. I have their permission to discuss their circumstances in the House today.

My constituents, Joy and Christine Timbrell, have been married for some 30 years. They are devout Christians who have two grown-up children and many grandchildren. Under the Bill, either they will be obliged to divorce, which neither wishes to do, or Christine will remain wrongly gendered and unable to have the certificate to which the Bill refers and all that that implies. Against their will, their marriage will be "put asunder". That is wrong and an injustice to my constituents. I have therefore tabled new clause 7 in the hope that it can rectify a wrong. I greatly regret that the Government have decided to whip the Bill and this particular new clause. I believe that there would have been considerable support for my proposal across the House, and my decision whether to press it to a vote will depend in part on what the Minister says in his response and what the feeling in the House is at that point.

4.45 pm

I took my two constituents to meet the Minister in the Lords with responsibility for the Bill, Lord Filkin. He was courteous and offered tea, biscuits and sympathy to my constituents. He was clear, however, in his total refusal to consider any change. I had gone along to listen to the arguments and to see what I thought, on behalf of my constituents, and it was clear that the Government were terrified by the opening of the door, as they see it, to same-sex marriages. The Minister's response, though courteous, was extraordinarily unimaginative, given that the Government have shown themselves willing to look at these issues. What I did not receive from the Minister was justice for my constituents.

Mr. Lammy: The hon. Gentleman has not said whether that meeting took place before or after the introduction of the Civil Partnership Bill, which many people consider to be very imaginative and timely legislation.

Mr. Mitchell: The Minister makes a fair point, but neither I nor my constituents believe that that Bill will make any difference in this case. Nor do I believe that it will make any difference to the force of the arguments in support of my new clause.

I wish to make five points. First, I sincerely believe that my new clause is not about same-sex marriage. Each marriage covered by the provision will have been contracted by two people of the opposite sex. The measure would not pave the way for a marriage to be solemnised between two people of the same gender. It would allow only for a marriage solemnised between a male and a female to continue if, at a later stage, a spouse sought to have a new gender recognised. People who enter into a valid marriage contract in good faith should not have to divorce in order to have their new gender recognised and endorsed.

Secondly, when a couple wish to separate that is a different matter, as my amendment recognises. When they do not, the innocent party—that might be someone who is deeply religious, as in the case of my constituents—is effectively being forced to separate by the Bill. The innocent party in the case that I have described has rights too, and the House should be sensible of them.

My third argument is that I have further limited my new clause to cover only those married at the time of Royal Assent. Some argue that it should go further, but I am seeking to define it very narrowly, so that only those who are caught in this position and who are married today would be affected. It is difficult to know how many people would be affected, because people often keep very quiet in such circumstances. Perhaps 30 couples would be affected, and I urge the House to bear that in mind when considering the new clause.

Mr. Andrew Robathan (Blaby) (Con): I thank my hon. Friend for giving way, and I apologise for not being here for the beginning of his speech, but I did watch it on the monitor. He is making some extremely good points.

[Mr. Andrew Robathan]

I was prompted to come down because I want to ask him whether he agrees that he is illustrating that the details of the Bill have just not been thought through.

Mr. Mitchell: If my hon. Friend will forgive me, I do not wish to be drawn on the wider issues. I wish to focus on my new clause, which I hope will commend itself to him.

My fourth argument is that the new clause could well save the Government from falling foul of human rights legislation. As my hon. Friend the Member for Daventry pointed out in Committee, couples forced to divorce may well have a case under the Human Rights Act 1998. The Joint Committee on Human Rights urged the Government to

"reconsider the requirement for a party to a subsisting marriage to end the marriage before obtaining a full gender recognition certificate".

The Bill places some people in the truly dreadful position of having to choose between their marriage—their relationship with their family, their children, and their grandchildren—and their right to have their new gender recognised. Different sets of rights are being traded off against each other. I urge the House to bear in mind the position of the wider family in the circumstances, for example, of my constituents, which I described earlier.

Fifthly, I return to the terms of the marriage contract. These couples married according to the laws of the United Kingdom as they then stood. There were certain grounds for annulment and certain grounds for divorce. The state could sanction divorce where love had broken down, or annul where there was no intention of lifelong commitment. Where those characteristics of marriage remain—that is, love and lifelong commitment—it is wrong for a law that is effectively retrospective to introduce new grounds upon which the marriage may be dissolved.

Mr. Lammy: The hon. Gentleman rightly cites love and commitment as fundamental to marriage, but does he recognise that many people watching and listening to the debate believe that marriage is also a union between a man and a woman? Should one partner who is gender dysphoric change gender, the marriage is in a different situation.

Mr. Mitchell: With the greatest respect, I sincerely believe the Minister is completely wrong. We are not talking about a new marriage contracted between people of the same sex; we are talking about a marriage originally contracted between a man and a woman, for better and for worse. The fact that the change has taken place does not annul or destroy the terms upon which the marriage was contracted.

Mr. Lammy: The hon. Gentleman makes an important point. Does he also acknowledge that the couple have a choice? The Government do not require them to proceed down the road of gender recognition. They have a choice. They can choose not to, and there will be some couples who choose not to.

Mr. Mitchell: With respect to the Minister again, I covered that point in the earlier part of my speech where I dealt with the way in which rights were being traded against other rights. If he looks back at my earlier remarks in *Hansard*, he will see that I addressed that point precisely. Couples should not be put in that position. My constituents should not have to make that dreadful choice.

A group of marriages that have not gone wrong, which are loving and based on years of commitment, will be prejudiced by the Bill. It would be wrong for the House to put asunder those whom God hath joined together. Over many years marriages survive many changes. Some marriages experience extraordinary changes in circumstances, in sickness and in health. A relationship that survives a gender change is by any definition extremely strong. I invite the Minister to improve the Bill, to stand up for the sanctity of marriage, far from undermining it, and to defend the rights and freedoms of a very small minority who will suffer as a result of the Bill as drafted and should not have to do so.

Lynne Jones: I support both new clauses, although if new clause 7 were accepted, new clause 4 would be unnecessary. I thank the hon. Member for Daventry (Mr. Boswell) for moving new clause 4. An existing marriage of transsexual people should be permitted if they subsequently have their correct gender recognised through the process laid down in the Bill. I cannot for the life of me understand why the Government are not prepared to accept new clause 4.

I have some understanding of the Government's reservations in relation to new clause 7, because they believe that it would set a precedent for same-sex marriages. I would argue that that is not the case. We are speaking of a very small number of people—unique people, who were married at a time when the transsexual person may have been trying not to come to terms with the fact that they suffered from gender dysphoria. That was quite common in the past but is much less common now, when that is a recognised condition for which medical treatment is available, and society is much more accepting of such people than it was.

As the hon. Member for Sutton Coldfield (Mr. Mitchell) has said, denying such people the right to gender recognition and the right to continue with their marriage provides a choice, but it also requires them to deny themselves one set of rights in order to acquire another. Many trans-couples have written to the Minister and his colleague in the House of Lords setting out their concerns; for example, Janet and Sarah Wood, who demand the right to retain their marriage and to have Sarah's correct gender recognised. Clearly, the hon. Gentleman's new clause would allow for that.

Even at this late stage, I ask the Government to consider whether that small number of cases should not be allowed to go through. It would be a time-expired phenomenon, as, rightly, the new clause requires that the marriage should have taken place before Royal Assent to the Act. It is therefore clear that, when the marriage took place, the persons involved were man and woman, and the person who subsequently had to accept that they are transgendered married in all good faith. That person was trying to take on board the implications of their birth gender before finally coming to the conclusion—which often seems like a matter of life and death—that they could no longer live in their

birth gender, and had to accept that the only way for them to go forward in their life was to have gender reassignment.

All those couples, as the hon. Gentleman pointed out, will have demonstrated their strong commitment to each other and many will have strong religious principles in relation to their marriage vows. They should be allowed to uphold those principles in a manner that does not affect anyone else and that causes no harm to any other person, and they should be allowed to enjoy the rights that will be given through this laudable legislation.

Angela Watkinson (Upminster) (Con): I apologise for not having been present to hear the earlier stages of this debate. Does the hon. Lady agree that there is a difference between undergoing gender reassignment treatment and acquiring a gender recognition certificate, and that when there are pre-existing marriages in which one partner undergoes gender reassignment, it is open to that person not to apply for the certificate if they wish their marriage to remain legal?

Lynne Jones: Of course it is open to them not to apply for their human rights, but cases have gone to the European Court of Human Rights and such people have human rights. I believe that it is their right to apply for their correct gender to be recognised under the Bill and at the same time they should be able to maintain their commitment to the person to whom they are married, and in many cases, to the vows that they made when they married.

Mr. David Rendel (Newbury) (LD): Is it not the case that, if there is any point in passing this Bill at all, there must also be a point in passing this Bill for people who wish their marriages to remain? All the other things that the Bill will provide are just as important for them as for those who are happy to get divorced if, for example, they later want to go to a job interview.

Lynne Jones: Sadly, most marriages fail when one spouse "transitions". We are talking about a very small number of very strong, binding marriages. The hon. Gentleman is right: why should a party to such a marriage forgo human rights granted in the European Court and now granted more widely in the Bill?

5 pm

Mr. Lammy: My hon. Friend has spoken throughout with the passion that we all expect of her. However, the right granted in article 12 of the European convention on human rights is the right to marry someone of the opposite sex. Strasbourg made it clear that it did not recognise same-sex marriage. *[Interruption.]*

Lynne Jones: As the hon. Member for Sutton Coldfield says from a sedentary position, when the marriages took place the parties were of opposite sexes and believed that they were. The point is that the human right to obtain a gender recognition certificate is clearly not the right to marry, but the right to privacy under article 8, whereby a transgendered person should be able to acquire a birth certificate in his or her corrected gender.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): A Statutory Instrument Committee considering the exciting subject of clinical trials directives prevented me from participating earlier. I am pleased to do so now. I feel that the excellent contribution of the hon. Member for Sutton Coldfield (Mr. Mitchell) exemplified what is best about the House when issues such as this are discussed. When there is a mixture of views within and across parties, thoughtful speeches are made and a coalition develops, in which Members whose perspectives may differ nevertheless seek the same changes in legislation.

This subject was debated at length on Second Reading, on an occasion that both the hon. Member for Daventry (Mr. Boswell) and I remember well. It may be useful to recall some of the Government's arguments then, to see whether we can flush out some more detail.

The hon. Member for Sutton Coldfield, my hon. Friend the Member for Winchester (Mr. Oaten) and I—all of whom have put our names to new clause 7—are not alone. We have the support of the Joint Committee on Human Rights, which has argued that it was perfectly possible for the Government not to insist that couples divorce in order to obtain their rights under the European convention. The Government have employed several arguments. The first is that people have a choice—that they are not being forced to end their marriages and can choose not to. As has been said, that is a terrible choice. It seems unreasonable to force people to choose between a human right recognised in case law and their marriages.

In fact, the Government had a choice. Even while believing that they could not sanction the bringing together in marriage of people of the same gender, they could have taken the view that the marriage was between people of different genders at the time when the contract was made and that subsequent events should not mean that it should end without good reason. Instead of seeking to impose difficult choices on others, the Government should have recognised that they had a political choice to make.

We have yet to hear from the right hon. Member for Bromley and Chislehurst (Mr. Forth), but I cannot imagine what terrible political consequences there might have been for the Government had they conceded that the small number of people who will have married before Royal Assent need not divorce to gain access to their full human rights. Indeed, they would have been supported by Liberal Democrats, some Conservatives and, I know, some Labour Members.

Mr. Lammy: The hon. Gentleman in a sense makes the Government's point for us. He is right to say that the Government had a choice, and that choice centred around marriage for opposite-sex couples and civil partnerships for same-sex couples. The situation is difficult indeed for transsexual people in pre-existing marriages, but the Government have nevertheless made their choice.

Dr. Harris: I accept that the Government have made their choice, and they have done so on the basis of further arguments that I shall briefly explore.

Mr. Boswell: I am grateful to the hon. Gentleman for giving way and for the moderate way in which he is putting his case. Does he agree that, by the logic of his

[Mr. Boswell]

position, transsexual couples who wished to sever their relationship would not be able to do so by seeking annulment on the grounds of gender reassignment and the acquisition of a certificate? They would have to find other grounds for a divorce.

Dr. Harris: I do not believe that that is the intention or consequence of the new clause. It is a relatively narrow clause that provides only for the relevant sections of the legislation not to apply in certain cases. I certainly believe that it is possible to frame legislation to meet my requirements.

Another Government argument, and the only one that the Minister used in Committee, runs as follows,

> "We need to be clear that if existing marriages were not required to end, the Bill would pave the way for the creation of a small category of same-sex marriages. Those are not permitted under UK law and the Government do not intend to change that."—[*Official Report, Standing Committee A*, 9 March 2004; c. 66.]

That is not a reason, but a statement of the Government's position. I sought in Committee to identify why the Government were not seeking to change that position, because it was tautological to state that they were not going to change the law because it was the law.

In fairness, today the Minister has twice clarified in interventions his belief that marriage and the state of marriage, rather than entry into marriage, must be restricted to those of different genders. Again, that is a political judgment. The question that we must ask, for the small number of people for whom he is making a provision that will cause upset and distress, is why he is sticking by that narrow, specific interpretation. Those people would not be hurting anyone else. Were what we seek to be allowed, as it is in other parts of the world, the sky would not fall in and disaster would not occur. I do not even believe that there would be one of those moral panics that we have from time to time. The Minister must explain not only the basis for the decision, but the political reasons behind it. There does not seem to be clamour on all sides for the Government to take the view that they have taken.

Finally, I turn to civil partnerships. As I said in Committee, my party welcomes civil partnerships as far as they go, but it does not appear that such partnerships will give rights equal to those that marriage provides. They are not with us yet, as we put this piece of legislation on to the statute book, and they are not the same as marriage for many people. Many people have chosen to get married because of the personal implications that that has for them. For those reasons, as the hon. Member for Sutton Coldfield said, although civil partnerships are welcome as far as they go, they do not let the Government fully off the hook on this issue. I applaud him for tabling new clause 7, and if he is not satisfied with the Minister's reply—which is for him to judge, but I suspect that he will not be—I hope that Liberal Democrat Members will join him in the Lobby in support of it.

Mr. Forth: This debate shows all too well the convolutions into which the legislation is taking us. My hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) illustrated that, unwittingly but all too well, by the way in which he had to try to justify his new clause 7. I can see the logic in the argument of my hon. Friend the Member for Daventry (Mr. Boswell), albeit that new clause 5 would affect an extremely small number of people, but it is new clause 7 on which I shall say a few words.

Two issues have emerged from the debate. One, which always bothers me somewhat, is where we set out to alter the law and challenge long-standing conventions and social arrangements for the sake of very small groups of people in society. It is argued that it is self-evidently beneficial to identify ever-smaller groups of people and change the law to help them. Yet in some instances—this could be one—doing so endangers, challenges or undermines something of long standing that is very important to society. In this case, we are talking about marriage.

Mr. Andrew Mitchell: If I might have the temerity to differ with my right hon. Friend, it is the Government who are seeking to challenge convention and to change the law. The very small group of people whom we have been talking about will be forced by this legislation to get divorced, and I am seeking to ensure that that change does not take place.

Mr. Forth: As ever, my hon. Friend anticipates my next point, which concerns choice. Life is full of choices and we all have to make them from time to time. Some are very difficult and others less so, but to arrange the law simply so that people can avoid making very difficult choices is not a sound basis on which to work. However difficult it might be for the individuals whom we are talking about, to change the law in the way proposed by my hon. Friend, so that they will not have to make a very difficult and painful choice, is not a good basis on which to argue for a change in the law, particularly if it would lead—as I fear his new clause would—to what would amount to the sanctification of same-sex marriage. That would be the inevitable result.

This is exactly the issue that we must confront. However well intentioned, my hon. Friend's new clause would challenge marriage as we have understood it—and as the Government continue to understand it, I am glad to hear; I hope that Conservative Front Benchers take the same view—and it would say to people that we are now in the business of trying to eliminate difficult choices from life and of easing their path, whatever the result might be.

Richard Younger-Ross: On a doctrinal point, is it not true that many faiths and Churches would not in any case recognise a divorce under these circumstances, because we are talking about a sacrament that is taken, and which is there for life?

Mr. Forth: That is an argument against the Bill itself, which I shall be voting against on Third Reading, as it happens. The more that we consider the Bill and its ramifications, the more that it appears to be nonsense. I suspect that that was true in Committee and it has certainly been true this afternoon. One such nonsense the hon. Gentleman has just illustrated all too well. Whether or not one is a person of religion or faith—

Richard Younger-Ross: I am sorry, but the right hon. Gentleman is being inconsistent. He says that he will

vote against the new clause and against the Bill on Third Reading, but surely the consistent thing to do would be to vote for the new clause, which supports the doctrinal position.

Mr. Forth: No, it would not. Sadly, I anticipate that this dreadful Bill will get on to the statute book, in which case my position is completely consistent. Although I will vote against the Bill, I have the slight feeling that I could be in a minority. *[Interruption.]* Oh yes, I have a feeling for these things. I have been in this place long enough to know when I am probably going to be outvoted. Today might be one of those occasions, in which case I shall carry the principle through to my hon. Friend's new clause.

Mr. Andrew Mitchell: I am in a double embarrassment, for I fear that I might have to agree with the hon. Member for Teignbridge (Richard Younger-Ross). Is he not right in saying that it is perfectly possible to take the view of the Bill that my right hon. Friend takes while supporting my new clause? My right hon. Friend says that I am seeking to change the law, but it is the Government who are requiring the couples whom I described to make this dreadful choice between not receiving the certificate or getting divorced. That is the dilemma that they face.

My right hon. Friend also says—shuddering as he does so—that my new clause could be a back-door way of supporting same-sex marriage, but I am not supporting same-sex marriage. All these people were married as man and woman, and that fact should be considered pertinent. Nothing should change it thereafter.

Mr. Forth: Surely my hon. Friend recognises that, if a person is acknowledged to be of a new gender and if the marriage continues, the effect will be to have same-sex marriages. He cannot wriggle around by talking about the position before, during or after it happens: same-sex marriage will inevitably result.

Mr. Mitchell *rose—*

Mr. Bercow *rose—*

Mr. Forth: I give way to my excitable hon. Friend.

5.15 pm

Mr. Bercow: The hon. Member for Teignbridge (Richard Younger-Ross) should understand one thing about my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth)—that his consistent view is that the world has been going progressively downhill since at least the 11th century and probably some hundreds of years before that. May I ask my right hon. Friend, in the best possible spirit, what a concession to a small group of people, whom many would judge deserving of it, can possibly do to undermine the great, valued and prized institution of marriage that he supports so much? Why does benefit to one group damage a great institution? Surely it is capable of sustaining itself, even in the event of the passage of new clause 4.

Mr. Forth: I am grateful to my hon. Friend, but why he picked on the 11th century, I do not know. If pressed, I might well go much further back, but we will leave that debate for another day, Madam Deputy Speaker, because I know you disapprove of such digressions. We are here talking about slippery slopes and thin ends of wedges, with which my hon. Friend is as familiar as the rest of us. The sad truth is that every time we try to accommodate this or that group within society, we are in danger of undermining or challenging some of our long-standing and cherished traditions. For me, the new clause proposed by my hon. Friend the Member for Sutton Coldfield is, sad to say, an example of that, so I shall be unable to support it. On this occasion—I will not say these words very often, but they are appropriate now—I will be happy to support the Government.

Richard Younger-Ross: We have heard how far back the right hon. Member for Bromley and Chislehurst (Mr. Forth) might like to go back. My first parliamentary foray was in the old parliamentary constituency of Chislehurst, so I well know that there are caves located there.

The Government have challenged much religious thinking in introducing the Bill, but they may have become somewhat doctrinal in their position on new clause 7. When we could smell the smoke earlier, I wondered whether the fires of hell were opening up to consume those who were in favour of the Bill. On reflection, that is not the case, because much of the Bill is very Christian and religious. It recognises the genuine problems and the dilemma faced by transgender people.

The new clause helps people who are in an invidious position. People who have been married in church, taken vows and made a sacrament or people of other faiths who have taken vows and committed themselves for life—"till death do us part"—will be faced with the dilemma of whether to change gender or not. If I changed my gender, I would have to get divorced and break the vow that I had made in church. As we discussed earlier, there are some inter-sex people and some whose gender may have been incorrectly prescribed at birth. Those people may not necessarily be committing a blasphemy, as some have claimed, because the marriage may not be between people of the same gender. The marriage may be between people of opposite genders, but it becomes a problem of legal necessity purely because of the gender on a birth certificate.

Mr. Lammy: For the record, I must correct the hon. Gentleman. The inter-sex condition is clinically different from gender dysphoria and it is important that he is aware of that. Also, the Bill requires transsexual people to end their marriages in law, but the marriages could continue for religious purposes, as it were. Some religions do not recognise divorce for civil purposes.

Richard Younger-Ross: I made the same point in an intervention on the right hon. Member for Bromley and Chislehurst. However, if religions can accept that marriages can carry on in those circumstances, why cannot the law do the same? Why are we creating an anomaly and putting a very small number of people in a totally invidious position? People who have felt trapped in the wrong body from an early age are under immense pressure. The Bill means that their inner man or woman

[Richard Younger-Ross]

can now be recognised, but at the very high cost of divorce. That leaves them between a rock and a hard place.

Mr. Lammy: The hon. Gentleman makes a good point and it is true that such people are in a difficult position. However, let us take the example of a woman with gender dysphoria who meets the Bill's criteria, satisfies the panel and subsequently becomes a man. To all intents and purposes, that person then is a man and must accept what goes with that status. Therefore, if that person is in a pre-existing relationship, the civil partnership route may represent the best option. A marriage may be so important that a person may decide not to apply for the full gender recognition certificate. I accept that such judgments are difficult to make, but the Government are not forcing people down any route.

Richard Younger-Ross: I do not accept that the Government are not forcing people down any route. People will be told what they can do, but then the door will be slammed in their faces. We must remember that the people involved are under great pressure. They may have felt since the age of five that they were in the wrong body, and gone through life with that feeling. If they are in their 50s, they may have had an operation 20 years ago, and lived as man and man, or woman and woman, for many years. All of a sudden, however, the Bill will mean that their relationship, and the fact that they live with each other, cannot be recognised as marriage any longer.

That is cruel, and un-Christian, and I think it is wrong in doctrinal terms.

Mr. Bercow: I endorse the hon. Gentleman's argument, but does he agree that the slippery slope or thin end of the wedge argument is discredited in respect of new clause 4, as a result of the publication of the Civil Partnership Bill that is going through another place at present? The Government have made it clear that their commitment is to civil partnerships for same-sex couples, but not to same-sex marriage. Indeed, they specifically and unequivocally oppose the creation of same-sex marriages, so the canard that the hon. Gentleman raises will not run.

Richard Younger-Ross: The hon. Gentleman makes his point well, as he did earlier. However, there is no thin end of the wedge in this case, because the number of people involved is so limited. Moreover, new clause 7 is time-limited and applies only to marriages entered into before the legislation is granted Royal Assent. I hope that hon. Members who oppose the Bill will accept that new clause 7 would be a proper amendment to make to the Bill. People who might have opposing views on the Bill could unite to defeat the Government, who have taken an incorrect doctrinal and legal standpoint.

Mr. Lammy: Never did I think that I would be on the same side as the right hon. Member for Bromley and Chislehurst (Mr. Forth), but on this occasion I am. The issue of existing marriages is a difficult one and we discussed it at length on Second Reading and in Committee. I have made the Government's view clear again today, and little would be gained from repeating all the arguments.

The new clause is similar to the one moved by the hon. Member for Oxford, West and Abingdon (Dr. Harris) in Committee and it would allow for the marriages of those couples who were married before the date of Royal Assent to continue. I accept the argument that was made in Committee that such an amendment would naturally limit the number of couples whose marriages would subsist. However, we cannot escape the fact that those marriages would be same-sex marriages, and they are not permitted under UK law. It is as simple as that.

The decision has been difficult to make. As Lord Filkin said in the other place, it is hard to look someone in the eye and say no. The hon. Member for Buckingham (Mr. Bercow) made the point squarely, however, when he said that this is a matter of principle for the Government. I look forward to the debates, in which I shall take part, on the Civil Partnership Bill, but marriage as an institution is for opposite-sex couples.

We do not deny that the Bill will have an impact on the couples in question. However, in deciding whether to seek legal recognition of their acquired gender, people will have to take all the implications of the change into account, including the effect on an existing marriage. That may be difficult, but we are talking about adults—the Bill will only affect those over the age of 18—and they will have to think the issues through. As I said in Committee, the Bill will have an emotional impact on those couples who have to end their marriages, but that will not be unexpected. Couples will have had a long time to prepare for it. Indeed, many couples in that situation have already made their decisions.

We have also considered the practical impact of the Bill on finances, arrangements for children and mutual rights and responsibilities. As I said earlier, the courts will be able to decide on some of the issues that arise, especially in cases of contention between the two parties.

The Government seek to safeguard the nature of marriage as an institution for opposite-sex couples. We do not believe that it is acceptable to create even a small category of same-sex marriages. At the same time, we are working hard to ensure a smooth transition into civil partnership for couples who want to stay together. Indeed, schedule 3 of the Civil Partnership Bill is devoted to providing couples who have to end their marriage with the means to form a civil partnership on the same day as the dissolution of their marriage.

5.30 pm

New clause 4 raises an issue that we also discussed in Committee. I said then that the Government had not provided for the situation of two transsexual people who are married to one another, as the circumstances were extremely remote. I have to tell the hon. Member for Daventry (Mr. Boswell) that that remains our position.

For the new clause to have effect, there would have to be a situation in which two transsexual people were married to one another, and both were able to satisfy the criteria for recognition in the acquired gender at the same time. We must also bear in mind the fact that the

total number of transsexual people in the UK is only about 5,000, and that only between 100 and 200 of them are in existing marriages.

There are only two ways in which the situation to be addressed by the proposal could arise. The first is that two people who married each other in their birth gender, without any feelings of gender dysphoria, were subsequently both diagnosed with gender dysphoria and began to live in the other gender. Given the low incidence of that, it is incredible to suppose that two people who were married to each other would both be diagnosed with gender dysphoria.

The second possibility, however, is that two people who were both already living in an acquired gender would marry one another. They would thus be an opposite-sex couple, but would need to marry in the gender in which they were no longer living. The person living as a man would have to present as a woman, as that would remain his gender in law, and the person living as a woman would present as a man. We do not expect that transsexual people will do that. Hence, again, we find that the possibility raised by the new clause is incredibly remote.

Nevertheless, if that possibility were to arise, and both spouses wanted to change gender at about the same time, we think that that would be such a major change in the nature of their marriage—with the identities of the man and wife in the couple swapping over—that it is not unreasonable to require the marriage to end, and for a new marriage to be contracted afterwards.

Mr. Boswell: I am following the Minister's argument with interest and will comment on it in a moment, but can he tell the House whether the seamless procedure envisaged for what would become, under the Bill, a same-sex couple to move from marriage to civil partnership would be available in the annulment of a marriage between persons of different genders who had both received gender recognition certificates, so that they could remarry almost immediately in their acquired gender?

Mr. Lammy: We would expect registrars to look sympathetically on applications for a reduced notice period. It would thus be possible for the couple to remarry on the very next day. There could be a gap of 24 hours during which the relationship had no legal status, but given that the existence of such marriages is an incredibly remote possibility, the Government do not believe that such a 24-hour period would be too problematic.

Based on a fundamental principle, the Government stand by the requirement that marriage is for opposite-sex couples. I realise that the hon. Gentleman's proposal is well intentioned towards transgendered people who are together, but the Government's position is that such a possibility is remote, and in those circumstances, we believe that ending such a marriage and beginning afresh would not be unreasonable. On that basis, I am unable to accept the new clause.

Mr. Boswell: I am somewhat disappointed in the Minister's response. His essential argument was that this is a such a small and unlikely set of circumstances that we should not even contemplate legislating, although he sought to dress that up later by saying that it amounted to a radical change in the marriage. I understand that there is at least some significance in that view, but the point is that there is no change of gender.

Lynne Jones: I disagree with the hon. Gentleman, because the most likely scenario when two trans-people are in a legal marriage is that they will have known each other in their transgender identity, so they will have known when they contracted the marriage that, for legal purposes, the trans-woman was married as a man and that, for the same reasons, the trans-man was married as a woman.

Mr. Boswell: I am sensitive to that point. That is quite possible. Indeed, in seeking to minimise the intellectual problem that the Minister had, he sought to minimise the numbers involved. They are more than zero already and, clearly, they will be in the future. At least we heard some assurances about the ability to put such things right within 24 hours—not an ideal arrangement, but it has at least arisen during the passage of the Bill through the House.

Mr. Andrew Mitchell: Following what my hon. Friend has said, I have listened very carefully to what the Minister said about new clause 7. There is a difference of principle between him and those hon. Members from all three main parties who have spoken to new clause 7. There is a great difference between getting married and the rules on same-sex marriages, on which he and I agree, and what happens during a happy marriage. On those grounds, if I am able to, I shall seek to divide the House on new clause 7.

Mr. Boswell: Before I sit down to allow the House to reach a conclusion on the matter, I wish to say that I do not propose press new clause 4 to a Division, in the light of what my hon. Friend has said, although he will equally understand that, because of the reservations that have been expressed not just by Labour Members but by my right hon. and hon. Friends, I may not be able to follow him into the Lobby. In the light of those exchanges, for the avoidance of doubt and to facilitate my hon. Friend if he wishes to persist in pressing new clause 7 to a Division, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 5

DISCLOSURE OF PURPOSES OF CRIMINAL RECORDS BUREAU CHECKS

'It shall be a defence against any charge of the disclosure of protected information under section 22 that the information was disclosed by an individual in connection with Criminal Records Bureau checks; and it is an offence for any person who has obtained a gender recognition certificate to fail to disclose in any such application that he or she has obtained a gender recognition certificate.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

I will motor on with this new clause because I am conscious of the fact that the House wishes to make a decision on the other matter. New clause 5 is designed to

[Mr. Boswell]

pick up a somewhat fragmented and rushed discussion in Committee and relates to Criminal Records Bureau checks. In the light of recent events, there is absolutely no disagreement among hon. Members about the fact that that is an important subject; we are anxious that relevant information is conveyed as it should be and that effective checks are made.

My interest in the issue was to some extent stimulated by the Evangelical Alliance, but its concerns go much more widely. The purpose of my new clause is, first, to make it absolutely clear that, under the somewhat restrictive clause 22, there would be no restriction on the conveyance of information in relation to Criminal Records Bureau checks. People would not be up before the beak because they had furnished information about those checks that could be of value. Secondly, my new clause would deal with the individual who received a gender recognition certificate who might not choose to disclose that information for the assistance of the bureau.

Let me briefly summarise my understanding of the position, which is derived from some of the correspondence that I have seen between the Home Office and outside parties; I am not absolutely clear of its status, so I shall not draw on it formally or in terms. Following the Goodwin judgment, the CRB put in place a regime that was described as a compromise—a perfectly proper one—between the rights of the transgendered person to live in their own identity and the rights of the CRB to secure the necessary safeguards. That regime has applied ever since. I think that it probably works—I seek the Minister's confirmation of that—and that it therefore deals with the first part of the new clause.

Outside interests rightly asked what would happen if the transgendered person made no reference to their change of legal status and, as a result, some of their previous identities were not picked up. I understand that the CRB, the Home Office and the Department for Constitutional Affairs are discussing that question. I assure the Minister that my aim is not to make trouble—the matter is far too serious for that—nor do I suggest that anyone would seek gender reassignment or to acquire a gender recognition certificate in order to carry out nefarious activities. However, it is most important that the process set out in the Bill does not become a means by which people can slip through the net.

Mr. Lammy *indicated assent.*

Mr. Boswell: The Minister is nodding. I hope that he will share with the House his thoughts on how the discussion is going, and that he can assure the House that the arrangements are as watertight as possible; that the bureau will know what it needs to know even if a gender recognition certificate has been issued; that no one can escape the reasonable checks that are imposed on us all in certain circumstances—I hold a disclosure certificate myself, as it happens—and that people must act in good faith and draw the bureau's attention to any certificate that is relevant or that might conceal a previous identity. If the Minister can give those assurances, we shall all feel a lot happier.

Mr. Lammy: I am grateful to the hon. Member for Daventry (Mr. Boswell) for tabling the new clause. The Criminal Records Bureau exists to help employers in the private, public and voluntary sectors correctly to identify candidates who may be unsuitable for certain work, particularly work involving regular contact with children or with vulnerable or disabled adults, by running background checks against records held by the police, the Department of Health and the Department for Education and Skills. The employer will ask the candidate or applicant for such a sensitive position to complete a disclosure application form, in which he or she is asked to give consent to checks on details against data sources. That consent will enable verification of identity and enable the application for CRB checks to be processed.

Given that the applicant will have consented to the checking process and that clause 22(4)(b) provides an exemption that enables protected information to be disclosed where the person has agreed to it, we do not believe that it is necessary to provide any further protection for those who provide information in response to CRB inquiries. An additional safeguard, which I mentioned in Standing Committee, is that subsection (4)(f) provides that disclosure is permissible if it is for the purposes of preventing or investigating crime. The hon. Gentleman will understand that that wide provision is designed to pick up the possibilities that he envisages.

The second half of the new clause proposes that it be made an offence for an applicant who has a full gender recognition certificate to fail to disclose that fact. The disclosure application form contains questions that must be answered and others that require an answer if they are applicable to the person concerned. The latter category would include details from which a gender change might be inferred such as details of previous names. Failure to provide the information needed to carry out background checks or knowingly to make a false statement is a criminal offence and may result in prosecution.

5.45 pm

The Criminal Records Bureau, in response to the Goodwin and "I" rulings of the European Court of Human Rights, which the hon. Member for Daventry brought to the attention of the House, has decided that a transsexual applicant facing the dilemma of revealing their gender history to an employer or voluntary body can exercise their right to privacy by omitting previous identity details on the disclosure application form itself. Instead, transsexual people are required to send a separate notification of previous identity details directly to the Criminal Records Bureau, which has systems in place enabling the inquiry from the employer or voluntary body and the separate notification to be linked and matched. The usual checks will then be triggered.

I assure the House and the hon. Gentleman that the guidance accompanying application forms for the gender recognition panels will make it very clear that failure to provide additional information in support of the disclosure application could result in prosecution. That guidance will be similar to the guidance attached to a passport application. We therefore believe that the process operated by the CRB properly balances the

privacy interest of the transsexual person with the wider interest of checking criminal records, so the safeguards sought by the new clause already exist.

The House will also be aware that the Bichard inquiry is looking into wider issues, and should recommendations be made I am sure that we will have an opportunity to discuss what more can be done.

Mr. Boswell: I am grateful to the Minister, who has sought in good faith to respond in detail and with precision to concerns expressed both by outside interests and by myself. I will study his answer carefully, but prima facie he has made a convincing case that the matter has been considered and decisions made that again seek to achieve a proper balance between, on the one hand, the interests of the transsexual person and their right to privacy and, on the other, the interests of the wider community and the right to security enforced through the work of the CRB. As he rightly said, a major inquiry is under way, and he has demonstrated openness about accepting lessons that it may draw. In the light of his implication that if anything further needs to be done after the inquiry or for any other reason, he will pursue that with his colleagues, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 7

SUCCESSFUL APPLICATIONS: MARRIED COUPLES

'If an interim gender recognition certificate has been issued to a person under section 4(3) an application may be made to the Secretary of State to award a full gender recognition certificate without the provisions of Schedule 2 or section 5 having effect if—

(a) neither party to the marriage wish the marriage to be dissolved or annulled,

(b) both parties to the marriage can show they intend to continue living together, and

(c) the marriage took place before the date of Royal Assent of this Act.'.—*[Mr. Andrew Mitchell.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The House divided: Ayes 94, Noes 303.

Division No. 188] **[5:48 pm**

AYES

Allan, Richard
Amess, David
Ancram, rh Michael
Baker, Norman
Barrett, John
Beggs, Roy *(E Antrim)*
Bellingham, Henry
Bercow, John
Bottomley, Peter *(Worthing W)*
Brake, Tom *(Carshalton)*
Brooke, Mrs Annette L.
Bruce, Malcolm
Burstow, Paul
Burt, Alistair
Cable, Dr. Vincent
Chidgey, David
Collins, Tim
Corbyn, Jeremy
Davis, rh David *(Haltemprice & Howden)*
Dodds, Nigel
Donaldson, Jeffrey M.
Doughty, Sue
Duncan, Peter *(Galloway)*
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Flook, Adrian
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Gidley, Sandra
Green, Damian *(Ashford)*
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hayes, John *(S Holland)*
Hendry, Charles
Hermon, Lady
Holmes, Paul
Howarth, Gerald *(Aldershot)*
Jones, Lynne *(Selly Oak)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Laing, Mrs Eleanor
Lamb, Norman
Laws, David *(Yeovil)*
Leigh, Edward
Liddell-Grainger, Ian
Lidington, David
Llwyd, Elfyn
McDonnell, John
Mackay, rh Andrew
McLoughlin, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Price, Adam *(E Carmarthen & Dinefwr)*
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robinson, Peter *(Belfast E)*
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Selous, Andrew
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Stinchcombe, Paul
Swayne, Desmond
Syms, Robert
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Thomas, Simon *(Ceredigion)*
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Waterson, Nigel
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Young, rh Sir George

Tellers for the Ayes:
Richard Younger-Ross and Mr. Paul Goodman

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Armstrong, rh Ms Hilary
Atkins, Charlotte
Austin, John
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Borrow, David
Boswell, Tim
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Cousins, Jim
Cran, James *(Beverley)*
Cranston, Ross
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Darling, rh Alistair
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth

Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flynn, Paul *(Newport W)*
Follett, Barbara
Forth, rh Eric
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morris, rh Estelle
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
Organ, Diana
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Randall, John
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Helen
Spicer, Sir Michael
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, Sir Teddy
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Betty *(Conwy)*
Willis, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Fraser Kemp and Joan Ryan

Question accordingly negatived.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour, pursuant to Order [23 February].*

Government amendments Nos. 3 and 4 agreed to.

Order for Third Reading read.

6.4 pm

Mr. Lammy: I beg to move, That the Bill be now read the Third time.

I am grateful for the co-operation and assistance of the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Liverpool, Garston (Maria Eagle). She has tackled important pensions issues that have concerned many hon. Members and I thank her for her detailed deliberations on those matters.

This is a Bill with a simple rationale. It addresses the difficulties faced by a small, vulnerable minority who have been denied basic legal rights for too long, and seeks to provide transsexual people with legal recognition of an everyday reality: the gender to which they now belong. On meeting the criteria in the Bill, a person will become in law the gender in which he or she

now lives. That means that he or she will be able to get a birth certificate that reflects the acquired gender, and be able to marry or claim a pension in that gender.

Of course, a Bill of this kind raises issues about the rights of others. We have had an important debate today about the right to freedom of religion, and I hope that we have demonstrated that we are alive to those concerns and are engaging with religious communities and their representatives. Just as the Bill provides legal recognition of the identity of transsexual people, it also respects the conscience of others.

Many hon. Members have made an invaluable contribution to scrutiny of the Bill. The hon. Member for Daventry (Mr. Boswell) has been remarkably thorough, and in Committee he tabled a series of probing amendments that allowed us further to discuss some of the key aspects of the Bill. The Government amendment on placing the panels under the supervision of the Council on Tribunals—which was agreed to today—was a consequence of one of those probes.

The hon. Members for Oxford, West and Abingdon (Dr. Harris) and for Teignbridge (Richard Younger-Ross) welcomed the Bill, and although there were areas in which they would have preferred the Government to legislate otherwise, I hope that they agree with the view expressed by members of the transsexual community that the Bill meets 95 per cent. of the needs of transsexual people.

On the Labour Benches, my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) merits particular credit. She has been a forceful advocate of the rights of transsexual people for many years in the House. She set up the parliamentary forum on transsexualism, and she has brought her expertise and experience to bear on our consideration of the Bill. She and the hon. Member for Oxford, West and Abingdon both caused us to reconsider the issue of foreign gender change and to table the amendment to clause 21 that was agreed to earlier today.

Perhaps most importantly of all, hon. Members have discussed these issues with compassion and understanding, and I know that that has been appreciated beyond the Chamber. Many in the small community of transsexual people feel that they are excluded no more, that the House does not regard their concerns as trivial, and that the Bill is creating a robust and credible process whereby they can gain legal recognition of the gender in which they now live.

The Bill is about equality, human rights, dignity and respect. We judge our civilised societies by how they treat their minority communities. I suspect that the House has never before had to consider equality and human rights legislation on behalf of such a small minority, and it is a credit to the House that this judgment has been made today and that the Bill should receive its Third Reading.

6.8 pm

Mr. Boswell: I should like to say at the start that I remain a supporter of the Bill, but that the Conservatives have decided to have a free vote on it. That will already have become apparent from the voting that took place earlier.

The House is often criticised for spending its time on trivia when there are other, more important things to discuss, but is to be commended today for spending a day of its time on a matter of intense interest to a small number of affected persons. It is a very small number in comparative terms: perhaps 5,000 people. Whatever else one may say about the transsexual community, they probably have very little direct political influence. It is therefore important that we address their interests if there is something wrong.

The Minister spoke strongly and eloquently about his commitment to human rights. That commitment is by no means confined to those on the Government Benches. I would say that if a human right is denied to one person for no good reason, that is a denial of one human right too many. How we implement that commitment and the interlocking with other commitments is the whole substance of our consideration.

Bearing in mind the historic wrongs suffered by the transsexual community and the degree of misunderstanding that is still apparent, the tone of our debates has been extremely important. I have tried to bear that in mind, and I know the Minister has. Hon. Members with different positions on the issue have generally brought that kind of flavour to our deliberations. It does this place credit and shows respect for the people we have been discussing. That has gone on throughout our debates and I hope it will continue into the post-legislative resolution of some of the issues.

In my own approach to the Bill, I have applied an overriding simple test: is there a wrong that needs to be remedied? Yes, I believe there has been. I ask myself two further questions: does the remedy create potentially difficult precedents and/or would it do more harm than good in practice? On the first question, we have just voted on a proposal, which, the House agreed, would have the effect of validating a very limited number of same-sex marriages. The Minister and I found ourselves in the same Lobby opposing that on principle, even if we have great sympathy for those people in practice. That is the type 1 danger. The type 2 danger is that although we may be legislating with good intentions, in practice our best intentions may be frustrated by difficulties. I cite as an example, as it was the last major debate that we had, the issue of Criminal Records Bureau checks. Anything in the Bill that made those more difficult to effect would be wrong. We must apply those tests.

The debates today and in Committee and, if I may add to the Minister's general commendation of those who participated in these debates, also in another place, have been an example of Parliament working well together, and that includes the Minister's colleagues as well as himself. Throughout this proper period—the kind that we do not always spend on legislation—we have had some indication of particular problems. Some of those are hypothetical problems or ones that may arise in the future. They generally will not arise at the instigation of transsexual people, who will want to be able to enjoy their rights. I hope that nobody else will make a political demonstration about the issues or turn matters into a lawyers' paradise. There are better, less sensitive and more lucrative matters for lawyers to argue about.

We have had in Committee and on Report ministerial assurances about matters that could be difficult and difficulties that we anticipated. We have been broadly satisfied with those assurances. That may be reflected in

[Mr. Boswell]

the way that some of us vote. We will probably keep our fingers crossed that those assurances work in practice. I recognise that some hon. Members will have no coincidence of view on the principle and will still be unable to reconcile themselves to the Bill, but on the practical side we may have made some progress.

As regards my personal judgment of the Bill, let me put two points to the House for consideration. They may have slightly wider application than just to the Bill. First, as Ministers have constantly conceded, we need to find an appropriate balance between the human rights of individuals. Where those rights conflict, that conflict must be resolved. The Bill arose from European human rights legislation based on articles 8 and 12, and the UK's apparent breach of those provisions. A very powerful case today has today been deployed for the protection of religious rights, as the Minister has acknowledged, which are enshrined under article 9 of the European convention on human rights. As I suggested in my comments on that new clause, we may find that some of the issues in relation to conflict of rights, and different obligations to secure rights, become more common in the future. Perhaps all the easy work on human rights has been done, and the difficult work, and some of the tensions, will build up later.

This is not just a matter for the lawyers. It is also about society's acceptance of these rights and the way in which it can be comfortable with them, at ease with itself and at ease with the new situation that has been created. As I said, I know that some hon. Members will feel uneasy about that. We should do nothing to inflame that situation, because were we to do so, we would prejudice the newly acquired rights of transgendered people.

My second point is that however Members intend to vote in a few moments, while it is easy to spot problems and pick holes in the legislation, leaving matters as they are would also be extremely difficult and, in my view, less satisfactory. Let us consider an actual situation—many of us will be familiar with similar ones—of a couple who are constituents. They are legally a man and a woman, married and living together over a number of years, and in a firm and loving relationship. One of them has already undergone gender reassignment surgery. It is difficult, as they would have to sever their marriage if that person were to avail themselves of the procedure for a gender recognition certificate. In everything except the legal sense, however—we are legislating tonight, and our concern is the legal meaning—those persons are already a same-sex couple. Incidentally, that is one reason why it is extremely important that we have now got the Government to come forward with the civil partnerships legislation, at least to provide a way of resolving some of these issues.

I say to some of my colleagues that just saying, "This is all a bit odd. We don't like how it sounds," is perhaps to condone other situations in which these rare but not insignificant cases have created dilemmas for us all. We should not run away from those. When the House confronts a dilemma, the answer is not to look for a simplistic solution or to consider how it plays in the tabloids, but to try to find the right approach.

Were there a simple answer, we would either be making no changes tonight because we had got it right, or we would have made those changes long ago, because we would have needed to do so and it would have been easy. We would probably not be making them now were it not for the judgment of the European Court of Human Rights, but that has spurred Ministers into action, in my view, constructively.

We are making those changes, and the Bill will pass shortly, if not without dissent. Even with its problems, on balance—to use the phrase for the last time—I welcome the Bill's righting of wrongs to a minority. I wish it well as it passes.

6.18 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): Our society will become more civilised with the passage of this legislation. For decades, we have lagged behind more enlightened countries that have already granted civil rights to transsexual people. In this country, transsexual people have suffered from discrimination and fear of being exposed to ridicule because they suffer from a medical condition. That wrong is being put right, and I pay tribute to the Government, to the Under-Secretary of State for Constitutional Affairs, my hon. Friend the Member for Tottenham (Mr. Lammy), and to the Minister in the other place, Lord Filkin, for their work in bringing forward this legislation and taking it through both Houses. I also pay tribute to the hon. Member for Daventry (Mr. Boswell) for the way in which he has put forward his sensible, considered view and been generally supportive of the legislation, and to Liberal Democrat Members for their contribution.

A remarkable transformation has taken place even in the 10 years since the setting up of the Parliamentary Forum on Transsexualism. At that time, transsexual people were regarded as sexual deviants who had had a choice, and had chosen to mutilate themselves in order to gain some strange gratification. Thanks in large part to the trans-community itself, that view has gradually changed. If tribute is to be paid tonight, it must be paid to those brave individuals who have been prepared to tell the world that they are transsexual people, and have thus been able to demonstrate that far from being florid, strange characters, they are normal human beings who just want to lead a normal life and get on with working. They do not want to suffer discrimination at work or in personal relationships. They do not want to live in fear that because of a lack of appropriate documentation—birth certificates are an obvious example—they risk being exposed as transsexual people and therefore discriminated against, laughed at and treated in an extremely unkind way by individuals, the media and some less-than-enlightened parts of our society.

All that is changing. The fact that there has been all-party support for the Bill is very heartening, as is the fact that it has had a relatively smooth passage through both Houses. As the Minister has said, it gives the trans-community 95 per cent. of what it seeks. There are still causes for dissatisfaction, which have been discussed this afternoon—notably the requirement for married transsexual people, in order to gain their full civil, human rights, to dissolve their marriages. That is unfortunate. I am sorry that the Government were unable to accept that such people should be allowed to

retain their marriages, and retain their human rights under both article 8 and article 12 of the European convention.

I am also disappointed that I could not move my compromise amendments, which would have allowed the life of the interim certificate to be extended so that those whose marriages ended either through divorce in the normal way or through the death of their spouses could gain full recognition. That was particularly important to those taking advantage of clause 27, which allows a simpler method of application, requiring less documentation, to those who have lived in their reassigned gender for more than six—as opposed to two—years. I am sorry that the Government did not recognise the strong arguments for letting the interim certificate be used as a device to enable trans-people to benefit from a fast-track approach.

It has been an eventful 10 years since the establishment of the parliamentary forum. Many brave people have exposed their personal lives to scrutiny and contributed to the Bill. They have demonstrated their patience and common sense, and have been very willing to present strong arguments to the Government and civil servants. Members of the trans-community, and Press for Change in particular, have made an important contribution by devoting so much time to convincing civil servants and Ministers that the Bill is necessary, and should take a form that will allow practical realisation of their human rights. I also commend those Ministers who have been prepared to listen and to engage in dialogue with the trans-community. As a result of that dialogue, the legislation is much better than it otherwise would have been. People have been willing to give their expertise and devote their time to ensure that the legislation is as good as the Government are prepared to make it.

This is a great day for me personally. As a Member of Parliament, I have campaigned for more than 10 years for the legislation. It is a wonderful moment, in particular, for members of the transsexual community, as they see that, at long last, they will have almost full civil liberties and their human rights will be recognised. I thank all Members who have made positive contributions to achieving that aim.

6.26 pm

Dr. Harris: It is a privilege to follow the hon. Member for Birmingham, Selly Oak (Lynne Jones), who has worked and campaigned so hard on this issue as chairman of the parliamentary forum—an organisation that I, like the hon. Member for Daventry (Mr. Boswell), have been attending since long before the Bill was published. Through the hon. Lady we should pay tribute to organisations such as Press for Change, which have worked so hard in the way that she described. I shall later quote from the report of the Joint Committee on Human Rights. The hon. Member for St. Helens, South (Mr. Woodward), who has had a long interest in this field, has contributed greatly through that report—a report on which I relied during my contributions in Committee, as Ministers will know.

I also thank my hon. Friend the Member for Teignbridge (Richard Younger-Ross). I do not always agree with him on religious matters, but we have found unanimity—

Richard Younger-Ross: An unholy alliance.

Dr. Harris: An unholy alliance, which is not always the case in our party on such issues. In that respect, it was interesting to note the sensitive contributions in Committee and on Report of the hon. Members for South-West Bedfordshire (Andrew Selous) and for Gainsborough (Mr. Leigh). Although there were people who strongly disagreed with the line that they took, it was important that those issues were raised in such a way and in such a tone by those hon. Members. I also welcomed the contribution of the hon. Member for Daventry, who is always regarded as one of the more reasonable—*[Interruption.]* And eminent. The hon. Gentleman is always regarded as one of the more reasonable and eminent Conservative Members in his contributions and scrutiny in Committee.

It was a pleasure to serve in Committee with the Under-Secretary of State for Constitutional Affairs, the hon. Member for Tottenham (Mr. Lammy), and the Under-Secretary of State for Work and Pensions, the hon. Member for Liverpool, Garston (Maria Eagle). Although we did not always agree on the detail of the Bill, there was much consensus in Committee, as there has been today, on the need for the legislation.

We intend to support the Bill on Third Reading, as we did on Second Reading, not on a free vote, because it is our party policy to allow transsexual people to access their human rights. Although I welcome the support of the Conservative Front-Bench team, and particularly the effective way in which it has been delivered during the different stages, it is still a test for all parties in this House that there should be a Whip on these issues of fundamental human rights, as there is on other issues that are less fundamental and less related to human rights.

As we debate such matters and put this recognition on the statue book at the end of May 2004, we must ask why that has taken so long. Yes, it was the case that we were not found to be outwith European human rights law until July 2002, when the courts ruled, in the cases of Goodwin *v.* UK and I *v.* UK, that

"the United Kingdom's continuing refusal to take steps to recognise the reassigned gender of a post-operative transsexual person was"

no longer

"necessary in a democratic society for any legitimate aim under ECHR Article 8.2".

Although it was only then that we were found to be outwith Strasbourg law, there were already clear signs that misery was being created for individuals in this country, and that sooner or later we would fall outwith that law. It is regrettable that it takes so long for us to respond to the challenges posed by the European convention on human rights, to which we signed up. I hope that we will manage to stay ahead of the game in other areas.

There has been no reaction in general, or in the right-wing press in particular, to this measure, and it should stiffen the Government's backbone to know that they

[Dr. Harris]

can introduce such measures—they are the right thing to do—in sensitive areas sooner rather than later. It is sad to note that, as the report of the Joint Committee on Human Rights points out, while we were waiting for this legislation the Government had to advise marriage registrars to continue to apply section 11(c) of the Matrimonial Causes Act 1973 in the traditional way. As the Joint Committee states, the approach recommend by the Government was "clearly lawful" at that time. We need not have been in such a position if we had responded more quickly.

This is a good Bill but it could have been better. A particular issue that we did not discuss today, but which was touched on in Committee, is the Bill's failure to extend freedom from discrimination to transsexuals in the provision of goods and services. I fear that campaigners for the rights of transsexuals will have to continue campaigning even after the legislation is on the statute book, in order to drive the Government to provide on the basis of gender reassignment the protection from discrimination that people already enjoy on the basis of gender. I suspect that we will see sad cases of marriages having to split up unnecessarily because of the decision that the House has just taken, but it was encouraging to see Members from all parts of the House voting in the same Lobby. Indeed, I voted in the same Lobby as the hon. Member for Gainsborough. He did ask me not to remind the House of that fact, so I shall seek to avoid doing the same thing on the final vote.

We welcome the appearance of this legislation on the statute book, but we hope that the Government recognise that there is work still to do in this field.

6.32 pm

Sir Patrick Cormack (South Staffordshire) (Con): I am sorry to provide a slightly dissenting and jarring note. I do not for a moment criticise the integrity, sincerity or campaigning zeal of the hon. Members for Birmingham, Selly Oak (Lynne Jones) and for Oxford, West and Abingdon (Dr. Harris) and I have great admiration for my hon. Friend the Member for Daventry (Mr. Boswell). My hon. Friend is a decent and good man and I respect him greatly, but I believe him to be wrong on this issue.

It is not just the road to hell that is paved with good intentions; so is the road to bad legislation. This is bad legislation, because legislation that calls upon people to tell lies is fundamentally flawed. My main objection to the Bill derives from those clauses that oblige registrars to issue birth certificates that are untrue. I do not object in any way to people seeking to show understanding and compassion to minority groups. I would hesitate to call transsexuals a "community"—I have never known a transsexual community—but there are individuals who no doubt feel deeply distressed, and who will be relieved when this legislation is on the statute book. But we are doing the wrong deed, however right and honourable some of the reasons might be.

This is a case of people of a liberal disposition—people who are deeply anxious not to offend anybody and to please everybody—introducing legislation that is fundamentally flawed, and which will cause great heartache and real worry in certain religious communities. I know that those issues were discussed earlier today, and I am sorry that I was not present; I was attending a meeting of the House of Commons Commission. I also know—I heard the Minister's winding-up speech—that they have not been satisfactorily addressed or answered. We will have to depend on secondary legislation, which will not be amendable, and we do not know when it will be introduced.

At the end of the day, we are faced with a Bill that obliges people to say things that are not so. I do not want to go into great detail, as others wish to speak and I want my contribution to be brief. We know that those who are persuaded that they are of the wrong sex or gender do not necessarily have physical differences and do not necessarily have to undergo surgery of any sort, yet they are to be recognised and issued with a birth certificate that contradicts the natural facts of life. That cannot be right and I am profoundly disturbed and troubled that the House should be passing such legislation. I am very sad indeed that my hon. Friend the Member for Daventry, who speaks from the Front Bench, and others among my hon. Friends feel that they have to agree, because of their natural compassion, to the enactment of such deeply flawed legislation.

6.36 pm

Rev. Ian Paisley (North Antrim) (DUP): The Bill is amazing in many ways. It comes to the House from the European Court. Without that Court's findings, the Bill might not have been put before the House. More and more, the House will be directed to act by similar cases, even though the bodies deciding them are not answerable to the people of this country.

I strongly hold the view that all people, however many, have rights and that those rights should be defended by all. I want to make that absolutely clear to the House tonight. However, if we give certain rights to people, we must be assured that it will not alter the ability of others to keep and practise their rights.

The Government well know that there are deep religious feelings about this matter. I welcome what the Under-Secretary said when he affirmed that he would look again at this matter—or words to that effect—because I do not believe that we can afford to leave it as it stands. There are fears in many churches—especially among those whose views on marriage are of the historic Christian faith—that the Bill could have serious consequences.

The Christian Institute issued a document in March entitled, "Christian beliefs on transsexualism". It referred to passages from the Bible and the works of Christian theologians to support the proposition that

"the body determines personhood, not just the mind",

and that

"Biblical Christians hold that 'sex change' surgery desecrates a body made in the image of God."

The document also stated that

"the Bible teaches that the State should validate what is right and not what is wrong".

For those reasons, individual churches wish to be free to decide on many matters that they believe should be under their control. For example, who should join or lead a women's prayer meeting is a matter for the church; who should use the toilet facilities in a church is a matter for the church; who should be entitled to receive holy communion is a matter for the church.

Religious freedom is primarily a matter of individual conscience, but it also implies freedom to manifest one's religion alone and in private or in community with others in public and within the circle of those whose faith one shares. We must remind ourselves that we have to abide by that. It would be a sad day if the Government were to invade the believer's right to freedom of religious expression and so destroy something that lies at the very heart of true peace and true faith in our land.

These are serious matters, which must be pondered deeply and discussed in a serious way. Some religious rights—such as people's right to bear witness, and to act and enforce uniformity in the organisations that they join voluntarily—are held to be of particular importance. Any threatened interference with those rights by other people will engage the responsibility of the state, but no state interference with them at all can be justified.

As we enter the final part of the debate on the Bill, we must remind ourselves that any attempt to infringe, or do away with, people's religious rights and purposes must be resisted. Some of those rights are now in the melting-pot, and we must face up to that.

Marriage lies at the heart of society. Without it we would have no society. These days we must defend and uphold marriage, and anything that weakens it is very dangerous. No member of my party was on the Standing Committee considering the Bill, so we had no opportunity to express ourselves on these matters. That is why I am expressing myself at Third Reading.

However, some of what the Minister said offered a glimmer of hope. It is possible that the Government are having second thoughts; I hope so. Various religious bodies have spoken on this matter, and the Government cannot treat them with contempt or refuse to consider what they have said. Those bodies have influence: they are part of the warp and woof of our country, and give it stability and prosperity.

6.42 pm

Angela Watkinson: I rise to speak against the Bill because of the impact that it will have on the institution of marriage. In addition, I am concerned about the reaction among many people in our Church communities to marriages between people of the same gender—that is, same-sex marriages.

Let us take the example of a pre-existing marriage in which one spouse supports the other getting gender reassignment treatment, and where both partners want the marriage to continue. It is perfectly possible for that to happen, if the person who gets the treatment does not apply for a certificate. It is the certificate that will render a marriage null and void: where no application for a certificate is made, the marriage can continue in its original form.

However, a marriage in which one spouse does not support gender reassignment treatment for the other can be rendered null and void, against the will of both partners. The person who wants the treatment must protect their own rights but take into consideration the rights of the person with whom they are deeply involved and to whom there is a long-term commitment.

It is possible for a person to acquire a gender certificate by living in the other gender for a period and then applying to a gender recognition panel. In that way, surgery or drug treatment can be avoided. That would enable that person to become the opposite gender in law and then marry in that gender. Many people would view that as same-sex marriage.

I am also very concerned about the issue of disclosure of information by ministers. Two people might approach a minister in preparation for marriage and he might believe that one of those people was transgendered but that the other person was not aware of that. The minister is not free to disclose that information and that would be a serious dilemma.

Mr. Lammy: The standard for receiving a gender recognition certificate from the panel is a rigorous and high one. It is not just the degree of permanence that is required: the person will have to have gender dysphoria. Some people will not be able to undergo the operation, as they would probably wish to do, for medical reasons that have nothing to do with their gender dysphoria. It will take a high standard of proof to convince the panel that one is gender dysphoric, and it is not right to suggest that those few applicants unable to undergo operations would be trying to slip through the net. It will be necessary to have lived in the state for two years and to have a diagnosis of gender dysphoria.

Angela Watkinson: The issues are so controversial. People other than those who apply for the gender recognition certificate will be deeply affected, especially children of pre-existing marriages. If the biological father of children has a newly acquired gender, the children will have, to all intents and purposes and outward appearances, two mothers, but one of them will be their biological father. The effect on the children and spouses can be profound, and we need to balance the respective rights of all the people concerned. The institution of marriage is greater than its component parts and, for that reason, I shall vote against the Bill.

6.47 pm

Mr. Leigh: I shall vote against the Bill if for no other reason than because it will require public officials to rewrite history and tell an untruth. If I, Edward Leigh, were to choose after 53 years in this world to change into Esmeralda Leigh that would be my own affair. Those of us who oppose the Bill do not argue with such choices. We argue with the fact that I could then require a public official to change my birth certificate and deny that 53 years ago I was born Edward Leigh. For that reason alone, this is a deeply disturbing Bill.

I shall vote against the Bill for a second reason. The hon. Member for Oxford, West and Abingdon (Dr. Harris) mentioned the anguished arguments about

[Mr. Leigh]

how those of us who opposed the Bill should vote on the amendment tabled by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell). It is not surprising that there were anguished arguments. In the end, many of us voted for the amendment because we thought that it would be absurd if, having obtained the certificate, my marriage were automatically dissolved. But the Government had put themselves in an impossible position. They had to oppose that amendment because otherwise they would have driven a coach and horses through their professed strong opposition to single-sex marriages. The situation was illogical and impossible, and there was no way round it.

The third reason I shall vote against the Bill was adduced by the hon. Member for North Antrim (Rev. Ian Paisley). I am disappointed that my amendment was not passed. Many people will disagree with strongly held religious views, but such views exist out there. Many people believe, in the words of Psalm 139,

"For it was you who formed my inward parts; you knit me together in my mother's womb.

I praise you, for I am fearfully and wonderfully made. Wonderful are your works".

Those are the beliefs of many people in this country and this Bill could put their civil liberties at risk. For those three reasons, I shall vote against it.

6.50 pm

Richard Younger-Ross: It has been said that the Bill was a long time waiting. I was particularly reminded of that when the hon. Member for South-West Bedfordshire (Andrew Selous) made a slip of the tongue and referred to the hon. Member for Hampstead and Highgate (Glenda Jackson) as the hon. Gentleman. That reminded me of the 1950s film, "Plan 9 from Outer Space", made by Ed Wood, who also made a movie called "Glen or Glenda?", about a transgendered person who wanted to change from one sex to the other.

We think of transgender as a new issue, but that was in the 1950s. The issue is new only to the extent that science has allowed us to make physical changes to a person's outward appearance so that they can acquire the gender that their mind tells them is theirs. Historically, the issue goes back an extremely long way. A Roman emperor who was a boy of 17 when he became emperor was transgendered. A medieval monk, the Abbé de Choisy, was transgendered. It was said of him that he carried his habit in a feminine manner. There was a French—

Mr. Stephen Pound (Ealing, North) (Lab): Spy?

Richard Younger-Ross: The hon. Gentleman is ahead of me. There was a French spy who lived out his life, and died, in England as a woman, and, to keep the balance right, there was a pirate whose name I cannot recall who did the reverse. People have been transgendered not only over the past couple of decades, nor even over the past few centuries, but over a couple of millennia, so it is not true to say that the issue is new and a fabrication of modern society.

The legislation will help to stop little boys running down the street taunting someone who has had a sex change. It will correct a wrong that we have allowed to continue in our society for too long. We have denied people the gender, not of their choice as has been said, but that their mind tells them is theirs. That is the fundamental point of the Bill.

There are failings in the Bill. The loss of the amendment on marriage tests me hard, as a Roman Catholic, in my support of the Bill. However, on balance, I shall support the measure. I hope that some of the issues raised by religious groups will be dealt with directly in the secondary legislation to which the Minister alluded. It would be wrong for a Church group to be prosecuted because the deacon had told the vicar that someone applying to be married was transgendered. In Committee, I understood that that would not be the case, but that is no longer clear from what the Minister said today. He shakes his head as though I have got that wrong, but he clearly said that there could be such a prosecution. If I misunderstood him, he has the chance to correct me.

Mr. Lammy: There could not be a prosecution. However, we have discussed the fact that someone might engage in litigation. There is a distinction.

Richard Younger-Ross: I thank the Minister for that clarification, which is important. If there were ways to reinforce through secondary legislation the other issues that were raised, it would be beneficial, even if we were only doing that to avoid litigation.

I shall conclude my remarks to allow other Members time to speak. I shall vote for Third Reading.

6.54 pm

Mr. Robathan: As the hon. Member for Teignbridge (Richard Younger-Ross) reminded us, this is certainly not a new issue. Jan Morris wrote "Conundrum" well over 30 years ago. To avoid doubt and put this beyond peradventure, I should say that I have enormous sympathy for people who find themselves in this very difficult and complex transgender situation. No one should pretend that it is not complex. It is certainly not trivial. I happen to think that the House should spend its time—it often does—dealing with the issues of just one person, and this important issue affects many people.

Of course this issue needs consideration, but I have listened to speeches on Second and Third Reading and the dissenting voices among the Opposition made some good points that have not been answered. I do not always agree with the hon. Member for North Antrim (Rev. Ian Paisley), but I did today largely. I do not always agree with my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), but I thought that he made an excellent speech.

This is not good legislation. What is it for? It will certainly not satisfy all transsexuals, yet we are saying, "Oh well, it will satisfy most, so that's all right." Yet if we are standing up for the rights of one or two people, surely we should satisfy all if we possibly can.

Lynne Jones: Will the hon. Gentleman give way?

Mr. Robathan: I am sorry, but we have only a few moments left.

Will the Bill improve human rights? Will it make us a more civilised society? Personally, I do not think so. The families who will be appalled and split asunder by the Bill include those with a husband who has been depressed and prescribed hormone treatment. I do not believe that we are yet in a position to legislate for all those complicated issues, and nor should we. What happens to the people who undergo operations, cross genders and then decide that they want to go back? What can we do about that? It is not easy. I pose those questions to the Minister, and I will certainly give way if he wishes to answer.

Despite marvellous intentions, I am afraid that the Bill opens a can of worms, and we all know what happens when a can of worms is opened. New clause 7, which was proposed by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), revealed the outcome: we will split asunder some people who are currently legally married if they wish to follow such a path. The Bill poses as many questions as it answers. *[Interruption.]* The hon. Member for Lewisham, East (Ms Prentice) tries to intervene from a sedentary position, but she has not considered all the difficulties that will arise. It is bad legislation. Good intentions are not enough. As my hon. Friend said, the road to hell is paved with good intentions. For that reason, I shall vote against the Bill.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 355, Noes 46.

Division No. 189] **[6.57 pm**

AYES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Allen, Graham
Atkins, Charlotte
Austin, John
Baird, Vera
Baker, Norman
Banks, Tony
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Bell, Sir Stuart
Bennett, Andrew
Bercow, John
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Boateng, rh Paul
Borrow, David
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom *(Carshalton)*
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Browning, Mrs Angela
Bruce, Malcolm
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burstow, Paul
Byers, rh Stephen
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Kenneth *(Rushcliffe)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curry, rh David
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobson, rh Frank
Donohoe, Brian H.
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Ewing, Annabelle
Fabricant, Michael
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, rh Ms Harriet
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harris, Tom *(Glasgow Cathcart)*
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hendry, Charles
Hepburn, Stephen
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hogg, rh Douglas
Holmes, Paul
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Boris *(Henley)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Keetch, Paul
Kelly, Ruth *(Bolton W)*
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kirkwood, Sir Archy
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs Eleanor
Lamb, Norman
Lammy, David
Lansley, Andrew
Lawrence, Mrs Jackie
Laws, David *(Yeovil)*
Laxton, Bob *(Derby N)*
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona

Mackinlay, Andrew
Maclean, rh David
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Moran, Margaret
Morgan, Julie
Morley, Elliot
Moss, Malcolm
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Oaten, Mark *(Winchester)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
Öpik, Lembit
Organ, Diana
Ottaway, Richard
Owen, Albert
Page, Richard
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Price, Adam *(E Carmarthen & Dinefwr)*
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robertson, Angus *(Moray)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(City of Chester)*
Salmond, Alex
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sayeed, Jonathan
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Southworth, Helen
Squire, Rachel
Steen, Anthony
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dr. Richard *(Wyre F)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Tonge, Dr. Jenny
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Fraser Kemp and Joan Ryan

NOES

Beggs, Roy *(E Antrim)*
Bellingham, Henry
Brazier, Julian
Burt, Alistair
Campbell, Gregory *(E Lond'y)*
Chope, Christopher
Cormack, Sir Patrick
Dodds, Nigel
Donaldson, Jeffrey M.
Fallon, Michael
Flook, Adrian
Francois, Mark
Gale, Roger *(N Thanet)*
Goodman, Paul
Grieve, Dominic
Hawkins, Nick
Hayes, John *(S Holland)*
Hermon, Lady
Howarth, Gerald *(Aldershot)*
Leigh, Edward
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
McIntosh, Miss Anne
McLoughlin, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Murrison, Dr. Andrew
Paisley, Rev. Ian
Paterson, Owen
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Peter *(Belfast E)*
Ruffley, David
Selous, Andrew
Smyth, Rev. Martin *(Belfast S)*
Spicer, Sir Michael
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Turner, Andrew *(Isle of Wight)*
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*

Tellers for the Noes:
Angela Watkinson and Mr. Eric Forth

Question accordingly agreed to.

Bill read the Third time, and passed.

Northern Ireland Grand Committee

Ordered,

That—

(1) the matter of the future direction of community relations policy in Northern Ireland be referred to the Northern Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Thursday 17th June at half-past Two o'clock; and

(3) at that sitting—

(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the matter referred to it under paragraph (1) above;

(b) the chairman shall interrupt proceedings not later than two and a half hours after the commencement of proceedings on the matter referred to the Committee; and

(c) at the conclusion of those proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)).—*[Margaret Moran.]*

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 8th June, proceedings on the Motion for the adjournment of the House relating to the Future of Air Transport White Paper may continue, though opposed, for three hours or until Seven o'clock, whichever is the later, and shall then lapse if not previously disposed of.—*[Margaret Moran.]*

Air Passengers (US Immigration Requirements)

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

7.12 pm

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): It is modish in this day and age to speak frequently of rights, which are bandied about in the Chamber of the House of Commons with a felicity and occasional fluency that must be defended. It is not new for the Chamber of the House of Commons to re-echo the call for extra rights to be granted to whichever group feels itself to be disadvantaged, and more frequently than ever before, rights are defined in exceedingly narrow and sometimes strangely unimaginative ways. It is therefore even more frightening when we appear almost without thought to abandon some of those rights—the right to privacy and the right to defend our interests—without so much as a backward glance.

I rise tonight to raise an extraordinarily important question concerning a basic right, which we are in danger of treating with astonishing levity, as though it were not important. I refer to the right of one country, in pursuit of its own legitimate interests, to access detailed and important information about the lives of passengers from another country without so much as discussing the basis of that decision. I have been waiting for some months for the question of what is happening in our relationship with the United States as regards the exchange of information to be raised in this House.

Let me begin by saying that no one can seriously underestimate the enormous trauma of what happened in New York and the great shock and agony that it inflicted on the American people. However, the reality is that we, too, have faced some appalling traumas in the past, and have had to strike a balance between the liberties and rights of a democratic people and the need to defend ourselves and our society from those who seek to undermine it. In relation to what is happening in America, somewhere along the line we have got things rather disastrously wrong. I want to ask the Government a series of questions that are in need of an urgent answer.

Since September 11, travellers have accepted that a few more checks and questions are the price that they have to pay for safety. However, Michael Kerr of *The Daily Telegraph* questions whether that security is turning into surveillance. He points out that when one books to go to America on an airline these days, one is required by new laws introduced in the United States to give border control agencies access to passenger data. He says:

"Among that information is your passenger name record, or PNR, which includes . . . the date and time of your flights, the flight numbers, the destination and any stopovers. Depending on how you booked . . . the PNR . . . can also include your date of birth, address, credit card numbers, emergency contacts and frequent-flier details."

It can also include information about one's state of health and, indirectly, one's religion, which can be mentioned in relation to choice of menu.

Airlines have been notified that from the end of this year they will be expected, either before take-off or immediately afterwards, to provide information about the passenger that includes not only the items I listed, but foreign registration numbers, if applicable; country of residence; address in the United States during the stay; contact telephone number; and, more importantly, any other data deemed necessary to identify the person travelling.

Frankly, we in this House would be extremely leery of accepting legislation that was framed in those terms. What is more, what undertakings have we received from the United States Government about the use to which that enormous amount of information is to be put? For how long is it to be held? How many agencies are to have access to it? I would not gladly hand over my credit card details to any agency in this country without questioning the checks and balances to which it was subject. Why, then, am I required to do so to a foreign Government without a squeak from the United Kingdom Government?

Much of that information is supposed to be safeguarded by data protection law, which means that having been collected for one purpose, it may not be used for another without the subject's approval. Yet it is clear from the statement that I have from the Association of British Travel Agents that in relation to much of the information that is handed over, we have very little idea of what is included and to what use it is to be put. When United Airlines was asked by *The Daily Telegraph* whether it provided US Customs with passenger data, it said:

"In line with all carriers, we provide whatever information is required. We abide by the rules that govern the aviation industry."

Correction. It abides by the rules that have been unilaterally imposed by one Government, who, although acting in the genuine interests of security, make no attempt to discuss with any of the people concerned the nature of their rights or protection.

The deputy commissioner of US Bureau of Customs and Border Protection said that since 1995, more than 200 airlines, including EU carriers, had "voluntarily provided . . . data" to his agency. Was that made clear? Did the British Government know that? What attempt did they make to discuss with the American Government whether that was the right way in which to treat citizens of another country other than in circumstances of immediate and absolutely urgent needs?

Cedric Laurant of the Washington-based Electronic Privacy Information Centre said that seeking such information was part of a much bigger intelligence-gathering operation that would entail "data mining" and profiling all passengers. Furthermore, there was nothing to prevent such data from being fed

"into a huge . . . database for purposes . . . unrelated to the combat of terrorism or the protection of airline security".

It is perfectly possible, as in the case of some other countries, that routine income tax investigations could be included in the data made available to the Americans. That could also apply to individuals, who had been suspected of, for example, paedophilia, on the basis of repeated travel to countries that have a flourishing sex trade.I am indebted to *The Daily Telegraph* for a quote from Benjamin Franklin:

"They that give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

We ought to take that message to heart.

[Mrs. Gwyneth Dunwoody]

When we examine statistics and the number of people who travel backwards and forwards, we begin to understand that we who have always been an island nation are happy and ready to cross the seas and visit not only for business purposes but for holidays. However, many British visitors will find themselves faced willy-nilly with many extraordinary extra barriers.

People in my constituency who want to take their holidays in America will find that they must come to London to apply for a visa—a journey that not only costs them a great deal of extra money but entails displacement for them and their families. If they want access to visa information, they will discover that the American embassy visa information lines in London charge £1.30 and 60p a minute. They will not find it easy to get rapid responses.

In a series of articles, *The Daily Telegraph* raised individual cases of people who had faced considerable hostility and inconvenience. In one case, an individual was apparently shackled. When I took the Select Committee on Transport across America a few months ago, I was struck by the fact that members of that Committee, who had been identified as Members of Parliament and carried information to which we had made privy the United States Government were asked to step out of the line for special searching every time we changed planes. I got quite good at removing various items of my clothing. Luckily, they happened mostly to be boots, but they could have been almost anything.

Without being in the least offensive, I must say that the searching was carried out extraordinarily ineptly by people who had not been properly trained and obviously did not know what they were searching for, but who were happy to seek out those of non-American origin. Indeed, I heard that a seven-year-old boy who had the misfortune to be the right number in the line of people was called out and subjected to a full body search, despite his father's protestations that that was not the way in which to proceed.

So I say to the American Government that we have to quite honest about this. There has been an enormous growth in traffic between the United States and Britain. Indeed, many thousands of Americans come into this country every day. Lord forbid that we should start to play silly persons and seek tit-for-tat arrangements, but we have to ask ourselves whether it is really in the interest of the British public that they should be treated automatically as though they are all felons seeking to enter the United States to pursue some nefarious activity! The director general of the International Air Transport Association, speaking at the annual aviation security—AVSEC—meeting, said:

> "Security is an issue that goes far beyond aviation. It is a government responsibility, just like war and peace, and the costs must be assumed by society at large, not just by one industry."

We are talking about very large numbers of people. Tourists go across the Atlantic all the time to take part in the many brilliant activities that the United States offers to its visitors. But those people also have a few basic human rights, and it is about time we asked a few questions. If the only way for the aviation industry to proceed is by producing a great deal of security data, let the two nations agree a basic set of systems with which both of us have to comply. Let us not simply accept that the data on non-US citizens retained by the United States Government can be held for up to 50 years. Let us make it clear that the sheer volume of data being required by the Americans will not only slow up all the traffic in British airports but make it increasingly difficult for people to run commercial flights effectively and sensibly.

Why should there be constant discrimination against non-US citizens without the agreement of the passengers that their data may be retained in a responsible manner by agencies that are subject to proper controls? We hear a great deal about American legislation, but where is the evidence that the agencies concerned think that individual privacy is important enough? That legislation includes the Enhanced Border Security and Visa Entry Reform Act of 2002, which obliges airlines arriving in and departing from the US to transmit certain personal data. It has been used in such a way that British planes have—unreasonably, in my view—been detained for many hours while the various agencies decided among themselves which was going to do what with which bit of information. Airlines that fail to comply with that legislation could be subject to a host of penalties, including fines or the loss of their landing rights in the United States. These are draconian penalties, yet where is the evidence that the British Government have said, "Hang on a minute. There's a limit to the way in which you can treat British citizens unless you want us to enter into similar arrangements at Heathrow and other major UK airports."?

What is going to happen? Will there be any way of knowing what is being done by the various American agencies that are garnering all this information? Heaven forfend that we should suggest that computers are not the be all and end all so far as machinery is concerned, but it has been known for them to record information that is not 100 per cent. accurate. Indeed, it has been known for citizens dealing with Government agencies in this country to find it difficult to get information held on them corrected. How much worse will it be with a foreign Government that appears to have lost all sense of proportion?

One suggestion is that if the Americans continue to demand a raft of information as extensive as is expected, we could have five-hour check-ins. What is the sense of that? I know that people who are under pressure have a tendency to lose all sense of proportion. In a democracy, those of us who are at risk must make the necessary assessment and decide whether our jobs require us to take some kind of risk. We must then put that into proper proportion and deal with it accordingly. The lesson that we in the House should learn is that we have certain duties to fulfil, and certain responsibilities to the general public.

We should not stand idly by and allow the constant intrusion that I have described without asking why it is happening, how long it will go on and whether it can be justified. If it is not justified, let us ask for some change in the situation, or let us point out that we can all play undignified games. There is no evidence that what is asked for in any way improves the security or the protection of the US citizen.

It is not easy to say these things and it makes one unpopular, because in these days it is almost a religion to believe that in our support for the Americans we

should accept almost unquestioningly the things they do that under other circumstances we would not find acceptable. The House allows these changes to take place at its peril. What is happening is unacceptable. The travel industry is expected to add considerable delays. It is reported that in Miami passengers frequently queue for one and a half to two hours. From 26 October passengers must have individual machine-readable passports, and new passports must be biometric, even though, as far as I can see, they are not being issued by the states concerned and we will not be capable of doing that for some time.

We should resist any attempt to insist that the home addresses and telephone numbers of all passengers should be given 72 hours in advance of departure. Let us work out what we are doing. Are we suggesting that passengers travelling to the US in increasing numbers every year, who want to enjoy the civilisation, the intelligence and the stimulus of American society, are little better than felons and are not entitled to have their interests protected?

I have always admired the Americans and enjoyed my contacts with them. I work closely with the American Department of Transportation. I have been honoured by a visit from the Secretary of Transportation and I have been very impressed with the work that that Department does. But there comes a moment when it might be sensible to say, "Enough!" A very large, powerful and politically important state has a special responsibility to others not to use its muscle unreasonably to impose a set of conditions on those who are in no position to hit back—because that is what is happening.

America, for whatever reason, seems to have lost its sense of balance. Perhaps occasionally, we should say to it, "Democratic states do take risks." Those who are focused on destruction, who are intolerant, who are savagely uninterested in the important institutions of a democratic state will always have an advantage over those of us who believe there should be free access for people and institutions. That is why we have a House of Commons, and why we defend the rights of the people of the United Kingdom. That is why, this year, I shall not be taking a holiday in the United States of America.

There comes a time when small nations must say to large nations, "Co-operation and friendship are one thing. Subservience and intolerance are something else." Unless the Minister can assure me that the Government are pointing out in no uncertain terms to the United States Government that their behaviour has overstepped the bounds of reasonableness and is no longer accepted in a tolerant and balanced relationship, the House must individually and collectively pursue the rights of United Kingdom citizens to travel in a sensible but protected way, without the imposition of other people's suspicions when there is no defence and no interest.

7.35 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate my hon. Friend on securing this timely and important debate.

I simply cannot accept the phrases bandied around at the start of my hon. Friend's speech—that all this has been done almost without thought, with astonishing levity and without so much as a discussion or a squeak being raised. Much of the current position has been the result of a good deal of discussion and negotiation between the European Union and the USA. She will understand, too, that while I have responsibility for civil aviation in the UK, the provision of personal data to third parties is regulated in Europe by the data protection directive, which is implemented in the UK by the Data Protection Act 1998. Policy on that matter is the responsibility of my right hon. and learned Friend the Lord Chancellor. If there are matters that she feels that I have not covered, and that need to be pursued in that direction, I am therefore more than happy to follow them up.

As my hon. Friend said, following the terrorist attacks on the US in September 2001, the US passed legislation that required airlines flying to or from its territory to provide the US Bureau of Customs and Border Protection, which is now part of the Department of Homeland Security, with information about the passengers whom they carry. This information is contained in the airline's reservations and departures database and is known as the passenger name record or PNR. Each passenger has their own PNR.

The amount of PNR data collected about passengers varies from airline to airline but it can be up to 60 individual pieces of data. The data generally include the passenger's name and address and data such as method of payment, details of special requirements and details of the passenger's travel history—all the data used by the airline to provide a full service to the passenger.

Following the 2001 terrorist attacks, the US authorities require airlines to provide these data to help them screen people planning to enter their country. The data are required for the purpose of combating terrorism and other serious international organised crime. PNR data enable the US authorities to identify and focus their resources on possible high-risk individuals and so facilitate and safeguard the passage of the bona fide traveller.

Most of the data elements contained in PNR could in fact be obtained from passengers on arrival by examining travel documents and conducting interviews. Clearly, that would result in significant delays for passengers at US airports. In one real sense, it is for the US Administration to justify their legislation. The simple fact, however, is that the legislation is in place, and any airline wishing to operate to the US must abide by its national law—as it would operating in any other country—or risk facing sanctions. Those sanctions include stiff fines or could even result in the withdrawal of operating permits.

My hon. Friend will appreciate that EU airlines were left in an impossible position following the introduction by the US of the PNR requirement. They were caught between a rock and a hard place—they faced US sanctions for non-compliance, or litigation in Europe under the data protection directive if they did provide the data.

Rightly, my hon. Friend is particularly concerned about UK citizens travelling on British planes, but both are subject to the national laws of the country to which they travel. The absolute right of the US to determine within its own jurisdiction the measures that it believes

[Mr. Tony McNulty]

that it needs to take to protect its borders and the people who live on its territory, including many people from the UK and other EU member states, cannot be questioned.

The European Commission and US customs negotiated for much of 2003 to find ways of reconciling the US's legitimate need to collect such data to fight terrorism with the EU's equally legitimate concern to safeguard the information that passengers provide. My hon. Friend expressed those concerns eloquently to the House this evening. The negotiations resulted in the US authorities giving a number of undertakings about the way in which they will handle the data that they receive from EU airlines.

The Commission takes the view—and the Government agree—that those undertakings provide good safeguards for the PNR data. The Commission has now made a formal decision, under the data protection directive, that US customs provides adequate protection for the PNR data transferred from the EU, and the Council of Ministers has adopted a bilateral agreement with the US providing the necessary legal underpinning.

The US undertakings provide important data protection safeguards. For example, they set out the security arrangements that will apply to the data and restrict the number of people who may have access to it. They limit the time for which the US authorities may hold PNR data to three and a half years rather than the 50-year period that, as my hon. Friend pointed out, was originally required. They limit the amount of PNR data required to 34 specific elements; the US wanted far more. US customs has undertaken to filter out and delete the most sensitive data, such as that which might reveal racial or ethnic origin or particular opinions or beliefs. That includes the dietary requirements mentioned by my hon. Friend. Most important, the undertakings restrict the use of the data to use for the purpose for which it was originally sought by the US authorities. They also provide a complaints procedure for passengers who believe that that the data held by US customs might be wrong or might have been misused and establish a chief privacy officer in the Department of Homeland Security to expedite the handling of complaints.

My hon. Friend particularly mentioned financial details. The payment information and billing address are two of the 34 elements that the US requires, but the US authorities have undertaken to use only lawful processes, such as subpoena or court order, if they believe that they need to see transaction information linked to a particular account number.

The provisions of the agreement are acceptable to the Government. Indeed, I believe that they are essential to protect the interests of UK airlines. I need not remind my hon. Friend—she certainly reminded the House—of the importance of transatlantic traffic. Without the agreement, data transfers would be exposed to challenge at this end under the data protection directive.

We believe that the undertakings provide a pragmatic solution and that the agreement is proportionate and practical. It provides the necessary legal—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at eighteen minutes to Eight o'clock.

House of Commons

Wednesday 26 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Speaker's Statement

11.34 am

Mr. Speaker: Before I call the Clerk to read the private business, I wish to make a brief statement about security. My statement follows a meeting of the House of Commons Commission yesterday, and advice from the joint committee on security, which met on Monday.

In relation to the Chamber, I have suspended the right of Members to sponsor guests to the Special Galleries. This restriction will remain in force until further notice. Only people personally invited by me will be able to access the Special Galleries. Peers will have access to their usual section in the Gallery. I have instructed the secretary of the Press Gallery that only those who hold press passes are, for the time being, allowed into the Press Gallery.

Prior to last week's incident, the police and security services had embarked on a thorough review of security in the parliamentary estate. They will produce an interim report with recommendations covering matters of immediate concern as soon as possible. Those recommendations will be considered as soon as they are received and any measures which need to be taken will, in the first instance, be announced to the House.

I realise that the restrictions on access to the Galleries will cause inconvenience for some Members and for others, but I am sure that the House will appreciate that it is in the interests of all who work in this building that the lessons of last week's incident are learned and acted upon.

PRIVATE BUSINESS

IPSWICH MARKET BILL

Read the Third time, and passed.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Political Donations

1. **Mr. Harry Barnes** (North-East Derbyshire) (Lab): What his proposals are for the registration of donations made to political parties operating in Northern Ireland. [174921]

The Minister of State, Northern Ireland Office (Mr. John Spellar): I announced on 6 May that the Government were minded to let the current order exempting the Northern Ireland political parties from the requirement to comply with Part IV of the Political Parties, Elections and Referendums Act 2000 expire in February next year. Part IV regulates donations to parties so that foreign and anonymous donations are prohibited. The Government are aware of the reasonable demand in many quarters for greater transparency and accountability. I have invited views from all interested parties on what new arrangements might be made.

Mr. Barnes: Is my right hon. Friend aware that some of us are not opposed to the four Sinn Fein non-Members having facilities in the House, but expect them to be around occasionally so that they can be nobbled and so that alternative positions can be put to them?

My right hon. Friend's financial approach is important. What arrangements are being made with the Republic of Ireland to ensure that massive donations to Sinn Fein from Canada, America, New Zealand and Australia are prevented in both jurisdictions?

Mr. Spellar: My hon. Friend will know that since the original disapplication the situation in the Republic has changed, and greater restrictions have already been imposed. He will also know that in the United States contributions from foreign nationals have been prohibited for more than 30 years. That includes Governments, companies and individuals.

It is for those who wish to have a unique position in Northern Ireland to make the case. We recognise that there are some special circumstances, but given the law in the United Kingdom and in the Republic—and, as I have said, in other countries, notably the United States—those who want the current exemptions to continue must try to make that case.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): We welcome the Government's move to bring Northern Ireland into line with the rest of the United Kingdom in this regard, but is there not a greater problem—the substantial funding that one political party, Sinn Fein-IRA, receives from the criminal activities of its paramilitary wing? I recently met the Irish Justice Minister, Michael McDowell. He said that the IRA, through its criminal activities, was raising between £10 million and £20 million a year, much of which was channelled into Sinn Fein's political activities. Is that not where action is needed, to end that criminal activity and the funding of Sinn Fein through its criminality?

Mr. Spellar: Of course, the first aspect is to prevent the criminal activity in the first place, rather than the application of the funds. As I said in my previous answer, there are strong arguments for greater transparency in funding. Candidates and parties have to file election returns, which can be open to challenge and investigation. There are several avenues; this is just one of them. As the hon. Gentleman rightly says, this is part of an approach to dealing with criminality by paramilitary groups not just in Northern Ireland, but in the Republic of Ireland, too.

Mr. Eddie McGrady (South Down) (SDLP): In view of that last reply and the fact that the Government

believe, as confirmed by the Independent Monitoring Commission, that certain political parties and paramilitaries are one and the same thing—IRA-Sinn Fein, the Loyalist Volunteer Force-Progressive Unionist party—will the Minister explain how he is going to monitor the funding arising from paramilitary activities to the particular political wing of the organisation? How can that be done? Will he set in train any further legislative requirements to pursue that—either through statute or by criminal investigation?

Mr. Spellar: I certainly look forward to seeing the responses from all political parties to my proposals on political funding and the expiry of the current regulations in February next year. I am also minded that there are special circumstances—the hon. Gentleman will be aware of them—involving the intimidation of donors in Northern Ireland, and I recognise the particular relationship between Northern Ireland and the Republic of Ireland and the special relationship that citizens of the Republic of Ireland have on the electoral register of the UK more widely. I am aware of the difficulties, but, equally, I am strongly persuaded of the desirability of having the greatest possible amount of transparency in order that the undesirable activities that the hon. Gentleman identified can be exposed and, hopefully, prevented.

David Burnside (South Antrim) (UUP): I welcome the Minister's response. Anything that brings greater uniformity across the UK on the registration of political funding is, I believe, to be welcomed. However, the important point is about the sourcing of the political funding of political parties. The Minister will realise that many courageous journalists in newspapers such as the *Sunday World* and the *Irish Independent* have made serious allegations about the sources of funding of Sinn Fein. Can the Minister be more specific and give the House a commitment that he will speak to the Chief Constable and the chairman of the Electoral Commission to ensure that the Police Service of Northern Ireland and the Electoral Commission investigate the criminal funding of what should be normal democratic activity in Northern Ireland, which Sinn Fein does not carry out?

Mr. Spellar: The hon. Gentleman makes a valid point. My point earlier—in response to the hon. Member for Lagan Valley (Mr. Donaldson)—was that the initial criminality and its gains are the first matter of concern for the PSNI and, indeed, for the authorities in the Irish Republic. Co-operation between those forces against the criminal activities of all the paramilitary groups, which are extorting considerable sums of money from the people of Northern Ireland, is crucial. At the same time, we are looking into taking further measures under electoral funding regulations in order to prevent that money from being diverted into political activity.

Mr. Kevin McNamara (Hull, North) (Lab): My hon. Friend the Member for South Down (Mr. McGrady) mentioned the Independent Monitoring Commission and the fines that some political parties had to pay. However, is my right hon. Friend aware that some of the voluntary organisations in Northern Ireland are concerned that the precedent established by the IMC might be extended to them, particularly in areas where they are seeking to bring people in, rather than being associated with paramilitary activities? They are worried about losing their funding and jeopardising the good work that they are doing. There is a real fear of a return to the Hurd sanction of political vetting.

Mr. Spellar: I fully understand the concerns expressed by my hon. Friend, and I should be more than happy to examine any specific instances of which he may be aware. We want to enable people who have been involved in paramilitary activity, but who have seen the error of their ways, to play a constructive part in the development of peace and reconciliation. However, we intend to come down very heavily on people who continue to undertake paramilitary activity, to live off their fellow citizens in Northern Ireland and to destabilise the situation.

Electoral Register

2. **Mr. Hugo Swire** (East Devon) (Con): If he will make a statement on the state of the electoral register in Northern Ireland. [174922]

The Minister of State, Northern Ireland Office (Mr. John Spellar): The current electoral register for Northern Ireland published on 4 May contains the names of 1,076,940 individuals.

Mr. Swire: All hon. Members will have welcomed the Electoral Fraud (Northern Ireland) Act 2002, to which Her Majesty's Opposition provided much good input, both here and in the other place. By December 2002, 10 per cent. fewer people were entitled to vote in Northern Ireland. We have just heard how the funding of political parties in Northern Ireland is to be brought into line with the rest of the UK, but is there not something to be said for bringing the rest of the UK into line with Northern Ireland in respect of the amount of evidence needed for registration of voters? In that way, we could achieve unanimity, here and in Northern Ireland, on the ability and entitlement to vote.

Mr. Spellar: With the greatest respect, I must tell the hon. Gentleman that I think that that question ought to be addressed to my colleagues in the Department for Constitutional Affairs.

Mr. Tony Clarke (Northampton, South) (Lab): Surely my right hon. Friend will be as concerned as I am that there are 20,000 fewer people on the electoral register this year than there were last year, and that there are major discrepancies between the Northern Ireland census and the electoral register. Is not it time for us to review the legislation, given that we want more people to vote, not fewer? Should we not try to encourage voters to return?

Mr. Spellar: There are a number of reasons for the change identified by my hon. Friend, and one is the end of carrying forward, which obviously has had an impact. In addition, members of the police and prison services are reluctant to register, as parties with links to paramilitaries have access to the full register. However, I fully acknowledge that that is not the whole story. For

example, studies of the demographics show that under-registration is more common in working-class areas. Along with electoral registration officers and officials in my Department, I am considering what measures can be taken to ensure that the register—which is probably the most accurate that we have ever had in Northern Ireland—is as comprehensive as possible. We want every citizen in Northern Ireland to be able to vote and to exercise the franchise, on 10 June and in other elections.

Lembit Öpik (Montgomeryshire) (LD): The Electoral Commission published a very authoritative report on the Northern Ireland elections last year, and it included some recommendations. What plans do the Government have to implement those recommendations and the observations made in the report about the electoral register?

Mr. Spellar: I am examining all the representations made to me about the electoral register and voting practice, but the need for an identification card at polling stations is becoming more widely understood by people and political parties, as is the need to register. We need to keep the electoral register honest and up-to-date but, as I said in reply to the previous questioner, I am concerned that we try to use a number of mechanisms to make it more comprehensive.

Mr. Nigel Dodds (Belfast, North) (DUP): In ensuring—*[Interruption.]*

Mr. Speaker: Order. There should not be all this conversation going on. It is unfair to the hon. Gentleman, who is asking a question.

Mr. Dodds: In ensuring that those people who are properly entitled to vote in Northern Ireland are able to do so, will the Minister tell the House in more detail what he is doing to promote the take-up of the electoral identity card, especially in working-class areas, where people may lack other photo ID that would enable them to vote on election day?

Mr. Spellar: The hon. Gentleman will be aware that the Electoral Office for Northern Ireland has provided various facilities. I fully accept that the system could be improved, and we are more than willing to receive recommendations and suggestions in respect of weaknesses and possible improvements. As I said earlier, we want to ensure that all citizens who are eligible to vote are registered in their proper locations.

We want to facilitate voting by those on the register, including people with disabilities. As the hon. Gentleman knows, we are undertaking work in that area. We also want to ensure that the person who turns up at the polling station to vote is the individual who is registered. I am sure that hon. Members understand the need for that degree of accuracy. Considerable improvements have been made, but that does not mean that we cannot make further changes that will lead to further improvements.

Soccer

3. **David Taylor** (North-West Leicestershire) (Lab): What discussions he has held with the Irish Football Association regarding the implementation of a soccer strategy. [174923]

The Parliamentary Under-Secretary of State for Northern Ireland (Angela Smith): There have been ongoing discussions with the Irish Football Association—the IFA—at official level, leading up to the association's decision on 6 April 2004 to proceed with the implementation of the changes required under the soccer strategy. I met with the president of the IFA immediately following that decision, on 7 April, and discussions have continued since with officials, the Sports Council for Northern Ireland and the association. Terms of reference and membership of the soccer strategy implementation group have been agreed and the group, which includes representatives of the IFA, held its first meeting on 24 May.

David Taylor: Football has the power to forge links between divided communities and to combat the poison of the sectarian bigotry that led to the premature end of the international career of Neil Lennon, the former Leicester and now Celtic midfielder. Only last week, death threats were painted in the area around his home in Glasgow. Can my hon. Friend the Minister tell the House how much of the welcome £8 million that the IFA has dedicated to football in Northern Ireland will be used to develop the skills of all young players there and, in particular, encourage them always to play the game and never to play the man?

Hon. Members: Hear, hear.

Angela Smith: My hon. Friend can tell from the response from the House that we all entirely agree with his comments. I wish to put it on the record that I totally and utterly condemn the attacks on Neil Lennon, both in Northern Ireland and in Glasgow. In fact, Northern Ireland has been deprived of a talented international player. Sport has the power and the capacity to bring people together. The IFA has an officer dealing with sectarian issues, Michael Boyd, and it will bring forward proposals on youth development work that will address the situation.

Rev. Martin Smyth (Belfast, South) (UUP): The Minister will be aware that Windsor Park is in my constituency. Will she give an undertaking that the necessary finance will be forthcoming to upgrade the ground for the European matches, which will include games against Austria, Azerbaijan and Poland—not forgetting England and Wales—to meet the regulation standards? Will she also join me in congratulating the IFA and other sporting bodies in Northern Ireland that have campaigned to root out sectarianism in sport?

Angela Smith: I have had no official approach from Windsor Park to contribute to upgrading the facilities, but I hope that international games will continue to be played there. The hon. Gentleman will be aware of the proposals for the infrastructure of sport in Northern

Ireland and, if a site can be agreed, a multi-sport stadium. I congratulate any sport that takes action to root out sectarianism.

School Exchanges

4. **Chris Ruane** (Vale of Clwyd) (Lab): If he will give financial assistance to the development of exchange programmes between schools in Northern Ireland and (a) the UK mainland and (b) the Irish Republic. [174924]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Barry Gardiner): This year, my Department has provided financial assistance of £275,000 for a number of exchange programmes with schools in both Great Britain and the Republic of Ireland. I pay tribute to the dedication and commitment of the teachers who have organised those exchanges. Both teachers and pupils have found the programmes to be of enormous benefit to the learning experience and my Department is currently exploring ways of extending exchange opportunities with both Great Britain and the Republic of Ireland.

Chris Ruane: I thank my hon. Friend for that answer. Last year in my constituency, Mr. Alun Jones, the head of Ysgol Dewi Sant—a Welsh-medium school—tried to organise an exchange with a Gaelic-speaking school in the north. He asked me if I could access funding, but try as I might, I could find no funding for that visit. Does my hon. Friend agree that school exchange visits are a valuable way of breaking down barriers and prejudice, and that funds should be made available for school exchange visits between the north and the UK mainland?

Mr. Gardiner: I entirely endorse those remarks. Language is important—tábnactach í an teanga. It is good that those schools have had the opportunity to make that exchange.

When it was inaugurated, the east-west programme involved just Britain and the Republic of Ireland, but it has been extended to allow exchanges between Great Britain and Northern Ireland and the Republic and Northern Ireland. Although it is in its infancy, increasing money is being put into that, which I hope my hon. Friend will be able to access.

Mr. Desmond Swayne (New Forest, West) (Con): Will not the exchanges with the mainland reveal to pupils' parents a shocking disparity of treatment? If the status of a selective school is to change on the mainland, there will be a ballot. In the Province, it is being done by ministerial fiat, in the face of the express wishes of the people.

Mr. Gardiner: This was supposed to be a question about education exchanges. The hon. Gentleman has given us an education in an exchange of questions. However, on the issue of the Costello report, it is the express wish of two thirds of the population in Northern Ireland, as estimated in the household survey, that the 11-plus should be abolished, and that is what we propose to do.

Devolved Government

5. **Mr Andrew Mackay** (Bracknell) (Con): If he will make a statement on the restoration of devolved government in Northern Ireland. [174925]

The Secretary of State for Northern Ireland (Mr. Paul Murphy): We hope to restore devolved government in Northern Ireland as soon as possible. That requires a complete end to paramilitary activity and a commitment on all sides to the future stability of the institutions, and we are working towards that goal. Formal activity in the review of the operation of the agreement is now on hold for the European election period, but it will resume after 10 June, and we hope then to engage in a period of more intensive political dialogue.

Mr. Mackay: Michael McDowell, the Minister for Justice, Equality and Law Reform, wrote in the *Sunday Independent* last week that

"the relationship between Sinn Fein and the IRA... is a relationship of complete subservience, ideologically and factually.

There cannot be any question of the restoration of the Good Friday Agreement institutions on the basis that one party exercising executive power will take political direction from a group of people who are actively directing paramilitarism."

Does the Secretary of State agree?

Mr. Murphy: We have always said that the IRA and Sinn Fein are inextricably linked and are part of the same republican movement. That is most certainly the case. We also believe that we will not resolve these difficulties until the question of paramilitary activity, in this case by the IRA, is dealt with, too. Until that is dealt with, I cannot see the restoration of the institutions.

Mr. Seamus Mallon (Newry and Armagh) (SDLP): Is not it a bitter irony that those who conceived, wrote, negotiated and set up the Good Friday agreement are no longer central to the negotiations and therefore cannot ensure that the institutions are set up? In those circumstances, the two Governments have to be the custodians of the Good Friday agreement. Can the Secretary of State tell me what plans the two Governments have to ensure that Sinn Fein does not milk the Good Friday agreement for its own party political and paramilitary reasons, and that the Democratic Unionist party does not strangle the Good Friday agreement after sucking every ounce of power and influence from it?

Mr. Murphy: I hope that all parties in Northern Ireland will address the issue of restoring the institutions after the European elections, and I believe that all parties are serious in wanting to see the restoration of devolution, but I understand the points that the hon. Gentleman makes.

Mr. David Trimble (Upper Bann) (UUP): It is now six months since the election to the non-existent Northern Ireland Assembly. Does the Secretary of State agree that it has been six months of failure—failure by republicans to end paramilitarism, and failure by the DUP to develop a coherent policy or to achieve progress? Is not

it now time for the Government to bring matters to a head, get the parties to put up, or else shut down on the pretence that devolution is now possible?

Mr. Murphy: I agree with the right hon. Gentleman that it has been a disappointing six months—of course it has. We have not restored the institutions and we want that to happen but, as I said in my previous answer, I believe that every party in Northern Ireland wants to see that restoration. I repeat, too, that after the European elections we will resume intensive negotiations with the aim of setting up those institutions.

Mr. David Lidington (Aylesbury) (Con): I think that the Secretary of State and I agree that the current arrangements for considering Northern Ireland legislation through Orders in Council are profoundly unsatisfactory. Does he accept that the logic of the Government's position and the logic of the Dublin Government's position is that we should now proceed on the basis that constitutional politicians from both Unionist and nationalist traditions should be able to form an Administration in Belfast and that they should not all be punished by the continuing refusal of Sinn Fein-IRA to withdraw from paramilitarism?

Mr. Murphy: But we have two aims—one is obviously to ensure that we restore the institutions and get devolved government back in Northern Ireland, and the second is to see an end to paramilitary activity. We shall expend all our attention in both those directions.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [175599] **Lembit Öpik** (Montgomeryshire) (LD): If he will list his official engagements for Wednesday 26 May.

The Prime Minister (Mr. Tony Blair): This morning, I held meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Lembit Öpik: The Prime Minister will know that the parents of the four recruits who died at Deepcut army barracks are angry about the resistance to holding an independent public inquiry, even though the deputy chief constable of Surrey police, Bob Quick, has said that the issues require further independent scrutiny. Although only a public inquiry can properly address the systemic issues, I ask the Prime Minister to assure me that if the parents ask the Attorney-General to reopen the inquests the Ministry of Defence will not object and that the Ministry and Surrey police will be instructed to co-operate fully.

The Prime Minister: May I, first, again offer my condolences to the families of the soldiers who died? The families can, as the hon. Gentleman suggests, apply to the Attorney-General for authority to ask the High Court to order fresh inquests into the deaths. I assure him that we will co-operate fully should such an order be made. There has been a very detailed police investigation of the deaths, with about 900 witnesses being interviewed and 1,500 statements taken over 15 months, and we are grateful to the chief constable of Surrey police for his report. Whatever happens, it is important that we learn the lessons from this and take action now in areas where improvements are needed.

Mrs. Anne Campbell (Cambridge) (Lab): I am very pleased to see that there are policy differences on Iraq between my right hon. Friend and President Bush. Will he tell President Bush that it is important that the interim Government in Iraq have as high a status as possible, but that that will be much less likely if the multinational force remains under US command?

The Prime Minister: I am sorry to have to disappoint my hon. Friend so early in Prime Minister's questions, but I have to say that we are absolutely agreed that full sovereignty should be transferred to the Iraqi people and that the multinational force should remain under American command, which is natural as they have the vast bulk of the soldiers.

Mr. Michael Howard (Folkestone and Hythe) (Con): The Prime Minister said yesterday that while operational control of our troops in Iraq after 30 June must remain with British commanders, final political control over their deployment will be a matter for the Iraqi Government. I make it clear that I support that view, which is entirely consistent with the need for the transfer of sovereignty on 30 June to be real and not cosmetic.

The Prime Minister also said yesterday that no decision had been taken about increasing the number of British troops in Iraq and that the matter is kept under constant review. What factors will inform that decision, and what would need to change for additional troops to be deployed?

The Prime Minister: The factors that influence the decision are the need to ensure that our objectives in Iraq are properly secured, so it is a question of whether any additional troops, or different deployments of troops, would help to secure the objective of a stable and secure Iraq, where there is sufficient security that the political process can work. In the light of some of the comments overnight, I say that there is no doubt at all that the new Iraqi Government must have full sovereignty, that the multinational force remains by consent and that ultimate strategic and political decision making pass to the Iraqi Government after 30 June. Of course, once strategic decisions have been made, the running of any operation will be under the multinational force and its commanders, and there is no question, not merely of US troops, but of UK troops not being able to protect themselves, of their lives being put at risk or of their being under anything other than US and UK command.

Mr. Howard: I entirely agree with the force of those comments. For almost a month, British troops have been preparing to leave for Iraq within weeks. It was reported this week that various options were drawn up at a meeting of the armed forces chiefs last week, which

are expected to be presented to the Cabinet tomorrow. Does the Prime Minister agree that it would not be acceptable to announce the sending of more troops to Iraq during the parliamentary recess, which begins on Friday?

The Prime Minister: I am absolutely sure that Parliament should be kept fully informed of any announcement of additional troops. The reason no decisions have yet been taken is that we are looking at all the strategic options available to us and at the requirements on the ground, but as soon as that is clear we will, of course, inform Parliament.

Kate Hoey (Vauxhall) (Lab): Would the Prime Minister like to give a formal welcome to the visit of the Dalai Lama this week? Given that he has known for some six months that the Dalai Lama is visiting, is he really telling us that he could not find half an hour in his timetable next week to meet the Dalai Lama? Is that because he has been told not to do so by the Chinese?

The Prime Minister: No, it is not. I have met the Dalai Lama on previous occasions, and I will be very happy to meet him again on subsequent occasions. Tibet is a matter of concern not just to Labour Members but to Members on both sides of the House. We raise the issue constantly with the Chinese, most recently on the visit of Premier Wen, when we had a significant and long discussion on Tibet.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): Following the exchanges of a few moments ago, when I asked the Prime Minister last week whether the transfer of full sovereignty in Iraq would mean that the new Government there would have control over their prisons, the Prime Minister replied:

"The answer to that is yes. The new Iraqi Government must have full sovereignty after 30 June. That will give them the rights that all sovereign Governments have."—[*Official Report*, 19 May 2004; Vol. 421, c. 972.]

However, just over an hour ago, I received a faxed letter from the Prime Minister's office, in which he goes on to say:

"The exact division of responsibilities for prisons and detainees policy is one of the issues we will need to discuss in detail with the interim Government, once announced, as part of the wider discussions about the mandate of the multinational force."

Will the Prime Minister tell us whether, in the light of that recently received clarification, he is now stepping back from the categorical assurance that he gave last week?

The Prime Minister: No, I am not stepping back from it at all. After the transfer of sovereignty on 30 June, the ultimate decision about whose control the prisons remain under has to be a matter for the Iraqi Government. All that I explain to the right hon. Gentleman in the letter is that until the Iraqis have the capability—for example, sufficient trained prison officers—there may well be a division of responsibilities between the multinational force and the Iraqis, but the ultimate political decision making and control will rest with the sovereign Iraqi Government. I hope that that is clear.

Mr. Kennedy: But does not the shift in clarification on so many issues from one week to the next show what has bedevilled the entire situation? What, for example, would the Prime Minister say in response to General Zinni, who was President Bush's special envoy to the area in the build-up to the war, because he has said that the preparations were characterised by

"false rationales presented as justification; a flawed strategy; lack of planning; the unnecessary alienation of our allies; the underestimation of the task; and the unnecessary distraction from the real threats"?

Has not this entire sorry episode, before and after, been characterised by inadequacy at the political top?

The Prime Minister: The fact is that those people who are against the conflict remain against the conflict. In relation to the issue of sovereignty, let me make one thing clear to the right hon. Gentleman: there is a difference between sovereignty being transferred to the Iraqi Government—that should be full and undiminished sovereignty—and the practical necessity that multinational forces will have to remain to support the new Iraqi Government. That will mean—in relation to operations or, for example, the running of the prisons—that there will have to be a division of responsibility, but the point is that, after 30 June, the forces remain there with the consent of the Iraqi Government and not otherwise. I would have thought that that is clear.

As for the aftermath of the war in Iraq, there will, of course, be people who carry on making criticisms of the war. I simply say that the right hon. Gentleman must accept that his position is such that if we had done what he had wanted us to do, Saddam Hussein would still be running Iraq. I have to face up to the consequences of the decision that I took but, with respect, he has to face up to the consequences of the position that he took.

Q2. [175600] **Clive Efford** (Eltham) (Lab): My right hon. Friend will be aware that the Conservatives have threatened to reintroduce the poll tax. Those of us who were in local government when the poll tax was introduced will not only recall the cuts that accompanied it, but its intrinsic unfairness, particularly to low-income households and the elderly. Will he confirm that this Government will relish the battle against the Conservatives in the current elections, with the Conservatives having resurrected the spectre of the poll tax?

The Prime Minister: I can assure my hon. Friend that we will not introduce anything as damaging as the poll tax, which was once described by the Leader of the Opposition as right and fair. Neither will we reintroduce 3 million unemployed and underinvestment in our national health service.

Mr. Michael Howard (Folkestone and Hythe) (Con): The CBI says that the temporary workers directive would cost Britain 160,000 jobs, and the Secretary of State for Trade and Industry says that it is a litmus test of Europe's commitment to economic reform. Will the Prime Minister therefore join me in condemning Labour Members of the European Parliament, who rejected his advice and voted in favour of it in the European Parliament?

The Prime Minister: We have made it clear that we believe that changes to the directive are necessary. That

is precisely what we are trying to secure, and I point out to the right hon. and learned Gentleman that since this Government joined the social chapter—which he said would cause the loss of 1 million jobs in the UK—employment has actually increased by 2 million.

Mr. Howard: I am not surprised that the Prime Minister does not want to talk about his Members of the European Parliament. His Government have estimated that extending the working time directive would cost British business at least £9 billion, but his Members of the European Parliament have rejected his advice on that as well. They voted in favour of extending it. Will he join me in condemning the voting of his Labour Members of the European Parliament on that issue?

The Prime Minister: We have made it clear, as I said a moment ago, why we believe that changes are necessary to the working time directive. However, let me just point out to the right hon. and learned Gentleman that it is this Government who have managed to increase employment in British industry, and it is not this Government who put 17 per cent. interest rates on British industry. That is why this Government continue to operate in the interests of the economy and jobs.

Mr. Howard: All the questions were about Labour Members of the European Parliament, and we have not had any answers to them. Is it not true that the Government have given up completely on their Members of the European Parliament, so much so that when the Leader of the House was Minister for Europe he had to go pleading to Conservative Members of the European Parliament to vote Labour Members of the European Parliament down? After all this trouble from Labour Members of the European Parliament, will not the Prime Minister be as relieved as the rest of us when there are fewer of them after 10 June?

The Prime Minister: When we are talking about hon. Members of the European Parliament, the right hon. and learned Gentleman should pay a little attention to what his noble Friend Lord Tebbit said the other day. He said that Tory European election candidates

"have been strong-armed into affiliation to the federalist European People's Party"

and that the right hon. and learned Gentleman was anaesthetising them

"into acquiescence of a bland, centrist, politically correct agenda."

He should take up issues of the European Parliament with his own side, not mine.

Sandra Osborne (Ayr) (Lab): May I thank the Prime Minister, the Chancellor and the Secretary of State for Work and Pensions for introducing assistance for those people who will lose their pensions when their company goes into receivership? That has come as welcome news to more than 200 of my constituents. Will my right hon. Friend make sure that those affected are made aware of how they stand as soon as possible?

The Prime Minister: As we said last week, we will engage in detailed discussions with unions, employers and others to try to make sure that the money that we have set aside is used most valuably. This is a good example of how people, when they are genuinely in trouble, are helped by the Government. It is important that we recognise that this is a distinct group of people who had to contribute to their occupational pension. In future, people will be protected by the new legislation that the Government are introducing.

Q3. [175601] **Tony Baldry** (Banbury) (Con): The Commission for Africa brings a welcome focus on the need to renew the war on poverty, but do we not need a new commission that can advise us how to restore and repair the fractured relations between ourselves and the world of Islam?

The Prime Minister: I am not sure that a commission is the right means of doing that, although I do not exclude the possibility, but I entirely agree with the basic premise of the hon. Gentleman's question, which is that there is a real issue about the relationship between the Arab and Muslim world and the west. I happen to believe, as he probably does, that much of that is based on misunderstanding and on propaganda aimed at dividing the two of us, but it is important that we try to look for ways to heal that rift, because it is immensely dangerous. It is certainly something that we are considering, and it will form a major part of our G8 discussions in a few days.

Q4. [175602] **Llew Smith** (Blaenau Gwent) (Lab): The Secretary of State for Wales recently described the announcement by Coleg Gwent to close certain college departments in the county, in particular those teaching engineering, catering and other courses in my constituency, as "astonishing". Does the Prime Minister accept that removing a skill base adds to the difficulty in trying to attract highly skilled engineering jobs to an area still suffering from high unemployment and steel closures? Does he also accept the difficulty of developing tourism in what is one of the most beautiful parts of Wales when the catering department is being closed? Will he instruct the Secretary of State to meet the First Minister of the Welsh Assembly to discuss the issue and to put pressure on those who made the decisions to withdraw the closure programme, because the management and corporation of Coleg Gwent and, indeed, Education and Learning Wales—

Mr. Speaker: Order. The supplementary question is too long.

The Prime Minister: I recognise my hon. Friend's concern because I know that the area that he represents has suffered unemployment difficulties with the losses at Corus. I understand that the Secretary of State has already met the First Minister to discuss the issue, and I know that my right hon. Friend is happy to meet my hon. Friend to take the issue forward. I am sure that my hon. Friend's views will be closely considered.

Q5. [175603] **Bob Russell** (Colchester) (LD): Does the Prime Minister know where Saddam Hussein is and whether he is still alive? Is he aware what measures the Americans are taking to encourage Saddam Hussein to reveal the whereabouts of Iraq's weapons of mass destruction?

The Prime Minister: I can assure the hon. Gentleman that I know where Saddam Hussein is not: he is not in a

presidential palace running Iraq; he is not brutalising his people; he is not threatening the security of his region, and this world is a safer, better place without him in government.

Q6. [175604] **Jim Knight** (South Dorset) (Lab): Dorset receives the lowest local government settlement of any of the shire counties in England. Will the Prime Minister reflect on that, given that many of my constituents are dependent on council services? Can he reassure them that he rejects the proposals of other Dorset politicians, who advocate swingeing cuts in local government funding as part of plans for massive public spending cuts?

The Prime Minister: I am pleased that we have increased the grant to Dorset by 6.3 per cent. this year, well above the national average, and that we have increased the grant to councils by 30 per cent. in real terms since 1997, compared with a 7 per cent. real-terms cut in the last four years of the Conservative Government. I can assure him that we will not follow the path set out by the shadow Chancellor of freezing, in real terms, council expenditure, which would be a £2.5 billion cut in services.

Q7. [175605] **Ann Winterton** (Congleton) (Con): The Prime Minister will be aware that people in the Congleton and Tatton constituencies have opposed Scottish Power's bid for an underground gas storage plant at Byley. Our constituents won their case, only for the Office of the Deputy Prime Minister to overrule the decision of one its own inspectors. What is the point of holding an expensive, five-week public inquiry if its findings are set aside in such a cavalier fashion by someone who has presumably not even set eyes on the site?

The Prime Minister: There is a process in place, and it must be followed through. The hon. Lady will know that, under the Town and Country Planning Act 1990, anyone who wants to challenge a decision can ask for it to be referred to the High Court and that that has to be done within six weeks of the date of the decision. Of course, there has been a thorough-going consultation with everyone involved, but in the end it is a planning process and has to be handled in the normal way.

Q8. [175606] **Mr. Eric Martlew** (Carlisle) (Lab): My right hon. Friend will be aware that yesterday the boundary committee published proposals for unitary authority boundaries in areas that are holding elections for regional assemblies. Does he not agree that we need to get rid of two-tier local government up and down the country, whether we get a yes vote in the regional assemblies or not, as it is inefficient, expensive and bureaucratic?

The Prime Minister: We welcome the completion of a significant step towards the holding of referendums for elected regional assemblies in the autumn. We will consider carefully the final recommendations, and decide what options for unitary local government we will put to the electorate in any forthcoming referendums. I am sure that my hon. Friend is right that while there is a powerful argument for regional government so that decisions are taken closer to the people, it is none the less correct to make tiers of local government underneath regional government unitary because that would be more effective.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the Prime Minister agree that an administration that took over a severely debt-ridden council, saved 2,000 jobs when people were threatened with redundancy, leads the way in waste recycling and became the first Welsh council to be shortlisted by the *Local Government Chronicle* as the most improved council in the UK, deserves the support of electors?

The Prime Minister: I have a feeling that the hon. Gentleman may be missing out a few facts. I am afraid that, before I give him a considered answer, I will look into them.

Q10. [175608] **Andy King** (Rugby and Kenilworth) (Lab): Will my right hon. Friend continue his commitment to invest in our health services? My own hospital trust has improved dramatically from zero stars to two stars under this Government, and St. Cross hospital in Rugby, which was doomed to closure under the Conservatives, now has a new orthopaedic ward, a new stroke ward, 24 additional consultants and a magnetic resonance imaging scanner—

Mr. Speaker: Order. I think the hon. Gentleman is saying that the Prime Minister is doing a good job.

The Prime Minister: It does indeed take a long time to list the achievements of the national health service as a result of that investment. Every waiting time and waiting list is better than it was in 1997, we have record investment going into the national health service—that applies to in-patients and out-patients—and we know that all of that would be put at risk by the patient's passport.

Mr. James Arbuthnot (North-East Hampshire) (Con): Ten years ago, a Chinook helicopter crashed on the Mull of Kintyre. The pilots, who were killed in the crash, were later held to be guilty of negligence. Now that the Prime Minister of the time, John Major, and the Defence Secretary of the time, Malcolm Rifkind, have said that that unjust verdict should be overturned, will the Prime Minister agree to have a meeting with an all-party group to bring fairness and a conclusion to this matter?

The Prime Minister: I am, of course, always prepared to meet an all-party group on the issue. I will look at it in the light of what has been said by the previous Prime Minister, but I give no guarantees that we will change the decision. A decision was taken at the time, which was endorsed by this Government as well, but I understand the very strong feelings that there are, not least among the families of the pilots. I am very happy to meet an all-party group, but that has to be done without any prior commitment or guarantee as to what the outcome would be.

Q11. [175609] **Mr. David Borrow** (South Ribble) (Lab): The boundary committee referred to by my hon. Friend

the Member for Carlisle (Mr. Martlew) yesterday recommended that the West Lancashire district council area should be split between Wigan in Greater Manchester and Sefton in Merseyside. That would be disastrous for my constituents living in west Lancashire and would risk undermining the referendum campaign in the autumn. Will my right hon. Friend agree to meet me and my hon. Friend the Member for West Lancashire (Mr. Pickthall) to discuss ways of improving that recommendation?

The Prime Minister: Of course, I am always happy to meet my hon. Friend. We must consider any recommendations or representations that are made, but no decisions have been taken. If an area is to move towards regional government so that decision making, as it is now in Scotland and Wales, for example, is taken closer to the people, it is important that underneath that the local authority system is made more effective.

Mr. John Hayes (South Holland and The Deepings) (Con): The green belt is supposed to be a parcel of land around urban areas to prevent them from encroaching into the countryside, so why are the Government building on the inner green belt and adding to it only in areas of the north of England, far from where development pressure is greatest? The Library says that answers on the subject so far from Ministers are imprecise and evasive. Why are the Government being evasive about their greenbelt policy? What do they have to hide?

The Prime Minister: We have increased the amount of green belt, not reduced it, since we came to power—*[Interruption.]* Oh yes, and what is more, I tell Conservative Members that we have increased the proportion of development on brownfield sites from where it was under the Conservatives. But every responsible person knows that in the south of the country in particular, there is a requirement for additional housing, and if we do not face up to the decisions on that the people who will suffer are generations to come, particularly first-time buyers, who will not have a place to live. The present Government have protected the green belt a darn sight better than the last one.

Q12. [175610] **David Winnick** (Walsall, North) (Lab): I supported getting rid of Saddam Hussein and I offer no apologies for that, but has not the reputation of the coalition forces suffered great damage in the past few months owing to the sickening abuses and crimes carried out in the main by American personnel against Iraqi detainees? Would it not help the credibility of the United States and the coalition if the United States Defence Secretary and his deputy had enough self-respect to resign their positions?

The Prime Minister: I have already made clear my own views on what happened at Abu Ghraib prison, as indeed have the United States Administration. I am sure my hon. Friend recognises that at the same time as we condemn unreservedly and without qualification what took place at Abu Ghraib and indeed any abuse of Iraqi prisoners, it is worth pointing out that British and American soldiers risk their lives, and in some cases lose their lives, in order to help Iraqi people. That balance should be maintained.

Q13. [175611] **Mr. Tim Boswell** (Daventry) (Con): The Prime Minister knows that the east midlands is one of the all-postal pilot regions for electoral purposes, and also that the ballot papers are due to be distributed about today. Is he aware, however, as I have just become, that printing delays mean that local authority ballot papers are not yet even in the hands of the returning officers, and that they are unlikely to be available before the weekend? Will he intervene immediately to forestall an electoral shambles?

The Prime Minister: Like the hon. Gentleman, I became aware shortly before Prime Minister's questions that there was an issue in relation to the ballot papers. I am told that returning officers are on target to post ballot packs by the deadline on 1 June. We have confidence that the regional returning officers will be able to rise to the challenge. However, as a result of the information that has come to us this morning, I will look into the matter and make sure that the measures that have been taken are sufficient to meet the challenge.

Q14. [175612] **Mr. Stephen McCabe** (Birmingham, Hall Green) (Lab): I welcome the news that there is to be a review of our outdated gun laws, but does the Prime Minister share my astonishment that Home Office officials have ruled out action on replica weapons before the consultation even takes place and in the very week that the report by Her Majesty's inspectorate of constabulary, "Guns, Community and Police", cites replica and imitation weapons as a major part of the problem? Surely that makes a nonsense of the whole process. Can he do something about it?

The Prime Minister: As my hon. Friend will know, we have introduced tougher controls on imitation firearms. In particular, there is now a new arrestable offence under the Anti-social Behaviour Act 2003 of carrying an imitation firearm in public without reasonable excuse. Any imitation firearm that is readily convertible to fire live rounds is now classed as a prohibited firearm, and there is a minimum sentence of five years for carrying such a firearm. The Home Office review is absolutely open. As he and other hon. Members will readily understand, the problem is exactly how to define an imitation firearm. We must ensure that we get this right, to target the evil to which he rightly draws attention without having an arrangement that is overly and unnecessarily bureaucratic and that would end up disrupting people in a way that we do not intend.

Opposition Day

[12TH ALLOTTED DAY]

Local Government Finance

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Prime Minister.

12.31 pm

Mr. Philip Hammond (Runnymede and Weybridge): I beg to move,

That this House notes that each year the Government has pledged a 'generous' increase in local government funding, yet council tax in England has on average risen by three times the rate of inflation every year since 1997; observes that the cumulative additional council tax burden since 1997/98 is £1,716 for a typical Band D household; deplores the failure of the Government to recognise its role in generating the underlying pressures leading to council tax increases, including new responsibilities, compliance requirements, red tape, targets and assessments imposed by central Government on local authorities; further notes that unfunded cost pressures force councils either to introduce disproportionate increases in council taxes or cut local front line services; and believes that this is a further indicator of growing centralisation and Whitehall interference in local communities, eroding local democracy and weakening democratic accountability.

In just over two weeks' time, local elections will be taking place across much of the United Kingdom. The Conservative party believes in the importance of local democracy and local democratic accountability. That is why we alone of the major parties are fighting the local elections on local issues and, in particular, on the record of the Conservative party in local government—a proud record of delivering better services at a lower cost than councils of any other political persuasion. That is the key measure of local government performance, and if we are to have a reinvigorated local democracy, which the Opposition support, and a restored sense of local accountability, there must be transparency about the relationship between council taxes and local decisions, and clarity about where responsibility lies for the pressures that lead to increases in council tax.

Mr. Ivan Henderson (Harwich) (Lab): One of the proposals at the moment is the introduction of a local sales tax, which the Institute for Fiscal Studies said would be a local tax on the poor. Under the proposal, some 12,000 households in my constituency that now receive council tax rebates would lose that support. Will the hon. Gentleman stand at the Dispatch Box and reject such proposals, which are being put forward by the Tory candidate in my constituency?

Mr. Hammond: I am somewhat surprised that the first intervention in this debate was about local sales tax. I was anticipating that it might have been otherwise. I will not rule out suggestions of a local sales tax any more than I suspect that the Minister will rule them out. Like us, he is awaiting the outcome of the balance of funding review, which I believe is having its last meeting today. We will see what the balance of funding review has to say about the various options that it has considered. When we have that information, we can have an informed debate in the House about the future of local government finance. I accept the point that the hon. Gentleman makes and his reservations about local sales tax. I could list a number of other reservations about the practicality of such a tax, but I think that it is important that we are prepared to look at the output of this very important review, in which Conservative local government players have been participating along with members of other parties.

The Minister for Local and Regional Government (Mr. Nick Raynsford): The balance of funding review will have further meetings, as well as the one that is taking place today. I also remind the hon. Gentleman that in last week's Opposition Day debate initiated by the Liberal Democrats, I made it clear that the proposal for a local sales tax met none of the objectives for fairness and effectiveness and was therefore, in our view, entirely inappropriate. I am surprised that he has not taken a similar view.

Mr. Hammond: The Minister seems to be prejudging the outcome of his own review, which is surprising. He says that further meetings will occur, but last week he indicated that he hopes to publish the results of the review before the House rises for the summer recess, and I hope that those meetings will not prevent him from doing so.

Over the past few weeks, the House has had several opportunities to debate local government finance. We have debated the capping regime, the budgets set by local authorities, the balance of funding review itself and alternative proposals for funding local government, including local income tax, which the Liberal Democrats favour and which would impose an extra £693 a year tax burden on the average, hard-working family.

In the frenzy to cap, review and replace council tax, it might be too easy to lose sight of the central point: council tax has gone through the roof under this Labour Government, and its level is leading to widespread discontent with the system. Under this Government, the average band D council tax has increased by 70 per cent. to a record £1,167 a year, which is nearly £100 a month out of taxed, take-home income.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does my hon. Friend agree that the Government have adopted a relentless, systematic and cynical policy of moving money from the shire counties to the inner cities, which has left counties such as Norfolk and Suffolk in an impossible position? There is nothing inherently wrong with council tax; what is wrong is how the Government have behaved.

Mr. Hammond: My hon. Friend is right. Labour's operation of council tax has raised two problems: first, fiddled funding and, secondly, the imposition of unfunded cost burdens on local government. The Audit Commission acknowledges that the Government have been shifting funding away from the south-east to the north and the midlands.

Mr. Michael Jabez Foster (Hastings and Rye) (Lab) *rose—*

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab) *rose—*

Mr. Hammond: I shall make some progress, and then I shall give way.

Before we go any further on capping regimes or reviewing alternatives to council tax, we should examine more carefully the drivers behind soaring council tax. In most cases, those drivers are outside the control of local government, and many of them have got central Government's fingerprints all over them. The purpose of today's debate, which has been called in Opposition time, is to focus attention on the underlying cause of high council tax increases: the burdens imposed by central Government.

Mr. Miller: Just for clarity, is the hon. Gentleman actually saying to the people of Cheshire that my right hon. Friend the Minister for Local and Regional Government was wrong to shift the balance to correct the huge disadvantage introduced by the original formula?

Mr. Hammond: My hon. Friend the Member for North-West Norfolk (Mr. Bellingham) is absolutely right when he says that the changes in the funding formula have shifted funding from some authorities to others, which has driven council tax increases in those authorities that were losers in that process, and I shall return to that point.

Mr. Michael Jabez Foster: Will the hon. Gentleman give way?

Mr. Hammond: I shall give way in just a moment.

Honesty and transparency on the causes of soaring council tax and on the responsibility for the additional burdens now being borne by local council tax payers are essential if the elections on 10 June are to be an opportunity for the electorate to pass well informed judgment on local government up and down the country. Those elections are also an opportunity to send a message to this meddlesome, interfering, bureaucratic Government about the cost burdens that they are imposing on local councils, which local councils are forced to pass on to council tax payers.

When the Minister made his capping statement four weeks ago, he performed a ritual—although it was the first time that he has capped, I have seen the routine before. He built up a head of righteous indignation about proposed council tax increases, claiming that they are unjustified because

"the Government have provided all local authorities with above-inflation increases in general grant."—[*Official Report*, 29 April 2004; Vol. 420, c. 1019.]

Every year we hear that the settlement is generous and that above-inflation council tax rises will not be necessary, and every year average rises are three times the rate of inflation. The implication of the Minister's view, which is deeply resented by well-run local authorities of all persuasions, is that council tax increases are the result of incompetence, inefficiency or sheer bloody-mindedness.

Mr. Peter Pike (Burnley) (Lab): I was a member of the Committee that considered the Local Government Finance Act 1992, which introduced the current system of local government taxation. At that time, we pointed out that the biggest single problem was the gearing factor, which causes massive council tax increases. Will the hon. Gentleman admit that that is a serious flaw in the current system?

Mr. Hammond: The hon. Gentleman should know about massive council tax rises, as during this Government's period in office his local authority has increased council tax by 60 per cent.

Let us analyse the Minister's statement on capping. He said that the floors and ceilings imposed in this year's settlement ensured that all local authorities received an increase above the retail price increase: a minimum of 3 per cent. for shire districts and 4 per cent. for social services and education authorities. However, the combination of the operation of the ceiling limiting the increase for areas of population growth such as Telford and Wrekin, which is one of the Minister's capping victims; the passporting of education spending above formula spending share; and the effects of transitional phasing of changes in the grant distribution introduced in 2003–04 meant that many authorities would face the need for above-inflation council tax increases, even if it were true that 3 per cent. and 4 per cent. respectively represented a real measure of local government inflation—but it does not. As the Minister well knows, local government inflationary pressures are significantly higher than the increases in the retail price index, and the negative effects of many Government policy decisions are magnified because of the nature of the services that local government delivers and the type of work force who are employed to do so.

The Audit Commission's report into the causes of high council tax increases in 2003–04 estimates that local authorities collectively face some £2.3 billion of national cost pressures in respect of existing services. That is more than half the total increase in local authority spending. The Local Government Association estimates that local government inflation is running at between 4 and 6 per cent. Some authorities—for example, Kent, which recently made a submission to the Treasury in support of its position—argue that local pressures effectively leave them with higher still rates of inflation.

We accept, of course, that there is no typical local authority, because each one faces a different mix of local cost pressures on top of national ones. Leaving local variations aside, however, it is simply disingenuous for central Government to ignore the real local government inflation rate, and it is frankly misleading to describe a 3 per cent. grant increase as above inflation in any way that is meaningful to local government.

Mr. Raynsford: I have been listening to the hon. Gentleman with considerable interest. Will he explain to the House how his policy, as set out by the shadow Chancellor, to freeze expenditure on all but two defined public services—thereby freezing at inflation the vast majority of local authority expenditure—can be reconciled with his argument?

Mr. Hammond: As the Minister knows, school spending—*[Interruption.]* The Minister dismisses that with a wave of the hand, but it happens to represent 40 per cent. of local government spending, which is a fairly large slice, and we have made it explicitly clear that it will be increased. Beyond that, as the Minister knows,

[Mr. Hammond]

the overall total for all services across all departments will be frozen for a period while we try to plug the fiscal black hole that we will have inherited from this Labour Government—*[Interruption.]* The Minister is waving his hands again. He appears not to have read what his colleague the Chancellor said in his Budget speech—that he could make 2.5 per cent. efficiency savings by cutting 40,000 jobs. The Secretary of State for Health has identified substantial savings that he can make in his Department's budget. Surely the Minister is not suggesting that during an initial two-year period we cannot identify waste and bureaucracy that can deliver the savings that need to be made.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Did my hon. Friend notice that last week, when the Secretary of State for Health announced that he would be able to cut bureaucracy, he said that he intended to do so by disestablishing about five groups that have been set up since 1997?

Mr. Hammond: My hon. Friend is absolutely right. Having spent valuable weeks of my life in Standing Committee establishing the National Care Standards Commission, I was dismayed to see that the Government are ripping up that legislation, which is only a few years old, in order to introduce yet more different tiers and types of bureaucracy.

Mr. Edward Davey (Kingston and Surbiton) (LD): The hon. Gentleman has confirmed that the Conservatives plan to cut local government expenditure by £2.5 billion. If he is trying to claim that those cuts will be achieved through reduced waste and bureaucracy, when will he identify that waste and bureaucracy? Will it be before the election?

Mr. Hammond: First, the hon. Gentleman needs to listen more carefully. I was careful to re-emphasise that my right hon. Friend the shadow Chancellor said that he will freeze spending on other departmental totals in aggregate. I realise that Labour Members do not find it convenient to acknowledge that. Nothing has been said about local government grant spending. Where the savings will be made to achieve that depends to a large extent on the work that the James review is undertaking on the scope for savings on waste and bureaucracy in government. The Government's parallel review is also examining that.

Roger Casale (Wimbledon) (Lab): Will the hon. Gentleman give way?

Mr. Hammond: I must make a little progress but I shall come back to the hon. Gentleman.

Central Government are responsible for many of the cost pressures on local government. Employers' national insurance increases have added £280 million a year to the pay bill. Labour's pension tax has hit local authority pension funds by an annual figure, which is now close to £250 million. The need to make good the hit on those funds has compounded the pressure on local authorities, which are already facing additional contributions as a result of the previous revaluation, and will probably be confronted with even higher contributions through the next revaluation.

Mr. John Redwood (Wokingham) (Con): Has my hon. Friend noticed that Liberal Democrat councils are the worst offenders, shoving up council tax much faster even than Labour, let alone prudent Conservative councils? Is it not a bit rich that they now want a rip-off local income tax—a Liberal Democrat hand in your pocket—to pay for their spendthrift ways? Will he condemn that and say just how much it will cost us?

Mr. Hammond: My right hon. Friend is right. I condemn it absolutely and have already said that the Liberal Democrat local income tax proposal would impose a tax burden of an extra £693 a year on the average working family.

Mr. Nigel Evans (Ribble Valley) (Con): Will my hon. Friend give way?

Mr. Hammond: I must make a little more progress.

Public sector pay settlements have run significantly ahead of RPI and thus represent a pressure over and above that included in the RPI figure. The most graphic example is last year's teachers' pay settlement at 2.9 per cent., leaving employers with a £60 million unfunded shortfall over and above the spending for which the Government had budgeted. Local authorities also have to face the cost of the pay evaluation exercise and work force reform in schools.

Let me run through the list of cost pressures that local government faces in delivering existing services. Losses due to the changes in the system of rent allowances and housing benefits, although capped, continue to represent a significant hit on some shire district councils. At every level, local government faces a wave of litigation costs. The Commission for Architecture and the Built Environment has calculated that local authorities face bogus or excessive claims of £117 million per annum above the cost of legitimate claims. Before someone asks, I have no idea why the Commission for Architecture and the Built Environment is putting the figures together.

Manchester's litigation budget is bigger than that for repairing broken paving slabs—the cause of many claims. Bradford city council has had to set aside £5 million for the potential cost of meeting a retrospective claim for equal pay, which is being brought on a no win, no fee basis. Doubtless other local authorities will be watching that case with some trepidation.

The Home Secretary has bailed out the Criminal Records Bureau, which has already piled costs on to local authorities through its spectacular inefficiency, with a massive 142 per cent. increase in fees. That is an additional burden of £15 million on local government. Personal social services costs are escalating out of control. Care of the elderly and looked-after children are both demand-led services, the demand for which is soaring, and which central Government consistently underestimate in setting notional budgets.

Unit costs are spiralling. We warned the Government that the Care Standards Act 2000 would have a disastrous effect on the availability of care places and

their cost unless funding were increased significantly. It has devastated the sector. Rising staff costs, soaring property values and the imposition of new standards and inspection regimes have caused many care home operators to exit the market, squeezing supply and leading to rising costs for local authority purchases.

Mr. Evans: My hon. Friend has gone through a list of pressures that have led to huge council tax increases over the past seven years, particularly in Lancashire. Does he agree that if the people of the northern regions—including the north-west, where the Ribble Valley constituency lies—vote for regional government in the referendums, that will not only add huge increases to the council tax bills of everyone living in the north-west, but, thanks to the decision announced by the boundary committee yesterday, make local government far more remote from local people, not closer to them?

Mr. Hammond: That would make local government more remote from the people and it would cost the council tax payer. The Government are insisting on reorganising local government in any area that is foolish enough to choose an elected regional assembly on unitary lines. Cambridge university estimates that the cost of local government reorganisation alone would add £110 to a band D council tax bill, and that is before taking any account of any local precepting power that regional assemblies may be given under the regional assemblies Bill, which we have not yet seen.

Several hon. Members *rose—*

Mr. Hammond: I must make progress. There is a very long list of burdens that this Government are imposing on local authorities and I want to ensure that the House is aware of them all.

All social services authorities face bed-blocking fines, for which some funding has been provided, and the associated bureaucracy, for which none has been provided. Hampshire county council has received £1.2 million from the Department of Health as a grant so that it can recycle it as fines to the local NHS acute hospitals, but it has had to take on an extra 28 people to manage the flow of paperwork and payments and to monitor the system—an extra council tax burden and a piece of absurd bureaucracy.

The landfill tax escalator—increases in the landfill tax without any offsetting reductions elsewhere—is rising to £18 a tonne in April next year and is destined eventually to get to £34 a tonne. It may raise the Treasury £600 million this year, but £360 million of that £600 million will be paid by local authorities, which are by far the largest disposers of waste. All those specific and explicit cost pressures come on top of the pernicious and substantial cost of grade inflation, to which authorities in low unemployment areas are routinely forced to succumb in order to recruit and retain the staff they need to continue to deliver local services.

Mr. Keith Simpson (Mid-Norfolk) (Con): I had not wanted to interrupt the long list of extra burdens that the Government are putting on local authorities, but is my hon. Friend aware that many of these initiatives are being introduced simultaneously? I give him a concrete example from my constituency: Broadland district council wrote to me the other day to say that the extra increases in recycling requirements and for wheelie bins, for example, mean that the market cannot cope, so, on average, if people can get hold of a wheelie bin, it costs £2 to £3 more, which, cumulatively, adds another £120,000 to £180,000. That is a practical example. There is a blizzard of these initiatives coming in, and local government is in despair.

Mr. Hammond: My hon. Friend is absolutely right. I have reached the end of my list of burdens causing cost pressures on existing services, but I have not yet started on the list of new initiatives that central Government are imposing on local authorities, including initiatives related to waste management.

As a result of the national cost pressures that I have outlined, as well as many others that we do not have time to go into, many authorities face the need to make above-inflation council tax increases, even before taking into account the burden imposed by the wasteful inspection and audit regime, the effect of passporting and the additional responsibilities being imposed—year in, year out—on local government.

Richard Younger-Ross (Teignbridge) (LD) *rose—*

Mr. Hammond: Some additional burdens—

Mr. Bellingham: Do not forget Younger-Ross.

Mr. Hammond: I give way to the hon. Gentleman.

Richard Younger-Ross: The hon. Gentleman is throwing figures around like confetti, but will he confirm that the key figure is this: the average increase under Conservative councils for the last six years is 8.9 per cent., which is larger than for all the other parties?

Mr. Hammond: I suspect that the key figure for most council tax payers is this: despite the fiddled funding and the new burdens, Conservative councils cost an average of £57 less under band D council tax—*[Interruption.]* The Minister says no, but Conservative councils cost an average of £57 less under band D council tax than either Labour or Liberal Democrat-controlled authorities in England.

Some additional burdens on local government that I shall discuss in a moment represent genuine services delivered to the public, but the red tape and regulation of the Government's barrage of different inspection regimes are pure dead weight on the shoulders of local government. Local authorities are subject to best value performance indicators and plans, comprehensive performance assessment, examination by the Commission for Social Care Inspection, the Ofsted process, scrutiny by the benefit fraud inspectorate and the adult learning inspectorate, as well as inspection by something called the Office of Surveillance Commissioners.

The Joseph Rowntree Foundation estimates the annual direct cost of external inspection of local government functions to have been £600 million in 2000–01. It notes that that figure excludes indirect costs—local authority compliance, avoidance costs and

[Mr. Hammond]

opportunity costs, not to mention the negative impact of such a prescriptive regime on local initiative and staff morale.

Overall, the Local Government Information Unit estimates that those indirect costs added a further £400 million a year in 2002. That cost will have risen since, as comprehensive performance assessments have been rolled out to all tiers of local government, making the current cost of the Government's bureaucratic inspection regime well in excess of £1 billion a year. Early promises that high-performing councils would be subject to less inspection have not materialised; nor has the promised exemption from capping.

Guildford borough council—a Conservative-run council rated excellent by its comprehensive performance assessment—had to submit nearly 900 different files of paperwork to get the rating. For ease, it put them on CD-ROM. That amounts to 400 megabytes of information that had to be prepared and checked by council staff, all at the expense of local council tax payers, of whom, incidentally, I happen to be one.

A Local Government Association publication, "Improving the Quality of Life for Local Communities", contains an informative cameo relating to one district council employee's experience of the inspection regime. Let me give the House a flavour of it:

"During the autumn of 2003 we had a three week performance indicator audit . . .

Then came the supporting people inspection team, which spent a week inspecting procedures in housing and benefits . . . and a short visit from the DVLC inspection service . . .

This was swiftly followed by a best value inspection for street cleaning services . . .

Immediately after was a visit by the Surveillance Commission . . . Whilst all this was going on the district auditor was inspecting our final accounts arrangements . . . we were having to produce our IEG3 (implementing electronic government) statement to the government office, receiving feedback on our capital strategy and asset management strategy (which had to be submitted to the government officer earlier on in the year), and work on the submission of our Housing Investment Strategy and Business Plan which has to be submitted to the government office.

Oblivious to the pressure and demands on us, the government office were continuing to send out requests for information—we had to fill in a resilience questionnaire . . . we were asked to submit a crime and disorder self assessment document, provide information illustrating local application of 'liveability' initiatives, just to mention a few of these requests . . .

The Benefit fraud inspectorate are coming tomorrow".

That is just one small shire district council. Conservatives have pledged to slash the £1 billion-plus wasted on these centralised local government inspectorates.

Roger Casale: Will the hon. Gentleman give way?

Mr. Hammond: In a moment. We will abolish the bloated comprehensive performance assessment and axe the so-called best value system. We believe that the whole inspection regime should be scaled back to a light-touch approach appropriate to the risk. That means leaving competent councils to get on with the job, with only occasional inspection, while focusing attention on the small number of failing, mainly Labour and Liberal Democrat-run councils. The cost of the audit inspection process and the diversion of officer time and attention from the delivery of front-line services add to the sense of frustration and disempowerment in local government, and must be stopped.

On schools passporting, even after the £340 million of additional money that the Government found this year to avoid another fiasco in schools, there are still six education authorities with education spending above the formula spending share, for which passporting has been a trap that led to their entire grant increase from central Government being passported to schools. Clearly, for those councils the Minister's insistence that all authorities have had an above-inflation grant increase has a particularly hollow ring.

They have no choice but to cut services elsewhere and raise council taxes. A regime that penalises those who were voluntarily spending above their formula spending share on schools has to be wrong, and clearly sets perverse incentives for the future.

As if there were not enough central Government burdens already, local authorities face myriad new responsibilities. High among them is the waste management agenda. The European Union's landfill directive, which requires a significant reduction in landfill, and the Government's waste recycling targets, which they have introduced in an attempt to achieve that objective, impose huge additional burdens on local authorities.

Mr. Raynsford: No.

Mr. Hammond: The Minister says "No", but the LGA estimates that local government will need half a billion pounds over each of the next three years to achieve the targets that the Government have set.

Mr. Raynsford: Does the hon. Gentleman not recall that when the Chancellor announced the changes to the landfill escalator in his pre-Budget report, he made it clear that arrangements were being made to ensure that the impact on local authorities would be cost-neutral?

Mr. Hammond: This is the point of today's debate. We hear it all the time: "The impact will be cost-neutral". If the Minister talks to the LGA, he will find that it is a recurrent theme. In discussions with Departments and agencies, local government is told that the impact will be cost-neutral—and what local government invariably finds is that the regulatory impact assessments are inadequate. They underestimate the cost, and local government and council tax payers ultimately pick up the tab. That is part of the reason for Labour's soaring council taxes.

Andrew Selous (South-West Bedfordshire) (Con): My hon. Friend mentioned the costs of litigation to local authorities. Does he agree that it is shameful that authorities such as mine, South Bedfordshire district council, are forced to spend huge amounts of council tax payers' money to fight the planning system, when the Government could very simply apply stop and enforcement orders to unauthorised Traveller developments? That is unacceptable to council tax payers.

Mr. Hammond: My hon. Friend is right to draw attention to the large amount of unplanned expenditure

that local planning authorities often incur in dealing with unexpected major planning inquiries. He knows that I am very sympathetic about the particular case he mentions. I am glad to see that the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Pontefract and Castleford (Yvette Cooper), is present, as she is aware of our concern.

Only last week my hon. Friend the Member for Witney (Mr. Cameron) told the House that his council's effort to meet the Government's waste recycling targets had led it initially to propose a 30 per cent. increase in its council tax, just to fund that initiative. That is only one of many examples of good local authorities' diligently seeking to comply with the guidance and directives of central Government, as they are bound to do, without the funding to do it. The end-of-life vehicle directive will in the short term increase the number of abandoned cars, and in the medium term substantially increase local authorities' disposal costs.

Quite rightly, all local authorities have stepped up their emergency planning in the wake of 11 September—including district authorities, which receive no funds at all for that activity. Upper-tier and unitary authorities are estimated to be spending £17 million above the funded level on emergency planning. Following the Licensing Act 2003, there will be an increase of between 500 and 1,000 per cent. in the number of premises that local authorities are expected to license. Fees will be set centrally. That is something over which local authorities have no control, and there are real fears that year-on-year revenue costs will exceed the fee revenue generated. The immediate concern, however, is that there is no provision anywhere for the start-up costs. Authorities are estimating first-year deficits of anything between £40,000 and £700,000, depending on the size of the authority. Those deficits will have to be met by council tax payers.

Compliance with the Freedom of Information Act 2000 will impose substantial direct and indirect costs on authorities. Many are recruiting full-time compliance officers, and anyone who understands how institutions respond to freedom of information will be aware of the huge additional indirect cost that is incurred as working practices change and sensitive material is handled differently in response to freedom of information pressures.

Roger Casale *rose—*

Mr. Hammond: I will give way to the hon. Gentleman, as he has been very persistent.

Roger Casale: The hon. Gentleman is giving a very detailed exposition of local government finances, but what seems to be completely absent from it—I do not know whether he has a blind spot, or is conveniently leaving this out—is any mention of areas in which costs have actually gone down. I am thinking of, for instance, the lower costs of servicing local government debt when interest rates are as low as 4 or 5 per cent. rather than 14 or 15 per cent., as they were under the last Government; or, indeed, the costs of collecting council tax. I wonder what the costs of collecting council tax would be if the Conservatives ever returned to power and reintroduced a poll tax, as they seem to be planning to do.

Mr. Hammond: There is no reason to suppose that the costs of collecting council tax would change as a result of a change of Government. But the hon. Gentleman is right: of course costs have fallen in some areas. Those step changes have occurred in the past and have been absorbed into the baseline, like many additional costs incurred over the past seven years that I have not mentioned today. We are now talking about the current pressures on councils—new duties under the Homelessness Act 2002, the burdens associated with the shambles of our asylum system, and the recurring investment costs necessary to meet the Government's e-government targets for local government.

Time constrains me from straying into, and discussing in any depth, issues of fire service modernisation and the new burdens on the police. Both represent partially unfunded central Government burdens, and will become a charge on local council tax payers.

Sadly there is no light at the end of this particular tunnel, or if there is it is coming from a train approaching from the opposite direction. Legislation, directives and regulations currently in the pipeline, both domestic and European, will add billions of pounds of additional costs to local government's baseline over the next few years. In a submission to the 2004 spending review, the LGA identified literally dozens of sources of additional cost pressures. They are too numerous for me to list them. As I mentioned earlier, if the Government succeeded in their ambition of establishing elected regional assemblies in any region, there would be the additional huge cost of local government reorganisation.

Local government is buckling under the torrent of legislation, regulations, red tape and bureaucracy. For most authorities it is no longer about exercising community leadership, choice and local discretion. Budget pressures resulting from these burdens mean that central Government's agenda squeezes out local priorities, while council taxes spiral upwards and disillusion with the local democratic process multiplies.

In theory the burdens of new legislation on local government are supposed to be met by the relevant central Government Department, and in fairness to the Minister I believe he has reiterated to his colleagues in Government that that is the rule. The practice, however, is very different. Departments faced with a charge on their existing budgets for additional costs to local government have consistently underestimated the impact of change.

I have here a memo of a meeting between the Local Authorities Coordinators of Regulatory Services and the Food Safety Agency. Typically—I am told—the FSA's initial position was that the implementation of a dozen food safety directives would have a negligible or zero cost implication for local government. There is no realism about the cost of change to local government, and there is no effective system of post-implementation review of regulatory impact assessments.

The end result of all these central Government burdens on local government will be soaring council taxes. Ministers can stand at the Dispatch Box and wring their hands, but, as one of my hon. Friends said earlier, the outcome is not an accident. This Labour Government have, until recently, made no attempt to conceal the fact that their policy of shifting grant to authorities in the north and the midlands would lead to higher council taxes in areas that Ministers

[Mr. Hammond]

considered could afford to pay. It is a deliberate shift of burdens on to local council tax payers. But the extent of central Government's underfunding of cost pressure and the scale of imposition of new responsibilities mean that it is not just the authorities that Ministers intended to target that have had to post massive council tax rises. The proportion of local government revenue spending funded from the council tax has risen from 20.5 per cent. in 1996–97 to 25.3 per cent. in 2004–05. That is a clear and unequivocal measure of the degree of underfunding of the burdens imposed on local authorities by central Government.

Not surprisingly, the public has reacted to the soaring level of council tax. The talk is of capping, reviews and alternatives, but there were no demonstrators and no martyrs in court when the band D council tax was £689. It is not the tax that prompted the public backlash, but Labour's turning of council tax into another stealth tax—increasing it by the equivalent of 3 per cent. on income tax.

Alongside the additional pressures next year, we have hanging over us like the sword of Damocles the £340 million extra provided this year, which the Government have said that they will not consolidate into the baseline for 2005–06. That is the equivalent of an £18.70 band D increase in council tax next year—more than 1.5 per cent. before anyone has spent a single extra penny.

To conclude, and as we approach the local elections, perhaps the worst aspect of all this is the undermining of the transparency and accountability of local government. It is the so-called environmental protection and cultural services block—it has no single Minister to defend it, but has many local discretionary services within it—that always takes the hit and absorbs the cuts in local services, as local priorities have to give way to the central Government's agenda.

The council tax payer sees soaring bills, but at the same time experiences cuts in the services that are most important to him and his family. With the deluge of new responsibilities and burdens set to continue, with ring-fencing remaining a significant factor and with a capping regime in place, there is simply nothing that he can do about it, other than go to the ballot box on 10 June and send a clear and unequivocal message that local council tax payers have had enough of the torrent of burdens and bureaucracy that this meddling, interfering, bureaucratic Government are imposing on our local authorities.

1.11 pm

The Minister for Local and Regional Government (Mr. Nick Raynsford): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

'notes that the Government has increased grant to local authorities by 30 per cent. in real terms since 1997, in contrast to real terms grant cuts under the previous government; endorses the firm action taken by the Government to reduce council tax increases in 2004–05 to the lowest level for nine years; notes that Labour councils have the lowest average Council Tax increases at 4.7 per cent. and the lowest average level of Council Tax at £870; congratulates the Government on its commitment to enhancing the delivery of public services by local authorities and notes the evidence from the Comprehensive Performance Assessment of significant improvement in local authority performance; welcomes the extension of substantial freedoms and flexibilities to local authorities, including the prudential borrowing regime replacing the capital controls imposed by the previous government; notes with concern that all of these advances would be jeopardised by the policies of the official Opposition which would freeze expenditure on most local authority services; contrasts the Opposition's current rhetoric with its track record of centralisation when in government; rejects its opportunistic approach; and endorses the Government's commitment to high performing local authorities delivering effective local leadership and quality public services in the most cost-effective way.'.

Last week, we had an Opposition day debate on local government finance initiated by the Liberal Democrats. It was not, I have to say, their finest hour. Indeed, the hon. Member for Totnes (Mr. Steen) suggested less than half way through the proceedings that the House should adjourn because the Liberal Democrat case had been so comprehensively demolished.

Today, it is the turn of the Conservative Opposition. Given their own lamentable record in government and their remarkable failure to develop any new policy proposals in this area, it might appear to the impartial observer to have been a rash decision to choose this subject for debate. Now that we have heard the case put by the hon. Member for Runnymede and Weybridge (Mr. Hammond), we know that it was. I do not blame the hon. Gentleman: he is an able and assiduous Member and has made the best he could of the very bad hand that he was dealt.

Of course, that raises the question as to why the hon. Member for Runnymede and Weybridge was asked to lead for the Opposition. Over the past few weeks, we have been entertained by various musings on local government from the hon. Members for Meriden (Mrs. Spelman) and for North Essex (Mr. Jenkin). They would appear to be in the lead for their party. Yet cometh the hour, and cometh neither the man nor the woman! It is perhaps not surprising, given their recent accident-prone outings—the suggestions of a return to the poll tax only yesterday from the hon. Lady, and toe-curling, born-again localism from the hon. Gentleman.

I particularly enjoyed the observation of the hon. Member for North Essex in a speech to the New Local Government Network last month when he said:

"Eighteen years of Conservative government not only failed to halt many aspects of centralisation, but unwittingly accelerated it".

I love the use of the word "unwittingly". It must feature in conversations with his own father, who was one of the most senior Ministers in that Government, responsible for many of their extreme centralising tendencies. Let us imagine the discussion between the hon. Gentleman and his father: "Dad, what were you thinking about when you unwittingly abolished the Greater London Council?"

Mr. Bernard Jenkin (North Essex) (Con): I can tell the Minister what he was thinking. He was thinking about smashing the hard left in London, which we succeeded in doing, only for Ken Livingstone to be allowed back into the Labour party. Can the Minister explain that?

Mr. Raynsford: I am delighted to hear the hon. Gentleman acknowledge that his father was taking centralist action to attack local authorities. There we have it. That is the natural tendency of the Tory party.

Although they try to pretend that they have changed, we know that the reality is that the Conservatives are deep centralisers. It is hardly surprising, then, that neither the hon. Member for North Essex nor the hon. Member for Meriden chose to speak in this debate. Their party's record in government was one of cuts, centralisation and failure. Their attempt to present themselves today as the champion of local government is risible. Local government is not so easily fooled.

Let us first look at the Conservatives' record. Their period in office was marked by year-on-year cuts in funding for local government. The figures speak for themselves. Throughout the 1980s, local authorities experienced continuing real-term reductions in grant, year on year. Then, after the chaos of the poll tax and the rationalisation of non-domestic rates, we saw a further period of real-term cuts in grant. Here are the figures: in 1995–96, minus 1.9 per cent.; in 1996–97, minus 0.1 per cent.; in 1997–98, when they set the grant rates before being ousted from office, minus 2 per cent. The Conservatives were cutting grants and telling local authorities that they expected them to keep council tax down—with threats of capping. That was the position when the Conservatives left office.

Mr. Hammond: Will the Minister confirm that the average band D council tax increase under the last Conservative Government was just less than half the average band D council tax increase during the period of the Labour Government?

Mr. Raynsford: I will confirm that during the 18 years of the Conservative Government there was a chaotic trend, first with huge increases in domestic rates, then abolition of those rates and the chaos and injustice of the poll tax, followed by a vast increase in VAT to 17.5 per cent. in order to cushion the council tax so that the figures that the hon. Gentleman has just quoted could be achieved. As a result of that decision, everyone's VAT bills were subject to a 2.5 per cent. increase. It is pretty rich of the hon. Gentleman to try to claim credit for low council tax figures at that time, when they were achieved at the price of large VAT increases.

Mr. Michael Jabez Foster: As someone involved in local government during the last two years of the Tory regime, I know that the problem was not just the cuts imposed from the central Government. In my own county, over the Tories' final two years, there was a 20 per cent. increase in the council tax along with massive cuts in teacher numbers, in education and across the board.

Mr. Raynsford: My hon. Friend reminds us of what life was like in the mid-1990s when the Conservatives were in power. It was grim. We saw schools that were underfunded, social services that were desperate and local authorities that had to lay off staff. Local authorities were unable to deliver the sort of services that local people expected. That was the atmosphere at the time, but Conservative Members now try to pretend that it has all disappeared and been forgotten. People working in local government know the reality and they will go on reminding the Conservatives of their lamentable record in office.

Richard Younger-Ross: Does the Minister realise that there is a trend? I worked in local authorities in the early 1970s, when the Conservative Government were forcing cuts on local authorities and cuts in services. When my wife worked for local authorities in the early 1980s, the Tory party imposed further cuts in services. Is there a trend here?

Mr. Raynsford: The hon. Gentleman is absolutely right. Throughout its period of relatively recent history—my memory may not go back as far as the hon. Gentleman's—the Conservative party has a consistent record of cutting grant to local authorities and, in parallel, telling them that if they do not keep the council tax down, they will be capped. I shall return to the issue of capping in a few moments because it provides an interesting insight into the shape of today's Tory party. Before I do, however, I want to say a little about what has happened since 1997.

Since we came into office, local authorities have received real-terms increases in grant every year, adding up over the seven years of the Labour Government to a cumulative 30 per cent. real-terms increase. That is a wholly different scenario from when the Conservatives were in power. Conservative Members know that that is true and it shows up their own shabby record, so they try to divert attention by claiming that the grant increases have not matched the demands placed on local government.

Mr. Hammond: The Minister has again referred to a 30 per cent. real-terms increase. Will he acknowledge that local government inflation pressures are significantly in excess of the retail prices index? He is right to refer to 30 per cent. in excess of RPI, but is not the real increase in local government inflation very much smaller?

Mr. Raynsford: Local government cost pressures have reduced in certain areas but, in others, the pressures have increased. The hon. Gentleman will be well aware that there was a 7 per cent. real-terms cut in grants to local authorities during the final four years of the previous Conservative Government, when the pressures on local government were also increasing. In contrast, there has been a real-terms increase of 30 per cent. in grants over the past seven years. It is simply not credible for the Opposition to complain about pressure when the shadow Chancellor says that a Conservative Government would freeze grants to local authorities. He expects those authorities to cope with all the pressures to which the hon. Gentleman referred, but with no extra money. That is the real recipe for large council tax increases.

I said that the Opposition want to divert attention from their record by saying that the grant increases have not matched the demands placed on local government. In one respect—that of rising public expectations—I am happy to plead guilty. The public now expect their local councils to do more, and to do it better. Gone are the days of hopeless resignation when the Conservative

[Mr. Raynsford]

party was in power. Then, local authorities were starved of resources and the public despaired of any prospect of improvement.

I am more than happy to celebrate the transformation over the past seven years to a climate in which people are no longer prepared to put up with excuses and poor performance. They can see the new schools, the extra teachers, the extra policemen on the beat and the real improvements in public services that this Government are determined to deliver. We make no apology for wanting local authorities to do better. Our comprehensive performance assessment has made a very important contribution to creating a climate in which continuous improvement is expected.

Mr. Hammond: The Minister claims that there has been a continuous improvement. Will he accept the verdict of the local electorate on 10 June as a conclusive and authoritative judgment on whether the people of this country are happy with the Government's performance?

Mr. Raynsford: The hon. Gentleman began his speech by saying that he thought that the electorate should take decisions based on local rather than national issues. I agree with that and openly concede that the Conservative party generally did well in last year's elections. However, I note that it did not do well in areas where Conservative councils had a poor performance record. For example, the Labour party won control in Plymouth, and the Liberal Democrats did the same in Torbay. It is a healthy sign when the electorate identify failing councils and vote on local issues at local elections. We should not try to assume a national swing, with councillors standing or falling according not to their own merits and performance but to their party's performance nationally. The hon. Gentleman tried to make a localist case today, but anyone who cares about localism will agree that we ought to be working for a framework in which local elections reflect the performance of the local council. I hope that he will accept that.

Of course, the cynics on the Opposition Benches, who have derided every initiative that this Government have taken to improve public services, take pleasure in criticising the comprehensive performance assessment. They ought to do their homework and have a quick surf on the internet to see what Conservative councils are saying. Last week, I had fun looking at internet and website references for the Liberal Democrats and I have had the same pleasure over the past few days in relation to Conservative councils.

For example, in Bracknell Forest, council leader Paul Bettison has said:

"Independent reports show that we have strong systems backing up improving services. I am pleased with these results and determined that we will go on improving and providing high class services at the lowest possible cost."

In West Sussex, council leader Harold Hall has said:

"Receiving the 'excellent' rating was an independent endorsement and a vote of confidence that confirms we are going in the right direction and have programmes in place to improve performance further."

We are working with local authorities to improve the standards of service that they deliver to their residents but, as I made clear last week, we are also taking great care to ensure that new burdens imposed on local authorities are fully funded. The hon. Member for Runnymede and Weybridge may not have been following last week when I spelled out the working of the new burdens doctrine, so I shall do so again.

All Government Departments are made aware that, when they introduce initiatives that will lead to an increase in costs for local authorities, they must provide the funding to cover those costs. Similar procedures apply in respect of private Members' Bills, many of which, although well intentioned, could also impose new costs. If funding to cover the new costs is not available, the new legislative provisions have to be amended to remove the burden.

For example, in the current year, we have had detailed discussions about the introduction of the new licensing regime, a matter raised by the hon. Gentleman. My right hon. Friend the Secretary of State for Culture, Media and Sport has made it clear that fees will be set at levels that allow full cost recovery by local authorities.

Local government representatives will be aware that we have added funding for initiatives such as local authorities' responsibilities under the Enterprise Act 2002, for which we have provided an extra £5 million above spending plans over the 2002 spending review period. We have also made available an extra £1.8 billion for the changes made to the funding of teachers' pensions.

Mr. Edward Davey: On the new burdens rules, the assessment of the costs of the services being transferred is crucial. Why will the Minister not give the task of estimating the costs to the Audit Commission? Why has he left the job under the control of his and other Departments?

Mr. Raynsford: The hon. Gentleman does not understand that the assessments are reached through discussion and negotiation between Government and the Local Government Association. He will have heard the hon. Member for Runnymede and Weybridge talk about the list that the LGA has drawn up of the new pressures that it anticipates over the spending review period. That list has been submitted to the Government and I was present at a meeting with my right hon. Friend the Chief Secretary to the Treasury when the matter was discussed. We will continue to discuss the matter with the LGA and a further meeting has been arranged. Eventually, we will come to a conclusion about what level is appropriate.

The House will understand that, in any negotiation, the parties involved are likely to overstate their cases, as they know that they may have to give a bit of ground later. That is a proper and appropriate way to proceed.

Mr. Davey: I have in front of me the rules on the new burdens for local authorities. They state that, where possible, Departments should seek independent corroboration of the figures. If the Minister is prepared to go that far, why not a little further? Why does he not pass the matter over to the independent watchdog for local government financial matters? Why does he not

give the job of deciding the estimates of the costs to be transferred to the Audit Commission? If he did, the House and local government would be very pleased.

Mr. Raynsford: It is a slightly odd debate when I hear from the Conservative Opposition a wish virtually to eliminate, or at least drastically cut, the role of the Audit Commission, and from the Liberal Democrats a desire to give it more work. The hon. Member for Runnymede and Weybridge made a clear statement of his intention to scrap the comprehensive performance assessment, which is a major part of the Audit Commission's work. The two Opposition parties are pursuing directly opposite points of view. We believe that the Government's approach is appropriate and right. It is a serious way, with representatives of local government, to address and resolve the question of extra cost pressures.

Mr. Hammond: Regulatory impact assessments have to be prepared, but local government representatives tell us that hindsight shows that those assessments have consistently understated the costs to local government. It would be a great help if some measure of independent involvement in those assessments could be established. For example, the Countryside and Rights of Way Act 2000 has cost local authorities £18 million a year more than the regulatory impact assessment compiled when the legislation went through the House suggested. That is the sort of problem that local government faces.

Mr. Raynsford: I have two things to say in response to that. First, the hon. Gentleman now argues for additional regulatory work. Earlier, he said that the Opposition would tear up the regulatory burden, but now he wants more regulation. That is classic: the Opposition claim to be non-regulators, but when it suits them they are happy to say that they want more regulation. That is typical of the Conservative party's incoherent approach.

Secondly, the hon. Gentleman will accept that, as with any analysis of this nature, some of the figures will turn out to be not entirely accurate. Some estimates are too low, others too high. That is part of the natural process in any negotiation of this sort. I assure the House that we take the new burdens doctrine very seriously and work to ensure that local authorities have sufficient resources to meet the additional obligations placed on them by Government or by private Members' Bills.

Mr. Chris Mole (Ipswich) (Lab): I welcome the new burdens approach that my right hon. Friend described, and as a practitioner in local government in the 1990s, I contrast it with the introduction of legislation by the Opposition. For example, the child protection legislation required social services authorities to respond to orders of the court placing children in secure accommodation, but gave local authorities no control over the high individual weekly costs of that accommodation. Local authorities could not budget properly for those costs and the then Government made no provision.

Mr. Raynsford: My hon. Friend was of course leader of a council and has practical experience of such matters, so he speaks with great authority—*[Interruption.]* It was a worthwhile and sensible contribution and I should have thought that the hon. Member for Witney (Mr. Cameron) would have wanted to listen to it. He is on a learning curve in respect of local government and he would learn a great deal by listening to my hon. Friend, who has great experience in such matters.

My hon. Friend made a valid point, which was that when the Conservatives were in government, they used to impose new burdens on local authorities. He mentioned child protection, but I could add examples of legislation on housing, disability discrimination and health and safety. Legislation on all those issues imposed new burdens on local authorities up to 1997—the difference was that, at the time, the Conservatives were cutting grants to local authorities. The Conservatives said to local authorities, "Do more, and we will give you less. And if you increase your council tax by too much, we will cap you." It is sheer hypocrisy for them now to present themselves as the champions of localism.

We are putting in place a framework to ensure that local authorities can improve services and are fully funding the new burdens that we are placing on them. We are also ensuring that local government has new powers and greater flexibility to act for the benefit of its areas. The Local Government Act 2003 provided a raft of substantial new freedoms that help authorities to deliver services in new and innovative ways, engage with their communities on local priorities and work more closely with local business. They also help authorities to improve value for money and drive down costs.

The first—the showpiece element of the 2003 Act—is the new prudential borrowing regime, which puts local authorities in the driving seat in taking decisions about their borrowing. Opposition Members do not like to be reminded that the prudential regime replaces the strict centralist controls over local authority capital spending that their Government introduced in the 1980s, when the father of the hon. Member for North Essex was Secretary of State.

Secondly, there are the new freedoms to charge and to trade, which will increase choice in the delivery of public services and, in the case of trading, generate additional income. Authorities are already benefiting from the retention of revenue from fixed penalty notices and they can retain the income from reducing discounts on second homes, an option which has been widely taken up by local authorities this year.

While we are on the subject of charges, let me remind the hon. Member for Runnymede and Weybridge, who today poses as the champion of local authority discretion, of the very different line he took as recently as this February when we debated the Fire and Rescue Services Bill. He did not argue for discretion then. Indeed, he tabled amendments that would have specifically prevented fire and rescue authorities, many of which currently charge for certain services, from doing so; so much for the thin veneer of localist rhetoric. Behind the façade, there still lurks the old Tory centralising tendency.

We have not forgotten about partnerships with business. The 2003 Act provided the enabling powers to set up business improvement districts, which allow local

[Mr. Raynsford]

authorities to work with local business. The local authority business growth incentives scheme will allow authorities to retain part of the increases in their business rate revenue. That scheme will give councils a real incentive to work with business to encourage growth.

Mr. Mole: My right hon. Friend mentioned the two schemes to assist business. Does he recall that only yesterday the CBI gave evidence to the Office of the Deputy Prime Minister: Housing, Planning and Local Government Committee about how it welcomes those schemes as positive forces to improve the relationships between business and local government?

Mr. Raynsford: I am grateful to my hon. Friend for pointing out the widespread support that those new initiatives receive from all interested parties. Those powers can make a real difference to the way authorities operate and the way that they can work with their partners. They also give councils the scope to provide more services and to engage with business to improve the local environment.

The Government are also acting to cut bureaucracy and reduce unnecessary controls. So far, we have abolished 39 consent regimes and are currently proceeding to eliminate a further 54 such obligations, 22 of which are covered by the Planning and Compulsory Purchase Act 2004, which has already received Royal Assent.

Mr. Bill Wiggin (Leominster) (Con): If the Minister is really concerned about cutting bureaucracy, can he explain why he has capped Herefordshire council to the tune of £253,000, when the rebilling cost will be £100,000?

Mr. Raynsford: I am surprised that the hon. Gentleman has not asked Herefordshire council why it increased its council tax by an amount that the Government concluded was excessive. It is the subject of discussion. The authority has made representations and I shall consider them. After the purdah period associated with the local elections, I shall make our decisions clear. I shall address the issue of unreasonable council tax increases in a moment, and I hope that he will be interested in what I have to say.

We are working with the Audit Commission to ensure that the inspection process is proportionate and targeted, and to cut back on unnecessary inspection burdens. Overall, the volume of inspections this year will fall, and high performers will benefit from dramatic reductions. For example, Hampshire has received only one voluntary inspection in 2003–04, compared with nine inspections over the previous two years. Similarly, with ring-fencing, we have unfenced a total of £750 million of grants this year, reducing the percentage of grants that are ring-fenced from more than 13 per cent. to around 11 per cent. We are on course to get it below 10 per cent. next year. We are committed to a framework that encourages and empowers local authorities to do more and to do it better, to give leadership to their communities and deliver high quality services. But we are also absolutely clear that authorities must deliver value for money, and keep the demands that they make on council tax payers as low as possible.

As hon. Members know, after last year's unacceptably large council tax increases, my right hon. Friend the Deputy Prime Minister made it clear that we expected local councils to come in with much lower increases this year and that we would if necessary use our capping powers if authorities set excessive budgets. I am glad to say that the vast majority of local authorities heeded that warning and, led by Labour councils, have set much lower increases this year. The figures speak for themselves. Labour councils increased their council tax on average by 4.7 per cent., Conservative councils by 5.4 per cent. and Liberal Democrat councils by 6 per cent. That is clear evidence that Labour councils cost less as well as delivering better services for their communities.

Mr. Hammond: The Minister's figures would not stand up to scrutiny by any schoolboy statistician. Does he recognise that, to give in to pressure from the Deputy Prime Minister, local authorities have had to sacrifice the priorities of local people? Local authorities have had to accommodate the priorities of central Government and the burdensome pressures from Whitehall.

Mr. Raynsford: The hon. Gentleman is talking nonsense. Local authorities that increased their council taxes by unreasonable amounts last year have this year recognised the reality that the public will not accept unreasonable large council tax increases and moderated their demands. That is good and I am surprised that he does not welcome the trend—*[Interruption.]* The hon. Member for North Essex mentions capping. I do not know how he has the cheek to do so, given his party's stance. When the Conservatives were in government, they capped and capped and capped. We voted against universal, crude capping, which is what they used to do. Authorities were capped, year after year. We have taken a different approach: we reserved powers and we have used them selectively this year.

The Conservatives have tried by selective use of statistics to hide from the harsh truth. They tried to claim that Labour councils benefited from more generous grant increases. That is not true. Labour councils received an average 5.9 per cent. increase, but Conservative councils received 6.1 per cent. They tried to pretend that the Government had rigged the grant system so that all the money "went north". That is not true—*[Interruption.]* Such comments have been made time and again—*[Interruption.]* The hon. Gentleman seems to want to ignore what he and his colleagues said last week—

Mr. Deputy Speaker (Sir Michael Lord): Order. We cannot have frequent conversational interjections from a sedentary position. If hon. Members wish to intervene, they should do so formally in the normal way.

Mr. Raynsford: Thank you, Mr. Deputy Speaker.

The grant increases for the three northern regions this year were 4.8 per cent. in the north-east, 5.2 per cent. in the north-west and 5 per cent. in Yorkshire and Humber. The grant increases in the four southern regions were 5.4 per cent. for London, 5.9 per cent. in the eastern region, 5.6 per cent. in the south-east and 5.5 per cent. in the south-west.

That is more clear evidence that Tory propaganda is completely untrue.

The Tories pretend that they are in favour of low council tax but they have sat on their hands when the Government have taken action to cap excessive council tax increases. This was the party that introduced capping in the 1980s. It was the party that capped, capped and capped again when local authorities were starved of resources and facing grant cuts.

Now, despite the clear evidence that their Back Benchers want effective and tough action to be taken to stop unreasonable council tax increases, the Tory party is reluctant to say one way or the other where it stands on capping. No wonder Lord Tebbit is fed up. No wonder he has denounced it for its

"bland, centrist politically correct agenda".

I much prefer the more robust line that another absent Tory Front Bencher, the hon. Member for Brentwood and Ongar (Mr. Pickles), used to take. He said:

"residents have the right to be protected when their Council runs out of control and spends excessively".

I agree. Sadly, he too has been airbrushed out of the picture by the Tory party.

Chris Ruane (Vale of Clwyd) (Lab): I concur with my right hon. Friend that there is no need for the excessive increases. I refer him to a parliamentary question that I asked the Deputy Prime Minister, which asked

"what the total central funding for local government was in each of the last 25 years".—[*Official Report*, 24 May 2004; Vol. 421, c. 1435W.]

From 1991 to 1997, it was £42 billion, £43 billion, £42 billion, £43 billion, £42 billion and £42 billion. However, from 1998 onwards, it was £42 billion, £44 billion, £47 billion, £49 billion, £50 billion and £53 billion—a 30 per cent. real-terms increase in funding from central Government to local government.

Mr. Raynsford: My hon. Friend makes a good point.

Mrs. Caroline Spelman (Meriden) (Con): In case the Minister does not know—he would wish this to be said if it were one of his colleagues—my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles) is in plaster following an accident. Perhaps all hon. Members would like to know that. It is important to set the record straight. Through no fault of his own, he cannot be here today.

Mr. Raynsford: I am grateful to the hon. Lady for highlighting that and I send my best wishes for a speedy recovery to the hon. Member for Brentwood and Ongar. As I say, I enjoy his robust approach and will welcome his return to hear a rather more robust line from the Conservative party than the mealy-mouthed approach that it has taken towards capping.

The Opposition have no policy and no credibility. They have tried to forget their own lamentable record in office, and in the most opportunistic style, which is all too common in the regime of the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), they have sought to reinvent themselves as the party of compassionate and caring localism.

No one will be deceived. The party of the poll tax, of year-on-year cuts, of compulsory competitive tendering, of capital controls and of crude and universal capping, cannot miraculously transform itself by donning the sheep's clothing that the hon. Member for Runnymede and Weybridge has unconvincingly tried to wrap himself in today. Their motion is inaccurate, insincere and frankly incredible. The House should reject it.

1.43 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I take the opportunity to send our best wishes to the hon. Member for Brentwood and Ongar (Mr. Pickles). I hope that the pickled hon. Member is not plastered for too long.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) made a detailed speech, talking about the financial burdens that the Government have placed on local authorities. I agree with much of his analysis, but the Minister was right to say that the hon. Gentleman was suffering from amnesia. Whether that was deliberate or unwitting is difficult to tell, but the Tories' record on centralisation and burdening local government does not bear analysis. The Minister has done a good job in highlighting that record and how dreadful it was for all those involved in local government when the Tories were in power.

It has been an embarrassing day or two for the Conservatives and their local government team. First, we had the report and interview in *The Times* about whether the poll tax would be part of their policy. That has now been clarified. It no longer is, although it was in black and white that it was going to be considered. In the *Financial Times* today, their former local government spokesman, the right hon. Member for Skipton and Ripon (Mr. Curry), suggests that the Conservatives should advocate relocalisation of business rates, so some thinking seems to be going on in the Conservative party, but quite where it is leading we do not know. At the moment we have a vacuum in Conservative policy on local government finance. We know what the Conservatives are against, and we know they can make negative attacks on the Government and on the Liberal Democrats, but we do not know what they are in favour of.

When the Conservative leader, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), was asked by *The Daily Telegraph* what his position was on the council tax, he said that he was very worried. The journalist therefore asked what he was going to do and he said, "I don't know." That was in April 2003. We hoped that he would have a few lessons, do a policy review or something like that. After all, he was the Minister in the Conservative Government who brought in the poll tax and helped to bring in the council tax, so he has some expertise on local government finance. We thought that the Tories would come up with some policy.

Mr. Paul Tyler (North Cornwall) (LD): Perhaps my hon. Friend recalls that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) was also responsible for bringing in water charges in their current form, which have added great misery to people

[Mr. Paul Tyler]

in the south-west, who face huge rises not just in council tax this year, mostly in Conservative authorities, but in water charges.

Mr. Davey: It is not surprising that the Conservatives do not talk about their record in local government, because it is appalling. Now they make excuses for not putting before the electorate before the local elections on 10 June policies on council tax and local government finance. They say that they are waiting for the report of the balance of funding review. That is a derogation of their duty. Before a democratic process, local electors need to know what the Conservatives' position is.

Mr. Hammond: What is the position of the Government then?

Mr. Davey: At the moment we do not know, do we? The hon. Gentleman is right, but I do not think that that excuses him. It shows that both the Conservatives and the Labour party are undermining the democratic process by not being honest with the people of Britain.

We do have one bit of Conservative policy on local government finance. We heard the shadow Chancellor of the Exchequer—it was debated earlier—say that he wants to reduce spending on local government by £2.5 billion. The hon. Member for Runnymede and Weybridge, in exchanges with the Minister, tried to clarify that it was about reducing bureaucracy and waste, but the Conservatives have not told us in detail where that money will be saved. They have not said that it will come from reducing spending on education, social services, the environment protective cultural services grant or anything like that. All the voters know is that there will be a £2.5 billion cut. Whether that will be achieved through savings, or whether the balance will be picked up by increasing council tax by 10 per cent., we do not know. The Conservatives are abusing the electorate by not coming clean on that.

Mr. Hammond: For the record, as the hon. Gentleman knows, my right hon. Friend the Member for West Dorset (Mr. Letwin) has said that total non-NHS, non-schools departmental expenditure would be held constant for two years. He has said nothing specifically about the local government finance settlement. The hon. Gentleman is extrapolating.

Mr. Davey: The point is that the Tories are not giving us much detail. We have to try to fill in the blanks. If the Tories are going to go into these elections and the next elections as the policy-light party, the voters will find them out.

Despite the Conservatives' difficulty over all these issues and the huge black hole in their thinking, the motion is difficult to oppose because it is factually correct. For a start, council tax has gone up way above inflation since 1997. It has reached painful levels, as the Audit Commission report in December made crystal clear. Part of the reason was the extra pressure put on councils by the Government. The Minister's continual reluctance to admit that does not add to his case.

The Tories' list of charges in that respect was fair. I want to add to it. They made one omission. We have had a debate about which councils, controlled by which parties, are setting the highest council tax, but I think that, if one is going to present a fair position, one should take the average over a number of years. Let us look at average council tax rises by councils run by different parties over the past six years, which I think is a fairly good run, to ensure that different years, when different councils were funded poorly by the Government and others were not funded poorly, are taken into account.

According to that analysis, Independent-run councils had an average increase of 8.3 per cent. over the last six years, Lib Dems had an average of 6.9 per cent., Labour councils had an average of 6.8 per cent.—not a lot of difference—while Conservative councils were the highest, with an average annual council tax rise of 8.9 per cent. I am not surprised that that figure did not appear in the speech of the hon. Member for Runnymede and Weybridge. Year on year, over the last six years, the Conservatives have been increasing council tax and I think they will pay for it.

Mr. Hammond *rose—*

Mr. Davey: Does the hon. Gentleman want to try to find an excuse?

Mr. Hammond: Will the hon. Gentleman give us the same data series for band D council tax? He knows very well that the distribution of properties in local authorities controlled by different parties can distort those figures. What are the percentages in band D?

Mr. Davey: I will give the hon. Gentleman an example of band D in one council over the last six years: Liverpool. Six years ago, the Liberal Democrats took control of Liverpool council. At that time, the band D council tax was the highest in the country—a legacy of the failed Labour administration—but now it is down to 70th. That is the result of six years of Liberal Democrat policies: reducing council tax and improving services in the city. That is why the Government's independent watchdog has shown that the Liberal Democrats in Liverpool have massively improved services in the city and that is why the private sector is backing Liverpool Liberal Democrats by investing £2 billion in the city centre, working in close partnership with the council.

Mr. David Cameron (Witney) (Con): As the hon. Gentleman is so proud of the Liberal policy record, can he clear up this point? His colleague, the hon. Member for Bath (Mr. Foster), was asked in an interview:

"Will regional assemblies have tax raising powers—like Scotland—and if so will it be a regional income tax?"

He replied: "Yes and yes". Is that official Liberal policy?

Mr. Davey: I thought that the hon. Gentleman was going to ask about the Liberal Democrat record rather than about our policy, but I am more than happy to answer him. In fact, I answered that point in a debate last Monday. The Government are proposing that regional assemblies should be funded by council tax precepts. We want to scrap council tax precepts; we do not think that they are a good idea. If voters support regional assemblies—

Richard Younger-Ross: If!

Mr. Davey: Indeed. If people vote for assemblies, and assemblies are formed and the grants passed down, they

should have tax-raising powers. National expenditure and national taxation should be cut pound for pound. There would be no increase in overall taxation, which is what the Conservatives are trying to imply; the burden of national taxation would remain exactly the same.

The motion is correct to list the unfunded cost pressures on councils and to argue that they are indicators of increased centralisation under Labour. I want to consider those pressures in four parts. First, there are extra burdens due to the extra controls in the grant system. In his speech, the Minister said that the Government had been reducing the ring-fencing of grants, but they still have a long way to go.

Secondly, burdens are imposed by the number of plans that Whitehall demands from local authorities. I shall analyse what the Government are trying to do about that and show that they have failed to reduce the number of plans. The third set of burdens comes through inspection regimes. Again, the Government are trying to address that problem, but again they are failing. Finally, the Government promised to lift the burden of Conservative financial constraints on local government, but they are dragging their heels on that, too.

Let us examine what the Government say about the significance of ring-fenced grants in relation to council tax in the freedoms and flexibility paper published by the Office of the Deputy Prime Minister last year. Paragraph 42, "Revenue ring fencing", states:

"It limits their discretion to vary spending priorities to meet local needs and the absence of such flexibility contributes to pushing up council tax. Ring fencing also substantially increases bureaucracy for councils and in many cases the grants themselves are poorly focused on delivery."

For once, the Government were actually admitting to failure.

What is interesting, however, is that in 1997, even under the Conservatives, the amount of ring-fenced grant was only 4.5 per cent., but by 2002 it had almost tripled to 12.4 per cent.

Mr. Raynsford *rose—*

Mr. Davey: I am sure that the Minister wants to intervene to tell me that the trend is downward, but I shall tell him about the effects of passporting, about the redefinition of ring-fencing and about the fact that all the ills his freedoms and flexibilities paper describes are still with us in spades.

Mr. Raynsford: Actually, I was not going to say that; I was going to ask the hon. Gentleman whether he would accept that certain services, such as "Supporting People", where very large transfers of funding affect very vulnerable people, need to be protected for a period of time to ensure that those services continue. Does he accept that there is a genuine case for ring-fencing in those circumstances, which was pointed out in the paper to which he referred? Although we are fully committed to reducing ring-fencing, does he accept that the Local Government Association agrees that for certain services, such as "Supporting People", the ring fence is appropriate?

Mr. Davey: I am not sure that all the money in grants for "Supporting People" needs to be ring-fenced and I shall list some other grants that certainly do not need to be ring-fenced. The Government have set themselves a target to reduce ring-fencing to less than 10 per cent., but that is still double the amount they inherited from the Conservatives—hardly an ambitious target. They are reducing the number of ring-fenced grants; it was 45 in 2003–04 and is set to be 33 in 2005–06—a reduction of 12. However, when we examine particular ring-fenced grants we wonder why on earth they remain ring-fenced.

The standards fund will continue to be ring-fenced in 2005–06; £990 million ring-fenced and outside the flexibility of overall budget setting. A range of health service grants is ring-fenced, amounting to £300 million. About 10 police authority grants are ring-fenced. They are all separate and I cannot see why they need to be within that category; they could be included in the basic formula and the Government have not explained why that should not be so.

Mr. Hammond: Does the hon. Gentleman agree that there is no point in the Government's removing ring fences only to replace them with so-called targeted grants that can be clawed back if they are not spent on the targeted areas?

Mr. Davey: I completely agree. The Government have been redefining and have given themselves a new set of categories; they are trying to manipulate the amount going into ring-fenced grants by reclassifying them. The ring-fenced category still exists; everything in the grant is controlled and has to go to a certain service and the local authority has no discretion whatever. Then there is a new and interesting category that the Government call specific grants. That may be what the hon. Gentleman meant by targeted grants. There is a little flexibility but the money has to be spent on a certain service; it cannot go into the general pot. Finally there is the formula grant, where there is discretion.

Redefining the grants does not make things better. In addition there is passporting, which covers so much council grant—more than 50 per cent. in some cases—especially in relation to education. The Minister has failed to explain the difference between a passported and a ring-fenced grant. The truth is that there is no difference. When one adds passported grants to ring-fenced grants, the amount that the Government control and are forcing local authorities to spend in a particular way has gone up massively. That is micromanagement to an absurd degree and gives the lie to the Government's claim that they are the localist party.

The freedoms and flexibilities paper said that inspection regimes would be reduced and that there would be a far lighter touch. There would be a three-year "inspection holiday" for excellent authorities; for good authorities there would be a minimum

"of 25% reduction in inspection activity".

Fair authorities would receive lighter-touch targeted inspection, while poor or weak authorities would receive targeted inspection. We have contacted authorities in the various categories and in many cases those aims have not been delivered. If the Minister disputes that, he only has to intervene from the Dispatch Box.

We understand that some excellent authorities have not enjoyed the three-year inspection holiday that was promised in the freedoms and flexibilities paper—a

[Mr. Davey]

point covered in the *Local Government Chronicle* last week. Good authorities have not seen the amount of inspection reduced by 25 per cent. Does the Minister want to deny that?

Mr. Raynsford: I am grateful to the hon. Gentleman for giving way. As he heard me say earlier, Hampshire had only one inspection last year—a voluntary one—compared with nine over the previous two years. I could give him many similar examples. He should understand that some excellent authorities are not excellent in education. We always made it clear that there would be a continued role for the inspection of authorities where education did not achieve the highest standard, because education is such an important service. On good authorities, our latest figures suggest that the volume of inspection is about 22 per cent. less than last year, so we are very, very near that 25 per cent. target.

Mr. Davey: I can accept what the Minister says, but I will talk to the local authorities that have been contacting us. The odd example, such as Hampshire, may meet his criteria, but other authorities are still being over-inspected, despite the Government's promises. The Government need to go much further; they must adopt a much more strategic approach to minimising the impact of inspection.

The hon. Member for Runnymede and Weybridge told us what such an approach would mean for district councils. I was going to read the same page, but I will not detain the House by reading it again. All I will say is that he did not do the Local Government Association analysis justice because, at the end of the list that he read out, it said that it was looking forward to a comprehensive performance assessment peer review the following February and that there were more than 10 different inspections in six months. As the hon. Gentleman also said, a whole list of Acts of Parliament will affect councils and increase the regulatory burden, with a series of specific new burdens, such as the work force reform.

I happily admit to the Minister that it is not that one is against some of those proposals. Some of them are very sensible, such as those on freedom of information. Of course the Liberal Democrats are in favour of that sort of approach, but we need, first, to ensure that there is a more co-ordinated approach if regulation is increased and, secondly, to give local authorities far more support than has been the case hitherto.

I touched on the new burdens paper in an intervention, when I said that we would like the Audit Commission—a totally independent body—to be responsible for assessing the costs of those new burdens. That paper, which was published last month, also concerns me because the Government will not make their proposals retrospective in any way. The Government have placed a lot of burdens on local authorities in the past seven years, and we have been analysing those burdens in today's debate. No proposal in that paper suggests that the Office of the Deputy Prime Minister and other Departments will reconsider and say, "We gave you that cost. We didn't give you the resources. We are now going to put that right." If the Minister made such a commitment today, he would get support from both sides of the House and, particularly, from those in local government.

Mr. Mole: I wonder whether the hon. Gentleman is suggesting that, on the conclusion of such an analysis, the Liberal Democrat Treasury team would commit themselves to making such a pledge. Although I entirely understand the point that he makes, there is, of course, a financial burden of some significance to the national Exchequer in what he is saying.

Mr. Davey: I would certainly support the Government if they were prepared to make that commitment.

The new burden rules paper, which bears re-reading, is also interesting because it does not apply to all new burdens. Paragraph b says:

"the requirement does not apply to policies which apply the same rules to local authorities and to private sector bodies (for example a change in the rate of employers' national insurance contributions), unless these have a disproportionate effect on local government."

Despite the way that the Government spin all the increases that they say they are providing to local authorities, it is very clear that they will not take into account those extra burdens, so we consider their rhetoric and say, "You're not delivering on the things that you promised."

I now wish to move from the inspection regimes and extra burdens to the plan requirements. The Government said in the freedoms and flexibilities paper that they would reduce the number of plans that they require of local authorities in all respects—education, social services, housing, civil contingencies and so on. To be fair to the Government, they published a paper in July 2003, wrote to all chief executives and said that they would reduce the number of plans. The problem is that local authorities have had no update since July 2003, and there is huge uncertainty about whether the proposals consulted on last July will be implemented and, if so, when and how.

Even if the Government were to tell local authorities today that they will press ahead with the reforms described in the July 2003 paper, some local authorities are probably engaged in drafting the plans and strategies and meeting the Government's bureaucratic demands, so money has been wasted already. Even if we read that paper and say that it represents a good attempt at deregulation, we are left with the impression that it is a bit of a numbers exercise.

I should like to ask the Minister—perhaps his junior Minister can answer during his winding-up speech—how many of the plan requirements in the July 2003 paper will result in the abolition of documentary requirements. To any objective reader of that document, it looks as though many of those documents, plans, strategies and requirements are being merged. They are simply being subsumed into one large service plan, so that the amount of work, bureaucracy and cost imposed on local government is not being reduced. There is simply a numbers exercise to reduce the statutory requirement for plans.

Moreover, the Government are now trying to make out in that paper that they are reducing the number of plans to 16, but that is still a huge number of plans for

small authorities, such as district councils, to draft, and most of those plans must be submitted to central Government, so the Government are still looking at local authorities' every action.

I shall finish by considering the Government's failure to produce financial freedoms for local authorities. In their 1997 and 2001 manifestos they promised greater reforms, but they have not delivered on all those promises. The Minister was right to say that they have delivered on the prudential capital framework. He knows that we supported and campaigned for that framework, and he continues to have our support. There are already signs in local government that that policy is beginning to tackle some of the investment backlog that the Tories bequeathed in things such as roads.

The Government promised other things such as trading powers—it is all in the Local Government Act 2003, which received its Royal Assent in September, yet the order has still not been considered in the House so that its provisions can be brought into effect. The Government also promised in their 1997 manifesto the relocalisation of business rates. They said that they had been campaigning and consulting on that before 1997, yet that pledge has still not been met. Perhaps that will be done in the balance of funding review, but that will be seven years after the Government's 1997 pledge.

Even where the Government have introduced some of the financial freedoms that they promised—for example, on the charging regime—they have very carefully restricted them. The Minister looks puzzled, but he will know that the Local Government Act 2003 restricts the charging regimes to just pure cost recovery. The Local Government Association, which is cross-party, says that that is far too restrictive.

Mr. Raynsford: Surely the hon. Gentleman understands the difference between trading—where authorities have an opportunity to make a profit, but where they are required to operate in a company structure, on which consultation has taken place, which is why we have not yet introduced the order—and charging, where it is not appropriate, without protection, for authorities to be able to trade essentially against the private sector from a privileged position. That difference between charging and trading is well understood, and I should have thought that the Liberal Democrats supported it.

Mr. Davey: The Local Government Association certainly argues against the removal of cost recovery. The right hon. Gentleman will remember that the debates on those clauses of the Local Government Bill were truncated, partly because of a lot of time wasting by Conservative Members. I very much regret that, because we could have had some detailed arguments about the charging and trading regime. I wonder whether there will be a chance to return to that because there are concerns in local government that the charging and trading regime is not working as originally envisaged.

The hon. Member for Runnymede and Weybridge talked about a new set of cost pressures that have been placed on local government, particularly in respect of inflation. Local authorities provide labour-intensive services. Their wage bills are increasing by 4 or 5 per cent., partly because of national arrangements, and they have absolutely no control over that. It is incumbent on the Minister to ensure that local government gets a good deal in the forthcoming spending review, so that those cost pressures, which local authorities cannot control, are met under the grant agreement.

The motion is good in so far as it goes. It is right to point out that the financial burdens have increased under this Government, and I find it bizarre that the Minister is not even prepared to admit that. In fact, a lot of his programmes are intended to try to row back, which suggests that there is some recognition in the Office of the Deputy Prime Minister that the Government's programmes have been burdensome and part of the reason why council tax has increased.

The motion fails, however, in one major respect: if we are to tackle some of the financial burdens, yes we must cut inspections, reduce the number of plans and remove the ring fences around many of the grants, but we must also deal with the fundamental, underlying issue—financial autonomy for local authorities.

As we debated last week, we believe that there is a clear case—whether in terms of accountability or the gearing effect—for local authorities to have much more control of their financial future. Until we get reform of local government finances, which should include local income tax and a relocalisation of the business rate, we will not be able to deal with that.

I have a final question for the Minister. He spent a long time last week attacking the Liberal Democrats' local income tax proposals, but we know that the Chartered Institute of Public Finance and Accountancy put forward a paper to the balance of funding review. The paper does not represent Liberal Democrats' policy; it represents CIPFA's view of the local income tax. Is the Minister prepared to consider that proposal and to consider local income tax in a different form from the one that we are proposing, and possibly in combination with the council tax? We need to know, and this is a good chance for him to clarify the situation. We look forward to hearing the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Corby (Phil Hope), answer that question.

2.10 pm

Mr. John Battle (Leeds, West) (Lab): I welcome this debate on local government. It is timely, as we are currently in the throes of local elections in our towns and cities. I am the first Back Bencher to speak, and as I served as a local councillor for years before I came to this place and have served as a Minister, I would like to move the debate beyond a discussion of council tax settlements in previous years. Wider issues are at stake.

I wish to add a little historical perspective and to push the boundaries forward by offering a vision of local governance that deepens our democracy for the future. It is the vision of increased participation, decision making and provision at a local level which I firmly believe the Government are working towards.

I came into local politics in the mid-1970s, and it is easily forgotten that between 1955 and 1975 local authority expenditure tripled, in constant prices. That led to an assumption of dependency on the centre, with funds based on centre-driven growth year after year.

[Mr. John Battle]

Such a mental template became engrained and it has defined the central Government-local government relationship over the past half century.

Today, local authority spending consists of only a quarter of all public expenditure in our neighbourhoods and localities. There has been a fiscal shift and, with it, a change in responsibilities, including the key responsibility of working to eliminate poverty in our neighbourhoods. We must not lose sight of that. The shift in responsibilities means that we must also look at a range of providers that are not limited to local government.

I remind the amnesiacs in the Conservative party of what happened in the early 1980s. My right hon. Friend the Minister referred to the Conservative Government's chaotic approach, and so it was. We did not even have the benefit of annual budgeting, and our budgets were cut by two thirds. I chaired a housing committee at the time and I remember the effect of stopping and aborting programmes. I remember receiving a budget, setting it out, putting out tenders for re-roofing and then being told by the then right hon. Member for Henley, who was Secretary of State for the Environment at the time, "Oh no. Hold up your budgets, and call the tenders back in. We are going to cut the budget halfway through the year." We did what he said, but he then found a bit more money and told us that we had to spend it by 31 December. That meant that the tenders for re-roofing went out in September and the houses had to be re-roofed when the work was least likely to be done—in the winter. I am sure that the then Secretary of State was not stupid; it was done deliberately to discredit local government by making it look inefficient and unable to deliver. We had less than annual budgeting, but we have come way long from that, not least in respect of the comprehensive spending reviews introduced by this Government. They are most welcome.

Some of us have long memories of the Conservative Government's contempt for local authorities in principle, and strangulation of their budgets in practice. However, I want to put that row to one side and to suggest more positively that we can look forward to breaking out of the mid-20th century debate about the relations and tensions between central and local government. We are still a little fixated on the axis of that debate, and we need to focus on the project of deepening local democracy, which involves participation and engagement at a local level in our neighbourhoods and communities. We must ask how that relates to the changing roles of local governance, the national state and, increasingly, to the international agencies that make local contributions.

In societies all over the world, local government's role is being rethought. What does it mean in the context of changing welfare states and increased globalisation in our economies? In recent decades, local government's institutions have been changing their structure, systems of operation, political practice and models of service. I recall the establishment of the local ombudsman in 1974. That moved things on. In 1976, the Layfield committee tackled local-central financing arrangements and dealt with the questions of fiscal tension as the centre gave more resources and asked whether local authorities could retain powers over decision making on priorities at a local level. As a member of Leeds city council, I submitted to the Widdicombe committee in 1986 evidence that addressed relations between committee structures and local authority service departments.

Under this Government since 1997, we have seen the emphasis shift from providing services alone to taking on the challenges of community leadership and identifying and meeting the needs of local areas in partnership with central Government, with business, with voluntary organisations and, I hope and emphasise, with local people—a dimension that we must intensify and improve. We need new efforts to encourage flexibility, and the new deal for communities—to mention just one element introduced by the Government—encouraged the introduction of the neighbourhood partnerships, which we can build on.

In 2003, the Audit Commission, in its "Comprehensive Performance Assessment—Scores and analysis for single tier and county councils", gave most local authorities in Britain positive marks for their overall management and political competence at leadership levels. Best value and better service delivery were making a positive impact, myriads of new partnerships had been established and new local authority executive structures had been adopted with remarkable speed and efficiency. Most had also improved their participation and consultation strategies, but I would suggest that they had started to introduce them.

I want to point out, however, that most of that reform has been in terms of top-down, nationally developed changes. Although initiatives and resources coming down from above—from the centre—are welcome and necessary, they need to be embraced by initiatives at ground-floor level if we are to reach those whom we sometimes refer to as "hard-to-reach people" and tackle the poverty in inner-city, urban and some rural neighbourhoods. If not, the developing acronymic list of hundreds of separate budgetary initiatives will appear not as welcoming regenerating rain on communities, but as hailstones that hammer down and quickly disappear, leaving people feeling damaged without having understood their impact.

Local government core functions have changed. I suggest that there is a much richer, new complexity of inter-governmental networks and what I would describe as a multi-level of governance, which includes, for example, community safety provision, police and fire authorities, crime and disorder partnerships and drug action teams. On education and skills, we have not just the new learning and skills councils, but colleges of further education, universities and employment action zones, as well as schools and early-years provision. Health and well-being is a new dimension that has emerged in the past 10 years. The primary care trusts that the Government introduced and the Sure Start partnerships are all part of a new multi-mix of integrated local service provision.

Budgets are being blended in new ways, but communities must embrace them so that they understand them and can make them work to serve everyone in the localities. I am trying to suggest that the traditional model of local government, with its key task of delivering services as part of the welfare state—it used

to be roads, schools and houses—funded from local rates and a central Government grant, has fundamentally shifted.

We have now to consider a new model of networked community governance in our neighbourhoods. That is an invitation to people to participate in building those networks, working with them and delivering services. We need to focus on the needs of local communities, to search out local issues, points of conflict and contact, to develop and work towards local solutions, to reconcile conflicts at a local level and to work across boundaries for more integrated practical solutions. In other words, we need to try to improve the quality of life in our neighbourhoods using a range of services, some of which were not encapsulated in previous central and local government models. That networked community governance is no less susceptible to the conflicts that have always occurred over what we might call "goal definition" or determining local priorities.

I support the Government amendment to the motion, as far as it goes, but I might have added another line, saying "We will continue to look at new and innovative methods of engaging and ensuring local participation." Let me give a practical example. Leeds is now widely acknowledged as one of Britain's most successful cities, but it is not without its inner-city challenges of poverty and social exclusion including the neighbourhood in which I live. In my constituency, we called people together under the banner of the West Fest conference, inviting them to participate in a consultation process. We are now taking that conference to every corner of every neighbourhood. Its purpose is to engage people, listen and spell out the new complexities of partnerships in multi-level local provision. That includes traditional local government services, but also health services. It involves the police, voluntary groups that provide services for elderly and young people in the neighbourhood, and arts groups and others who provide light entertainment and stimulate imagination in our communities. It involves sports groups who add to the work of the officially provided services by engaging people in activities.

We are experimenting with the development of local people's neighbourhood plans. We say what we need and what we can do together. We must be aware of the complexity of the available services and consider how to knit everything together to meet the needs of the locality, as articulated by the people themselves. Our local councillors in Kirkstall, for example, are involved in a groundbreaking plan for the Kirkstall valley. It will ensure that in the heart of Leeds—from the city centre, through the inner city and out towards the ring road—we will have a sustainable, clean, green wedge of parkland, available for local people as a leisure resource. It will cut a swathe through the inner-city neighbourhoods. We are engaging local communities in the design and development of that plan.

The council is restructuring and re-engaging with the people under the new, dynamic leadership of Councillor Keith Wakefield, who seems to spend most of his time on the streets. I do not mean that pejoratively; I mean that he is out and about, listening to people and engaging with them. I emphasise the word "listening", because he is finding out what people's needs are. He is using new methods to try to include people in the delivery of services, because they should be part of that process.

Out of the West Fest we developed workshops to take into the neighbourhoods on subjects such as local community economic development strategies and social enterprise projects. On the latter point, the hon. Member for Kingston and Surbiton (Mr. Davey) mentioned that the Government had promised things that they had not quite yet delivered. I do not concur, because a Bill on community enterprise is about to come to the House from the other place. I am looking forward to that, because it will enable councils to develop community enterprises so that people can open boarded-up shops and set up businesses in them, employing local people and providing goods and services to the neighbourhood.

We are considering providing local public transport, using minibuses in the neighbourhoods that seem to be beyond the larger bus services. We should use the resources that we have, building them into community services. We can take the process further. We are looking at displacing loan sharks by setting up credit union networks. We are developing local schools as centres where community resources are available, day and night and at weekends.

Local participation models are subtler, more difficult and more complex than others, and we need to develop more ways of coming together, replacing complaining with planning and working together to make decisions for the benefit of our neighbourhoods. They are not easy, quick-fix models. They completely invert the top-down approach of the past, which went from central Government to local government to neighbourhood. We should not be setting at odds community participation, through local meetings, and representational democracy in the form of elected councillors. They should be working together. We need them both, so we must find new ways to integrate the representative democracy model with the participative democracy model, to deepen our understanding and practice of democracy.

Let me add another idea to the notion of new localism, to push it a step further. I ask the Government whether there is any space for experimenting with new ways of delivering services, new forms of accountability and the development of a more enabling local state as well as a more enabling national state. The top-down approach must be related to the bottom-up initiatives. For example, let us look closely at local service delivery. Why should the meals on wheels service for a person in my street come from seven miles away, through all the traffic, to arrive there, perhaps, the day before so that someone has to reheat it? Why cannot meals on wheels for the stuck-at-home elderly come from the same street, from someone who lives in the neighbourhood, trained and paid to deliver that service? What I am saying is: let us decentralise meals on wheels.

Why do we not look at service delivery for care of the elderly, care of the sick and child care, including after-school clubs, in local neighbourhoods? Why do we not think intensely micro and see what we can do to meet the needs of the unemployed, such as training, in communities, particularly in inner-city neighbourhoods? Where in the neighbourhood can we look, in future, for resources to meet local needs and to redevelop and rebuild the basic community? We need more new thinking about the practice of local politics and service delivery, but we also need new systems of local governance to develop that.

[Mr. John Battle]

I shall end with two quotations. The first is from what some Members may think is a strange source: a work called "The Great Disruption", by "The End of History" man, Francis Fukuyama. He was talking about engaging people in groups. We know what it is like when we go to a meeting with people who have never been to a meeting before: they shout for what they want, walk out and go back home. We cannot organise community participation on that basis; there must be some vague rules of the game. Fukuyama said:

"If members of the group come to expect that others will behave reliably and honestly, then they will come to trust one another. Trust is like a lubricant that makes the running of any group or organisation more efficient ... If people can be counted on to keep commitments, honour norms of reciprocity and avoid opportunistic behaviour, then groups will form more readily, and those that do form will be able to achieve common purposes more efficiently."

That blends the demands for efficiency, best value and delivery, and at the same time sets out a template for the values that we need to solve collective problems in our neighbourhoods.

I know that it is not the done thing in a speech in the House of Commons to recommend a book—it suggests that we might have been reading or misspending our time in the Library. However, in the words of Professor Gerry Stoker from Manchester university, in a seminal book called, "Transforming Local Governance":

"Local government is there to influence the major social and economic dimensions of its locality even if it is not directly responsible for a particular service or policy issue".

The community leadership role is especially important in ensuring

"co-ordinated and effective collective action to tackle the everyday issues that matter to people in their localities".

I recommend Professor Gerry Stoker's book, but everyone in Parliament, whatever their political party, should be much more positive about developing and transforming local governance, which we should support, encourage and champion. I would also make a modest exhortation to the Government to do more to address the challenge of enabling more bottom-up participation and development, which could regenerate and reshape our communities in future and ensure that they are inclusive places that we enjoy living in.

2.30 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am pleased to follow the hon. Member for Leeds, West (Mr. Battle), whose contribution was thoughtful and constructive. His own experience of local government came through very clearly indeed in his proposals. He told the House that he joined local government in the early 1970s. I joined it in the mid-1960s, and would be more complimentary about it than he was. In those days, the relationship between local and central Government was much closer, more constructive and less party political.

I liked the fact that the hon. Gentleman's speech made very little reference to party politics. He made one or two asides about the Conservatives and Liberal Democrats, but most of his speech was about achieving local government that met the needs and expectations of the people whom it serves. I therefore congratulate him on his thoughtful and constructive speech.

I am sorry that the Minister for Local and Regional Government has left the Chamber. *[Interruption.]* I am well aware of the reason why he left—he is, I accept, a busy man. However, my contribution to this debate will also form the basis of a strong case that I shall put to him in a meeting on the allocation of resources to Macclesfield borough council that he has granted my hon. Friend the Member for Tatton (Mr. Osborne) and myself. If he reads my speech in *Hansard* or if it is reported accurately to him by the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Corby (Phil Hope), he will learn the essence of our case.

Interestingly—and some hon. Members may find this surprising—I oppose my council on the issue of the large-scale voluntary transfer of housing. Local government should give meaningful tasks to elected councillors. In Macclesfield, the council has been forced to transfer its housing stock. The gross revenue from rents in the borough is £14 million a year, but the council has to hand back to the Government £8.5 million in negative housing subsidy. The borough has also been disadvantaged by the Local Government Act 2003, under which capital receipts that debt-free authorities—Macclesfield is such an authority—are allowed to keep are reduced from 100 per cent. over three years to approximately 30 per cent. As a result, my council does not anticipate having sufficient resources left to maintain to the highest standard the council housing that it owns and administers. It will not be able to improve and refurbish its housing stock to the standard that council tenants expect, so it has been forced to consider a transfer. The Government have accepted its application to transfer, which now depends on whether the council tenants agree with it or not.

I have sought to present the facts to the House, as there should be another way of dealing with the matter. It is wrong that my authority, which is debt free, should have to pass much of its rent revenue to the Government. Financial assistance to maintain, refurbish and improve housing through the use of capital receipts is being cut by the 2003 Act, which reduces the capital receipts that councils can retain from 100 per cent. to 30 per cent, so I hope that the Under-Secretary and the Minister can look at that. It is odd that a Conservative Member of Parliament should be supported by a Labour councillor who stood as my opponent at the last general election, other Labour councillors and a large number of council tenants, who are traditionally considered Labour supporters. The current arrangement is unfair, and the Government should find a way to allow Macclesfield to retain sufficient resources to maintain its council housing stock to an appropriate standard. Incidentally, the decent housing standard set by the Government is far below the standard set by Macclesfield council for the standard and quality of municipal accommodation in the borough. The Government are well aware of that, because I went to see the Minister for Housing and Planning, who kindly said that Macclesfield has a good reputation concerning the standard to which it maintains council property.

Turning to the revenue support grant, the Under-Secretary will know that fundamental changes were introduced to the grant formula in the 2003-04 settlement, following substantial consultation with local

authorities. That meaningful and lengthy consultation identified the fact that local authorities throughout the country require stability in the formula so that they can produce a robust medium-term financial strategy and can accurately predict the level of external support required. The new formula was introduced for the financial year 2003–04, and, I emphasise, we were told that it would be fixed for three years to allow for proper forward planning. It included an element of funding for "staying in business" and had floors and ceilings to dampen the effect of any major changes to individual authority settlements.

The floor was set at 3 per cent.—that is, no authority would receive less than 3 per cent. increase. The ceiling at that time was set at 12.5 per cent., so no authority would receive more than 12.5 per cent. There were, as we all know from our experience, winners and losers as a result of the new formula, but all authorities would receive a minimum increase of 3 per cent. on the adjusted base. However, significant changes were introduced in the 2004–05 settlement. The provisional settlement was announced in November 2003 and an initial examination of the figures revealed a significant reduction in Macclesfield's allocation, from £7.226 million in 2003–04 to £6.422 million in 2004–05.

It then became clear that there had been some important changes to the formula, in that rent allowances and council tax benefits would be 100 per cent. funded by direct subsidy, and the national park grant—part of my authority's territory is within the Peak national park—would be paid directly to the national park authority. The floor was initially set at 2.2 per cent.—below the rate of inflation—and the ceiling was set at 2.8 per cent., lower than the floor for the previous year, 2003–04. Macclesfield's settlement was at the floor, giving an increase on a like-for-like basis of £137,000 or, in cash terms, just £18,000, equal to 0.25 per cent.

A further announcement, I am pleased to say, was made in December 2003, increasing the floor to 3 per cent. That resulted in a like-for-like increase of a further £50,000, raising the £137,000 to £187,000 or, in cash terms, £68,000, equal to just 0.9 per cent.—less than 1 per cent. For Macclesfield, the result of that poor and unfair settlement is that an increase in expenditure of 6.5 per cent. had to be funded from an 8.4 per cent. increase in the council tax. Savings in the region of £500,000 had been identified by the council from efficiency savings and by redirecting funding from lower priority service areas. The 6.5 per cent. increase in expenditure includes the nationally agreed pay settlement of 3 per cent. and substantial investment to meet the national agenda for recycling and e-government set by the Government. I hope the Minister can see the unfairness faced by Macclesfield borough council.

The external settlement does not even cover the cost of delivering the national agenda. Having regard to the gearing effect, we have little option in Macclesfield but to raise the required revenue through the council tax. My council and the Conservative group that controls it apologise to the residents of the area for having to increase council tax by a greater percentage than they would have wished, but in order to continue to provide the services to the standard that people expect and to meet the additional burdens placed upon local government by central Government, they had no alternative.

To make matters even worse, the Minister for Local and Regional Government, who has had to leave, announced that he would use his capping powers if council tax increases were excessive, and that capping may be applied even to—I use his words—"excellent" and "good" authorities. Clearly, the problem facing some authorities is accepted by the Government. I only hope they will look into these unfairnesses and see whether anything can be done to rectify them.

In summary, the overall situation is that the very limited increase in the revenue support grant for Macclesfield borough council does not in any way—I emphasise that—cover the additional cost of maintaining the services currently provided, and at the same time allocate additional resources to deliver what people believe is right—the national agenda set by the Government. With a cash terms increase in the external settlement of only 0.9 per cent. and an increase in expenditure of 6.5 per cent., we are, in the Macclesfield borough, forced to raise the additional revenue from council tax.

I have sought to present my case factually. I have not sought to score party political points. Every statistic that I have quoted is not selectively chosen by me. It is the reality of the financial situation facing the Macclesfield borough council. Debates such as this are useful for Members of Parliament to advance constituency cases. I am only sorry that some of my colleagues have not chosen this debate to put forward a case. Another colleague plans to speak and will certainly get in. It is the duty of a Government to consider properly and fairly and to respond accordingly to any unfairnesses that are drawn to their attention by constituency Members of Parliament.

2.46 pm

Mr. Bill Wiggin (Leominster) (Con): The Minister's comments in his closing remarks, when he said that he was against universal capping, will sound hollow to my constituents, who have had their council tax capped, their police authority grant capped and their fire authority grant capped. Let me make it crystal clear that I do not want to see council tax rises. I loathe the increased financial burdens that the Government have stealthily piled on to council tax payers. However, the steps that the Government have taken to allow councils to reduce the financial burden are derisory and ineffective.

The Government have capped Herefordshire council by £253,000. That is a sick joke, as it will make virtually no difference to anybody. It cuts just 7p a week off band D council tax, yet it leaves Herefordshire council with even more of a struggle to comply with the increased layers of bureaucracy that the Government have imposed, without receiving adequate Government funding. Herefordshire council is not generously funded against need. It is the most sparsely populated unitary authority in England in which to deliver services so, for example, the cost to the council of the school transport bill is much higher—almost £6 million. Any increase in fuel costs will have a significant impact on the cost in the future.

The council is 36th out of 46 unitary authorities in terms of the level of grant received per head of population through the formula spending share. It is

[Mr. Bill Wiggin]

£140 below the average throughout all unitary authorities. The grant from the Government is woefully inadequate. The Government have already removed £5.2 million from the budgets of the former Hereford and Worcester county council and Herefordshire district council, at the point of reorganisation in 1998. The annual repayments of reorganisation costs for Herefordshire council totalled £13 million. It is being repaid on an annual basis, amounting to £1.9 million on this year's council tax.

The county lost £1.8 million extra in the formula spending share because of the Government's delay in implementing population data changes following the 2001 census. Herefordshire council has clearly been heavily disadvantaged by the Government's funding. The formula spending share does not come close to adequately reflecting the cost of delivering the increasing demands and financial burdens placed on local authorities by the Government, such as recycling targets, the transfer of licensing responsibility, library standards, benefit regulations and national care home standards, to name but a few.

I think that my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) mentioned the implementation of electronic government as well.

The Government's own changes to local authority finance last year meant that the council had to increase council tax by 17.5 per cent. to achieve the FSS level of funding—an increase in the burden on the council tax payer from 32 per cent. to 37 per cent. of total expenditure. However, the council has not compensated for Government underfunding by levying much higher levels of council tax. At £959.53, its band D council tax is below the national average for unitary councils. Despite the disadvantages that this Government have imposed on Herefordshire, the council is committed to reducing the levels of council tax over future years, but demands from this Government, who do not care about the constant increases for the individual council tax payer, make that commitment extremely difficult to fulfil.

The council cannot be seen as a profligate authority. The Audit Commission's judgment gave the council the maximum overall score for the use of resources, and its pattern of spend has not moved significantly by comparison with those of other authorities since it was established in 1998. According to the comprehensive performance assessment, the authority is a good authority in terms both of corporate assessment and its service assessment. *[Interruption.]* Does the Minister wish to intervene? Apparently not.

In the field of education, the council can demonstrate good performance in the outcome for pupils attending its schools. It has consistently maintained the spend on education at FSS level and has passported the required increases to its schools, despite facing the financial burden of the highest cost per pupil for school transport of any education authority—an issue that is, of course, linked to the rural nature of the county. However, despite the fact that there are four upper or single tier authorities that have higher levels of council tax than Herefordshire, but have avoided capping, the Government have decided to cut £253,000 from Herefordshire's calculated maximum budget requirements.

The proposed revision of £0.25 million equates to a reduction in band D council tax of £3.80 a year, but the estimated rebilling costs, which I mentioned to the Minister earlier, are more than £100,000, which generates an extra cost of £1.25 per annum at band D. The Government's decision to cut the budget is no more than a pathetic party political move ahead of the 10 June elections.

Sadly, the picture for central Government costs and funding is no better for Hereford and Worcester fire authority and the West Mercia police authority, which have both been neglected by Labour Government funding. They have both been capped and forced to cut front-line services because of the increased demand on local authorities. Hereford and Worcester is the only fire authority to be capped in 2004–05, by £2 million, but the cost to the authority of rebilling council tax payers is approximately £0.5 million, and the estimated cost of associated expenses is another £100,000. All together, that amounts to a £2.6 million reduction of the amount being invested in fire services.

The Government do not fund Hereford and Worcester fire authority fairly, allocating a grant worth only £14.72 per person, compared with the average allocation of £19.50 per person for all other combined fire authorities. Hereford and Worcester fire authority protects 5.3 per cent. of the area covered by all combined fire authorities, but it receives only 2.5 per cent. of the total Government-allocated grant. Under the same financial pressure that it faces from increasing local government bureaucracy imposed by this Labour Government, the authority will now have to struggle even harder to deliver the services on which the local communities depend, which in turn threatens to undermine public confidence in the fire service.

The fire authority has expressed deep concern about the impact of that reduction on its ability to deliver an effective service to the communities. Instead of cutting the amount that the local service must spend on wasteful layers of bureaucracy, the Government are forcing the fire authority to cut the money that it can spend and invest in community safety and well-being.

That will result in a cut in front-line services. No funds will be targeted at investing in a modern fire and rescue service aimed at promoting a much greater sense of safety, security and community well-being. Furthermore, the cuts will result in a loss of 195 jobs in the fire authority, with the loss of 39 per cent. of the posts supporting front-line work, 27 per cent. of the whole-time firefighters and 13 per cent. of retained firefighters. Bringing about, in a period of weeks, a reduction of more than 20 per cent. in the size of the brigade is bound to damage the safe and efficient provision of a fire and rescue service.

Despite being in the top half of forces by size and population, West Mercia police authority was excluded from the additional £340 million of Government grant funding for English local authorities that was announced on 11 December 2003. The support that West Mercia receives from central Government is the fourth lowest amount of grant per head of all shire police forces, while it is also the fourth most economical

force in terms of cost per head and would need to spend an additional £10.6 million to equal the average of the 31 English shire forces. Nevertheless, the authority has been capped by £517,000. The force has no choice but to bridge the funding gap with council tax increases, because this Government have not provided nearly sufficient funding to accommodate the gross financial burdens that are incessantly imposed on local authorities.

All Herefordshire's local authorities have been inadequately funded by the Government, and they have been capped to score party political points. The underfunding, along with the increased financial burdens placed on local authorities by central Government, has forced the authorities to turn to another source of funding—the council tax payer. That has led to a diminished front-line service.

I deplore the way in which this Government have increased the burden of council tax on my constituents. They have not only increased financial burdens on local authorities, but have not provided nearly sufficient funding to pay for layer upon layer of bureaucracy. Consequently, there has been a cut in front-line services, which is a great shame.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will the hon. Gentleman give examples of the layer upon layer of bureaucracy that he suggests exists in terms of permanent posts, locations, costs and so on?

Mr. Wiggin: I am delighted to give the hon. Gentleman examples. I mentioned the extra cost to the education department resulting from sparsity of population; I think that it is an extra £6 million. We also have library standards, recycling targets, transfer of licensing responsibilities, benefit regulations, national care home standards and the implementation of electronic government, to name but a few of the examples that I have. I hope that that answers his question.

David Taylor: I am not sure that it does. To people in this Chamber and elsewhere, bureaucracy is an activity that exists for its own sake, and not because it is raising standards, providing new facilities or driving up quality. Such activities are not necessarily bureaucracy. Is that not merely a vacuous, hand-me-down phrase that is used when people want to have a go at either Governments or local authorities?

Mr. Wiggin: Whether the definition of bureaucracy suits the hon. Gentleman or the Government is not the issue. What we are seeing is a council, fire authority and police authority that are performing way better than the average, but are being cut and capped.

As I see it, the problem is that the Government have a fundamental belief that they should be targeting percentage increases instead of real financial increases. That results in a mismatch in constituencies such as mine. We can call it bureaucracy or haggle over the definition, but the fundamental problem that I and my constituents face—none of us wants to pay a penny more council tax than we have to—is that in areas such as the one that I represent, local performance and the funding that the Government provide do not match up. As I said, the police authority would have to spend an extra £10 million to reach even the average level among the shire-type forces with which it would be compared. At one stage, I hoped that I would have to pay a lower council tax rate, as I live in my constituency. Unfortunately, however, the nature of the capping and the cuts that will have to be made means that they will be extremely damaging and that they will not deliver the financial saving that I had once hoped for.

I am deeply disappointed that the Government have taken this line with Herefordshire, West Mercia and the Hereford and Worcester fire authority. I urge the Minister to think very carefully about what he is going to do in terms of the safety and protection of my constituents, and I hope that he will revisit that decision.

2.59 pm

Richard Younger-Ross (Teignbridge) (LD): I declare an interest in that my wife, who used to work for Devon county council, has been seconded to the Office of the Deputy Prime Minister, and I understand that I should put that on the record. *[Interruption.]* I have not asked her whether she enjoys the work, but she has been in post for three weeks.

I am glad that the Minister for Local and Regional Government has returned to the Front Bench. After I intervened during his opening remarks, he said that he could not remember as far back as me, which should worry both him and us. I checked in "Dod's", and the Minister is eight years older than me, so I hope that his memory is not becoming shorter, although that might explain his comments about Labour policy.

The Minister keeps repeating the phrase "Groundhog Day" in debate. He last used it in a debate on local government finance, in which he stated that the Tories were returning to an issue that the Liberal Democrats had raised 10 days previously. However, we have become used to the Tories repeating our remarks from 10 years ago—they catch up in the end.

In that debate, the Minister referred to the excellent speech made by my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), in which my hon. Friend made a clear case for local income tax, but he went on to say that Liberal Democrats

"are no better than snake oil salesmen peddling quack remedies".—[*Official Report*, 17 May 2004; Vol. 421, c. 759.]

What is his problem with snake oil salesmen? What did a snake oil salesman do to him in the past that makes him dislike them so? What remedy did he purchase that did not work—we have only to look to see what it might have been? He should think of the snakes that the snake oil salesmen must kill.

I am glad to see extra Conservative Members in the Chamber for their Opposition day. [HON. MEMBERS: "Where are the Liberals?"] It is their Opposition day, not ours. The debate is welcome, because we can revisit the issues, pressure the Government to provide answers that they did not give last week and test the Conservative party on its lack of policies on this subject.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) has a selective memory for council tax rates, and hon. Members have showered figures like confetti today. I did not originally intend to speak, so I have not gone to my local authority to obtain a wealth of figures with which to regale the House on the evil of the Government's settlement in Devon or Teignbridge.

[Richard Younger-Ross]

The hon. Member for Runnymede and Weybridge did not answer my question about the average figure for council tax rises over six years. It is all well and good to pick one figure from last year and conclude that the Conservatives did quite well, but I am more interested in the overall figure covering a number of years. The Conservative party's track record over six years is not very good. The average increase in council tax in Conservative-run authorities is 8.9 per cent. per annum, which is greater than that under the Labour party, the Liberal Democrats, the nationalists and the independents.

Mr. Wiggin: Will the hon. Gentleman address the important issue for my constituents, which is that their local authority has been capped? Until last year, the Liberal Democrats ran Herefordshire council, where council tax increased by 14.3 per cent. Despite that rise, the Liberal Democrats also managed completely to deplete the reserves, and a great deal of the funding that we have levied from council tax payers has been used to repay that depletion. The hon. Gentleman should not take his eye off the ball, and I hope that he bears in mind some of the terrible things that his party has done to councils.

Richard Younger-Ross: Cheap points scoring turns people off politics, which is one of the great tragedies of these debates. [*Laughter.*] Any hon. Member can stand up and criticise an authority run by another party by saying, "In such and such a case, that council hugely increased council tax."

The response to the point made by the hon. Member for Leominster (Mr. Wiggin) is to examine Torbay, which the Liberal Democrats currently run and which is being capped—Torbay has a problem because the Tories used to run it. One can always counter such arguments, but it does not take us forward, and the overall trends are far more significant.

Mr. Hugo Swire (East Devon) (Con): The hon. Gentleman was generous enough to inform the House about his connection, through his wife, with Devon county council, which the Liberal Democrats ran until the last county council elections. The Liberal Democrats completely depleted the county's resources, for which we are now paying. It is all very well to say that that is a cheap political point; it is also a factual point, as was that made by my hon. Friend the Member for Leominster (Mr. Wiggin).

Richard Younger-Ross: The hon. Member for East Devon (Mr. Swire) mentions the depletion of resources, but what did the Conservative party do in Shepway? It not only emptied the cupboard but took out the shelves as well.

The hon. Member for East Devon and I have worked together on issues relating to Devon county council, which is currently run by not one party, but an amalgamation of four parties. The Devon example shows that parties can work together on funding and come up with a common case on why Government figures are wrong and on why the Minister must listen. I hope that the hon. Gentleman recognises that Conservatives in Devon have worked with the Liberal Democrats, the Labour party and independents to come up with a common position. Cheap points scoring does not occur in Devon county council because the parties understand that they must work with each other.

Mr. Swire: That is the Liberal Democrat trick of pretending that nothing is political and that they are nicer than the mainstream parties. It is entirely correct that different parties currently work together in Devon; my point is that when the Liberal Democrats worked alone, they depleted the council's resources, which is why council tax had to go up so much last year.

Richard Younger-Ross: Last year, the Conservative leader of Devon county council, Margaret Channon, recommended an 18.2 per cent. increase. *[Interruption.]* The hon. Member for East Devon protests too much—he attended the same briefings as me, and I understood that he supported his county council. The Liberal Democrats, the Labour party and independents supported the rise, which was fair because of the bad grant settlement.

Last year, the hon. Member for East Devon said that the increase in Devon was the Government's fault because of the grant settlement, but the Conservative party also says that the Government have been taking money from the south to give to the north. The Conservative party cannot have it both ways, because it is one thing or the other. *[Interruption.]* Last year's grant settlement in Devon was a scandal.

The hon. Member for Macclesfield (Sir Nicholas Winterton) made some pertinent points about what has happened in his local authority. I listened to him carefully and, although I do not know the details, he appears to have a strong case that Macclesfield has had a raw deal.

I hope that the Minister listened to what he said, but I have to say that when we pleaded the case for Devon last year, our words fell on deaf ears. Perhaps he has snake oil in them. The pensioners' protest started as a protest against East Devon council, which is run by the Conservatives and which imposed a sharp rise of 18.2 per cent. The greatest burden on local authorities is having to administer the council tax system—a goliath of a machine that is not very effective at raising money.

The poor funding for Devon last year resulted partly from the basis on which grants are given—that is, house value. I had thought that the hon. Member for East Devon accepted that—perhaps a selective memory is contagious in this Chamber. The problem in Devon is that although we have high property values, we have low incomes. It is a gross mistake to make assumptions about what people can afford on the basis of the value of their property. In effect, that suggests that a person has to move home to be able to afford their council tax. That is to be resisted, and it is one of the reasons why the Liberal Democrats have tried to put forward alternatives.

Mr. Wiggin: Does not the hon. Gentleman think that the local income tax that he propounds will have the same effect? In areas such as his constituency, which may have an elderly population with an income that is

generally much lower than average, people will still be forced to move house to avoid the local income tax that the hon. Gentleman's party wants to introduce.

Richard Younger-Ross: That is not the case at all. The grant would be calculated and rebalanced on the basis of the new local income tax, which would resolve the problem. The local income tax would only replace the funding that is already raised by the council tax. One of the reasons why pensioners were protesting in Devon is that they found that 11 per cent. of their income was being paid in council tax. If Conservative and Labour Members are happy that 11 per cent. of the income of an elderly couple should go towards council tax, that is fine: let them sell it to the country. I would argue that one of the reasons why people are signing up to our "Axe the Tax" petition is that they feel that that proportion is too high.

Mr. Swire: Will the hon. Gentleman give way?

Richard Younger-Ross: Let me finish the point; I have already given way several times. Although I was asked to extend my speech slightly, I might get some odd looks if I extended it too far.

Under a local income tax, the people who paid it—hon. Members should bear in mind that many pensioners would not have to—would pay only about 3.85 per cent. of their income towards it. As a result, some 70 per cent. of the population would be better off.

Mr. McLoughlin: Everyone will gain.

Richard Younger-Ross: No, I am not saying that. About 30 per cent. of the population would lose out. It is a fair tax, not merely a cheaper tax. Hon. Members here would lose out, the Minister would lose out, and I would lose out, but the average person would not lose out.

Mr. McLoughlin: When we had this debate a few weeks ago, the Minister pointed out that the proposal would take at least two years to take through the legislative process and up to seven years to implement. Does the hon. Gentleman accept that?

Richard Younger-Ross: No, I do not. As usual, the Minister was trying to present the worst-case scenario. He was very selective when he read out the data from the Chartered Institute of Public Finance and Accountancy.

Mr. Swire *rose—*

Richard Younger-Ross: I have already given way more than enough, and I want to make some progress. I have two or three more points to make.

One of the most important aspects of council tax or any local tax is its transparency. The grant system is not transparent. I once heard it said that the Minister was about the only person who understands the maths involved in what he says. *[Interruption.]* I am not sure whether he is shaking his head or nodding. The present system is immensely complex, and many people do not understand it; consequently, they do not trust it or see it as being fair. Even if it were fair, people would not judge it to be such. I would argue that it is unfair because of the burden that it places on people on low incomes, especially the elderly.

Mr. Mole: Will the hon. Gentleman give way?

Richard Younger-Ross: For one last time, as I have not given way to a Labour Member.

Mr. Mole: I wanted to make a point about the issue that the hon. Gentleman raises, but it has completely escaped me, so I shall come back to it later.

Richard Younger-Ross: I said earlier that memory loss is contagious—the hon. Gentleman demonstrates that it is extremely contagious and has spread to the other side of the Chamber.

Another concern that people have about local government is the ability of central Government to interfere. That is not a new phenomenon. I used to work in the architects' department of a local authority—Elmbridge in Esher. I lived in Weybridge and went to work in Esher. The local authority was inefficient and there were many problems. The Government of the time were forcing through reductions in funding that led not to improvements, but cuts, in services. During the 1980s, when my wife was allowed to be involved in politics, we ran campaigns together against those cuts.

In the 1990s—sadly, under the Labour Government for some of the time—there have been cuts in services in some areas because the funding formulae have not worked out. The Minister is looking at me quizzically. I shall give the example that I gave when I was a newly elected Member. The 15 local authorities in the south-west made a joint statement to the Minister saying that the funding for social services was inadequate—particularly for child care, which meant that they were having to transfer resources from elderly care to child care to cover their child protection work. That led to the underfunding of care home and elderly care services in the south-west.

Mr. Raynsford: Will the hon. Gentleman acknowledge that although there are undoubtedly real pressures on social services—no one denies that—the Government have made provision in this current spending review period for 6 per cent. real-terms growth in social services spending? That very large financial commitment is far different from what applied when the Conservative party was in government.

Richard Younger-Ross: I will give the Minister five out of 10 for that. I accept that there has been some funding, although at the time that I am describing the director of social services estimated that local authorities were underfunded by £8 billion, and the Government have come close to that figure. The Joseph Rowntree Foundation estimates that a further £1 billion would be required to maintain care home services.

As far as I am aware, that £1 billion has not been found. Consequently, there is still pressure on the care homes sector. The Minister nods in agreement with that.

Centralising tendencies continue to exist. I served on the Committee that considered the Fire and Rescue Services Bill where we made it clear that we believed that

[Richard Younger-Ross]

the Government displayed centralising tendencies on that. We therefore disagree with the statement that there are no centralising tendencies.

My hon. Friend the Member for North Cornwall (Mr. Tyler) made a point about a subject that we often forget when we make our calculations and consider the costs to elderly people, our taxpayers and local people in our communities—water charges. They used to be part of the rates but they were taken out of the rates and badly privatised by the Conservatives. The equalisation grants that existed were not reintroduced. Consequently, the south-west pays some of the highest water tax bills in the country, and even higher water tax bills are expected. Overall, that means that we face council tax rises and water charges that are above inflation. That is unacceptable.

3.21 pm

Mr. Hugo Swire (East Devon) (Con): This afternoon's debate has been interesting. I was tempted to agree with the hon. Member for Leeds, West (Mr. Battle) who said that we should look forwards, not backwards. He did not convey that message to Labour Front Benchers. It was extraordinary to hear the Minister visiting the perceived sins of the father on the son, my hon. Friend the Member for North Essex (Mr. Jenkin). Perhaps it is a sign of the Government's desperation as we approach the local elections that he has to hit out not at Opposition Front Benchers but at their parents. That is a little below the belt.

My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) drew attention to the fact that not as many of our colleagues as there might be are participating in the debate. The reason is simple: they are all out campaigning throughout the country. They are saying that people should bear in mind what has happened in the past and compare the previous situation with the current position. They will spread the message from York to St. Ives and places further north, west, east and south that the Audit Commission's first report in 2002 graded 27 per cent. of Conservative councils excellent. Only 12 per cent. of Labour authorities made the grade and, alas, only 11 per cent. of Liberal Democrat-run authorities were in the same category. Perhaps that is not surprising.

To show that the results were no flash in the plan, the second comprehensive performance assessment, which the Audit Commission announced on 18 December 2003, published updated results for the 150 single-tier and county councils that the first report covered, and a familiar pattern emerged. Conservative-run councils had the highest overall service scores, averaging 3.3 out of 4, compared with 2.9 for Labour councils and, perhaps again unsurprisingly, 3 for Liberal Democrat councils. The Audit Commission found that Conservative councils were more likely to be ranked as excellent and least likely to be ranked as weak or poor. Today, my hon. Friends are relaying those facts with confidence and conviction on the doorstep.

Mr. Raynsford: Will the hon. Gentleman give way?

Mr. Swire: I should love to give way but I am running short of time. [Hon. Members: "Oh!"] I shall deliver a little more of my speech and then I should be delighted to give way to the Minister as long as he does not attack my late father for something that he might or might not have done 20 years ago.

This afternoon's debate is about the added burdens that central Government have placed on local government. What better place to start than the comprehensive performance assessment burden? The Local Government Information Unit, not the Opposition, has calculated the figures. It estimates that the annual cost of external inspections of local government is approximately £600 million. That figure does not include the indirect costs of inspection such as compliance, council staff time and avoidance or displacement effects, which amount to probably another £400 million.

I want to talk specifically about the genuine reasons behind the council tax rises in Devon. I shall not go over old ground and the reason for finding the resources so severely depleted by the Liberal Democrats, who had run the county badly for so long. The Audit Commission recently published, "Council Tax Increases 2003/04 Why Were They So High?" Doubtless, it is compelling reading for those with insomnia. It found some interesting answers that I shall examine in more detail later. It states:

> "Analysis by the Chartered Institute of Public Finance and Accountancy shows that the total amount that was provided in the local government finance settlement for education was sufficient to meet increased education costs at an aggregate level, with a real 'uncommitted' increase in spending of £225 million."

CIPFA also pointed out that that was equivalent to less than 1 per cent. of local government spending on education. Perhaps the Minister is thinking, "So far, so good." However, the combined effects of the passporting requirement, designed to ensure that all councils increased spending in line with Government requirements, and local choice to spend more than the passported amount, led to an increase in spending in aggregate of £200 million more than the Government had allowed for.

Several factors led to greater pressure to increase spending in 2003–04 than in 2002–03. Employers' national insurance contributions increased by 1 per cent.; employers' contributions to the teachers pension fund increased by 5 per cent., and the pay award for local government staff was approximately 0.5 per cent. above the previous year's amount. Together, those factors contributed to more than half the total increase in local government budgeted spending in 2003–04.

Authorities face a combination of pressures: national and local cost increases, increased demand for services and Government requirements. There is no doubt that one of the major factors behind the increase in council tax has been, as we have heard time and again this afternoon, the steady transfer of responsibility to councils, often without the funding, for matters such as care of the elderly and road maintenance.

In 1995–96, central Government contributed 65 per cent. of net costs to East Devon district council. In 2003–04, they contributed only 49 per cent. That reduction occurred because costs continually increase as new responsibilities are placed on district councils such as East Devon without the provision of additional funding. Even the Government's finance watchdog, the Audit Commission, which investigated this year's council tax rises, stated:

"There are a number of external pressures on councils to increase spending, and therefore, council taxes. These include:

Pressure from central Government to spend more to meet Government priorities."

Devon gets one of the lowest grants in the country. It receives a staggering £182 less per person than the national average—more than 20 per cent. less per head than the national average and more than 28 per cent. less than the north-east. If Devon received the average grant per head of population, it would mean an instant cut of £120 in the average band D council tax bill or an extra £128 million to spend on care services, roads, public transport and schools.

Even compared with our neighbour, Cornwall, Devon receives £67 less grant per person.

The Audit Commission report on council tax commented:

"We found a clear association between the size of grant increase a council received and their increase in Council Tax."

Despite the Minister's protestations to the contrary this afternoon, the Government have also changed their rules on sharing out grants this year, taking money that should have come to Devon and other southern counties and giving it to the midlands and the north. Devon county council lost more than £10 million at a stroke from budgets for care services, roads, libraries and recycling, with Whitehall's decision alone adding 5 per cent. to Devon people's council tax bills.

As from 1 April this year, my district council, East Devon, lost a source of income that previously financed most capital projects there. I refer of course to selling off council houses, which previously allowed it to build up capital reserves of, at one point, about £20 million. That in turn allowed it to keep its part of the council tax rises very small indeed, but that is to go and 75 per cent. of that money will go elsewhere, resulting in a capital loss to East Devon of £1.8 million. In addition to the capital loss, the council tells me that it had a £2 million shortage in day-to-day running costs and had to consider increasing charges for services that it provides and cutting other services and grants.

I could go on, because I have so much to say, but I know my hon. Friend the Member for Witney (Mr. Cameron) wants to begin his speech shortly. I conclude on this. We have heard much this afternoon about the balance of funding review and it is unrealistic of the Liberal Democrats to expect Her Majesty's loyal Opposition to give detailed alternatives to council tax at this stage. *[Laughter.]* Liberal Democrat Members laugh, but perhaps we are not as flexible as the Liberal Democrats.

In the Brent, East by-election, Liberal Democrats went around handing out facsimile £100 vouchers saying that everybody who voted Liberal Democrat would get £100 back on their council tax. What has happened to that policy? Like so many other Liberal Democrat policies, it has evaporated into the ether of questionable electoral honesty. They are going to replace that with some other form of income tax, but we will shoot their fox by showing that that will cost the average council tax payer in the west country and elsewhere more than they have anticipated.

There is no doubt that local people are suffering. The system is not working. More is being asked of local councils. Local councillors are being undermined by having to cut services and they have to increase council tax as well. Something needs to be done. Clearly the Government are not the right party to do it.

3.31 pm

Mr. David Cameron (Witney) (Con): It is a pleasure to follow my hon. Friend the Member for East Devon (Mr. Swire), who spoke with his usual force and vigour. I refer the House to my entry in the Register of Members' Interests.

This has been a worthwhile debate. We have been trying to solve the mystery of two facts, which are, on the face of it, contradictory. It is a fact that central Government support for local councils has increased, no doubt about it. The figure is 30 per cent. in real terms, as the Minister said if not once, then several times, but it is also a fact that council tax has increased rapidly, right across the country, by, on average, 70 per cent. for a typical band D property. Nobody was warned about that increase but everyone has paid it.

My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), in a powerful speech, placed the responsibility on the Minister and his Government. He set out in great detail the extra burdens and costs placed by central Government on local government. He placed the Minister, as it were, in the library with the lead piping—responsible for the mugging, if not the murder, of the council tax payers. He is absolutely right and made a wholly convincing case.

The circumstantial evidence is overwhelming and the fact is that almost every council has had the same experience. The Minister is asking us to believe him and to disbelieve all of them, but I just do not think that we can. Let us consider the figures as they relate to some of his colleagues who are in the Cabinet. The tax increase for the average band D property in the Prime Minister's constituency between 1997 and 2004 is 65 per cent. In the Deputy Prime Minister's constituency, there has been a 60 per cent. increase, while in the Chancellor's—this is one of the advantages of holding that post—there has been an increase of only 36 per cent. In the Home Secretary's constituency, the increase is 59 per cent.

Let us consider all the different types of authority: shire districts, on average, up 90 per cent.; shire unitaries up 69 per cent.; metropolitan boroughs up 47 per cent.; inner-London boroughs up 53 per cent.; and outer-London boroughs, as the hon. Member for Kingston and Surbiton (Mr. Davey) knows, up 83 per cent. My point is that the increases are across the board—every single council has suffered in the same way.

The Minister made an interesting speech that mainly delved into the past—so far back, indeed, that he talked about the role played by the father of my hon. Friend the Member for North Essex (Mr. Jenkin). My hon. Friend came back with a good rejoinder, which was that his father had been the hammer of the Labour left. I always thought that the Minister had suffered in his time at the hands of the Labour left—I remember when he stood in other parts of London—so I had thought that he would be grateful for the hard work of Lord Jenkin.

The Minister then described a world in which the burdens on local councils were matched by extra revenues. I did not recognise that picture of a world that, as far as I can see, does not exist. Both the hon. Member for Kingston and Surbiton and my hon. Friend the

[Mr. David Cameron]

Member for Runnymede and Weybridge asked the Minister an interesting question: why should the Audit Commission not judge the extra cost of the burdens when the Government are considering how to fund local authorities? The answer was non-committal and I hope the Minister will return to the issue when he winds up. Those extra burdens are a real problem. Why not give the Audit Commission more responsibility for identifying them? If that had already been done, some of the arguments that we have had this afternoon would not have been necessary.

The Minister said little about the general question of cost pressures on authorities. I would say that he should get out more to meet them, but obviously if we continue to engage in Opposition day debates such as this we constrain him to appear at the Dispatch Box.

The hon. Member for Kingston and Surbiton began his speech with a reference to my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles). When he used the word "plastered", it occurred to me that, in his party, that might be what could be described as a career-limiting joke, but we all enjoyed it. He made some good points. For example, he pointed out that, in 1997, ring-fencing accounted for only 4 per cent. of local government spending. The Minister says that he has been cutting it back, but he has not yet cut it back to that level. The hon. Member for Kingston and Surbiton then made the valid point that while ring-fencing may be decreasing, as passporting and specific grants are rising, local government spending is still hugely constrained.

Stealing a point that I had intended to make, the hon. Gentleman spoke in some detail about the long list of plans that authorities must produce and the fact that some are now being combined. The Government's legislation is showing a slight Blackadder tendency, in that every Bill must have a cunning plan at its heart. Homelessness, transport and all other legislation begins with the instruction "You, the local authority, must draw up a plan." He made a powerful point in saying that, although the number of plans is being reduced, planning activity—the number of pages of work—will probably remain the same even following the combination.

The hon. Member for Leeds, West (Mr. Battle) told us about something called the Westfest—I assume that it is the Leeds Westfest. I know that he is a keen folk guitarist; I do not know whether he joins in the Westfest, but I hope that he does. He said that the Government were pushing decision making down to local level, which I find hard to square with current experience. He also said that we should break out of the tensions between central and local government. I think that we would all agree with what he said about the importance of involving local people in genuine partnerships in all our constituencies. He spoke of the need for a new model for local government that is much less top-down and that involves participatory as well as representative democracy, and many of us would agree with that as well.

The hon. Gentleman made the interesting suggestion that we should try to devolve services such as meals on wheels to much lower levels. I agree, but problems arise when there are strict national standards that are difficult to meet and a number of instructions coming from Whitehall. Those of us who represent rural constituencies find that our courthouses, police stations and care homes are under pressure because they cannot meet the national standards. People tell me that they would rather have a courthouse, albeit a small one, than no courthouse at all. We shall need to do more work on that.

My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) gave us a preview of the case that he will put, along with my hon. Friend the. Member for Tatton (Mr. Osborne), on the resources given to Macclesfield borough council. He spoke powerfully of the need to allow authorities to plan ahead and spoke at length about floors and ceilings. There are those of us, new to this game, who feel that we have already hit more floors than Frank Bruno and seen more ceilings than Zsa Zsa Gabor, but my hon. Friend was clearly on top of the issue. *[Laughter.]* An unfortunate phrase, perhaps. He made the point that council tax gearing made the tax increase in Macclesfield worse and I hope that the Minister will listen sympathetically when he goes to see him.

My hon. Friend the Member for Leominster (Mr. Wiggin) referred to the capping of his authority. It has experienced a triple whammy: county, fire and police have all been capped. He said that a cap of £250,000 was proposed, but re-billing would involve huge costs. I hope that the Minister will deal with that in his speech.

The hon. Member for Teignbridge (Richard Younger-Ross) told us that his wife now works for the Deputy Prime Minister and that he had not written a speech before coming here today. Putting the two points together, I suggest that his wife, who is clearly an expert in local government matters, should write his future speeches.

We had something of a "south-west fest" between Devon Members—north, south, east and west—and we heard the wonderful statement from the hon. Member for Teignbridge that we could not have it both ways. I thought that that was exactly what the Liberals had been doing for years, but I must have missed out on something. I agreed with him when he said that we needed transparency. All local government finance systems need transparency, but I question whether we would get it from a local income tax. In areas with a low-income base, there will be an even bigger grant system with even more equalisation. To that extent, it will not be a local tax and it will certainly not be transparent. The Liberals are indeed trying to have it both ways.

As I said, my hon. Friend the Member for East Devon spoke with great power and told us all to go canvassing. He is my Whip, so I shall obey him. He spoke with great knowledge about Devon.

My hon. Friend the Member for Runnymede and Weybridge went much further than providing circumstantial evidence. He provided proof that burdens have been added to local authorities and he mentioned three—bureaucracy, costs and unfunded liabilities. I do not understand how the Minister can deny the existence of those burdens. He talked about comprehensive performance assessments and best value. I have to tell him that I visit councils up and down the country and they all say the same thing about the auditing and checking system, the paper work and associated costs. In fact, it is difficult to get them to talk

about anything else. They find it largely unnecessary and very expensive. People sometimes ask about our policy: one thing that we could do straight away is to reduce the bureaucracy and burdens that local councils face. That is exactly what we will do.

The Minister mentioned costs. There is a list of costs that local authorities have had to face in the last two years: national insurance, bed blocking, fuel duties, landfill taxes, the Criminal Records Bureau, extra pensions provision, the Labour pension tax and many more. The Audit Commission report of last year has already been quoted, but it bears quoting again. It states:

"National cost pressures taken together account for about £2.3 billion out of the total increase in councils' spending of £4.3 billion. In other words slightly more than half the total increase is due to national pay and price inflation, increased national insurance and general population growth."

That is the report of an independent body: it is authoritative and beautifully makes the point that my hon. Friend the Member for Runnymede and Weybridge put to us.

On the liabilities added to local councils, I accept that many of the objectives are worthwhile, but there are far too many of them, they have been initiated far too quickly and not enough funding has been given to meet them. Hon. Members on both sides of the House have mentioned legislation such as the Care Standards Act 2000 and the Licensing Act 2003, recycling targets, e-government targets and others.

I greatly enjoyed one of the examples that my hon. Friend the Member for Runnymede and Weybridge mentioned in his speech. He told us about the Local Government Association having to draw up its liveability plan. There must be times when people working in local authorities start losing the will to liveability and wonder when they are going to get on with the business of providing services, rather than providing information to the Minister.

I want to deal with the nonsense that we have heard about average council tax. It is mentioned in the Government amendment to the motion and was mentioned by the hon. Member for Kingston and Surbiton. The Conservatives compare what people actually pay and examine the bands. We have used band D, but any band could be used. That is the fair and right way to assess it and it leads to the conclusion that Conservative councils cost people less—in fact, £57 less than Labour or Liberal councils. The idea of comparing average council taxes across the board is ludicrous, as anyone who has looked into the problem knows. It ends up being a comparison of how high house prices are in different parts of the country.

Let me quote the Library on this point, as I am sure that we would all accept its utter and complete impartiality. In its standard note of 4 May 2004, it states:

"Using a council tax per dwelling figure for comparison is not suitable. This is because in different local authority areas the mix of dwellings by value may be significantly different from another. The average band D council tax figure accounts for this."

In other words, the Library endorses our approach. Peter Kellner, more likely to be a friend of Labour than the Conservative party, wrote:

"The proper way to judge figures is to compare like with like—say, band D figures, council by council . . . On this issue, Labour is wrong and the Tories are right."

Mr. Raynsford *rose—*

Mr. Cameron: I will not give way, as I have only a minute left. As I was saying, it is nonsense to talk about average figures and much better to examine the band figures. Councils and council tax payers throughout the country have been let down by Labour. The 1997 Labour manifesto could not have been plainer when it stated:

"Local decision making should be less constrained by central government."

How can Labour Members possibly claim to have fulfilled that pledge?

We have had more and more spending ring-fenced and determined by Whitehall, and more and more spending has been passported through—again, determined by Whitehall. Taxes, costs and charges have been increased by central Government. Extra bureaucracy has been piled on by central Government to such an extent that many councils now have several employees who just tick boxes and fill in forms insisted on by Whitehall. Extra liabilities are imposed by almost every Government Department.

Taxpayers and local councils desperately need a Government who will cut bureaucracy, which we will. They desperately need a Government who will not add extra burdens to local government without providing resources. Every year, the Government say the same thing—"It's a generous settlement"—but, every year, the same result occurs: an increase in council tax at three times the rate of inflation. Most of all, we need an honest and open way of assessing the costs, pressures, liabilities and burdens about which hon. Members spoke today. In the meantime, all voters have every right to lay the blame for high council taxes at the door of No. 10 Downing street, and on 10 June, they will have the chance to send the Government a message by voting for Conservative councillors and I for one hope that they will do so in large numbers.

3.45 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I apologise for not being present at the start of the debate. I was chairing a meeting of the balance of funding review, which has been debating—perhaps in slightly different detail—the intricacies of the future of the balance of local government funding. Interestingly, Professor Gerry Stoker, who was mentioned by my hon. Friend the Member for Leeds, West (Mr. Battle), has contributed to those discussions.

We have had a short, yet helpful—at least from our point of view—debate on local government finance. It is the second such debate in the past seven days. *[Interruption.]* The hon. Member for Kingston and

[Phil Hope]

Surbiton (Mr. Davey) suggests that that is because of the local elections, but unfortunately local elections seem to bring out the worst in the official Opposition and the minor parties.

Last week, the Liberal Democrats paraded their proposal for replacing the council tax with a local income tax. That would be an utter nightmare, and we comprehensively demolished the proposal last week. This week, the Tories have let slip their plans to reintroduce the poll tax.

Mrs. Spelman: The Minister was not here for the start of the debate, so for the complete avoidance of doubt and his benefit, may I express categorically that we are not considering bringing back the poll tax?

Phil Hope: That was an interesting intervention. I am holding a copy of *The Times* dated 25 May, which has the headline, "Tories seek answers in poll tax". It says:

"Elements of the widely hated poll tax may be revived by the Conservatives in their local government policy review in an effort to ease the council tax burdens on pensioners."

It says that when the hon. Member for Meriden (Mrs. Spelman) was asked whether

"that meant that some of the principles of the poll tax would be considered for inclusion in the plans, she said: 'We will look at that.'"

If there is to be a U-turn by the Conservatives today and another tomorrow, and if we see the usual muddle, confusion and complexity of Conservative party policy, I guess that the local electorate will be able to deal with that at the ballot box, as the hon. Member for Witney (Mr. Cameron) invited them to do.

Mr. McLoughlin: The Minister talks about muddle and confusion. Does he recall the first time that the present Deputy Prime Minister came to the Dispatch Box to talk about local government finance? That was more than seven years ago, and he assured us that he would make local government finance easier to understand. Does the Minister believe that his right hon. Friend has succeeded?

Phil Hope: My right hon. Friend the Deputy Prime Minister has increased local government finance by no less than 30 per cent. in real terms. However, enough of the muddle and confusion of the Conservative party, let us hear more about the Government's delivery to councils to fund local services.

It is quite entertaining to watch the Conservatives and Liberals trying to trade insults with each other, but the fact is that the Opposition motion is dreadful. It does not contain a single positive word about the future of local services or local government. It is a wholly negative diatribe—we have heard nothing more than that this afternoon—which contains no acknowledgment of the tremendous work that local government does, serving local communities, or of the real improvements in performance. Local authority staff, managers and elected representatives of all parties work hard to secure better services for local people, but that was completely ignored by Conservative Members.

For this Opposition day debate, a grand total of two Conservative Back-Bench speakers bothered to turn up. A few more have gathered towards the end to lend moral support, but this—

Mr. Hammond: On a point of order, Mr. Deputy Speaker. Is it in order for the Minister to criticise Opposition Members for not turning up for the debate, when he did not turn up for the first part of it?

Mr. Deputy Speaker (Sir Alan Haselhurst): I think that the hon. Gentleman is concerned more about putting that on the record than with eliciting from me a ruling on a point of order—which that was not.

Phil Hope: Thank you for that ruling, Mr. Deputy Speaker. The Conservative motion is disappointing, but the Liberal Democrats tried to amend it by offering three slogans to be added at the end. That does not say much for Liberal Democrat policy. The party seems to have simply walked away from the problem.

The Conservative motion is an entirely negative diatribe about local government, which does not acknowledge the achievements under this Government. The Liberal Democrats agree with it completely. I consider the sum total of Tory and Liberal Democrat attacks on local councils to be simply unacceptable.

A political party must offer the electorate a narrative about where it has been in the past, where it is now and where it is going in the future. The story that best matches the Conservative narrative is rather unseasonal just now. It is "A Christmas Carol" by Charles Dickens—but in this version the shadow Chancellor, the right hon. Member for West Dorset (Mr. Letwin), stars as the Tories' very own Ebenezer Scrooge.

Three ghosts haunt the land of local government—the ghosts of Conservative past, of Conservative present, and of Conservative future. The most familiar is the ghost of Conservative past. I will say more of the poll tax later, but it was an appalling debacle. It caused VAT to be raised to 17.5 per cent. It was a very unfair system, and placed a greater burden of taxation on people. It led to real-terms cuts in grants to local councils over a number of years, most notably a 7 per cent. real-terms reduction in local authority grants over the final four years of the previous Government.

We must not forget, either, the impact that compulsory competitive tendering had on services. Crude and universal capping was introduced at that time, as were centralised controls on local council capital spending. I hesitate to mention certain measures introduced by the Tories in Westminster.

Under the Conservatives, crime doubled and police numbers fell. This Government inherited a backlog in council house repairs that amounted to £18 billion. The hon. Member for Macclesfield (Sir Nicholas Winterton) said today that he would make representations to the Government about improving council houses in his area, but perhaps he will explain why this Government inherited a backlog worth £18 million and council houses in such a poor state.

Many hon. Members used to be councillors, committee chairs or leaders of local authorities in those

dark Tory years. They remember all too well the dreadful impact on their communities of the centralised and harsh regime imposed by the then Conservative Government. That regime damaged many of our poorest communities. My hon. Friend the Member for Leeds, West was chair of housing in Leeds council at the time, and he told the House about his experience of having to sort out the mess. We know the impact that the past had on local communities.

Have the Opposition learned their lesson? The ghost of Conservative present suggests that they have not. Since 1997, the Conservatives have opposed all efforts at devolution. They opposed the Scottish Parliament and the Welsh Assembly. They opposed devolution to London, and elected regional assemblies for the three northern English regions. They have opposed every Labour Budget, even though this Government have given a 30 per cent. real-terms increase in grants to local councils. They have voted against key areas of legislation to improve local services—in respect of education, housing, planning, policing, transport and child care—which right now are delivering better services for our communities.

The ghost of Conservative present means that Tory councils are putting up council tax this year by more than Labour councils. On a band D average, Tory councils are raising council tax this year by 5.4 per cent. The truth is that Tory councils cost people more.

The Conservatives have pressed the Government about the burdens being placed on local government, but it would help if hon. Members on the Opposition Front Bench spoke to their colleagues on the Back Benches.

The private Member's Bill promoted by the hon. Member for Tunbridge Wells (Mr. Norman) would provide that all regulatory impact assessments conducted by the Government should be externally audited. Can anyone imagine a more unnecessary, bureaucratic, duplicatory, cumbersome burden on local government than that Bill? That is evidence of the reality of what the Conservatives want, and it is in direct contradiction of their Front Benchers.

The Opposition may say that their job is to oppose—although they look rather foolish doing it—so let us look at the Tory alternative, the ghost of Conservative future.

Mr. Cameron: Given that the Minister did not turn up at the beginning of the debate, will he spend a little time answering the serious speeches by my hon. Friends the Members for Leominster (Mr. Wiggin) and for Macclesfield (Sir Nicholas Winterton)? I thought that that was what one was meant to do when winding up a debate. He should answer the points that they made.

Phil Hope: Unless I am much mistaken, this is an Opposition debate, led by the Conservatives on their proposals on local government finance. I apologise for misleading the House in last week's debate, because I said:

> "The first thing is that the Conservatives will not repeat their poll tax disaster: for that, we can be thankful."—[*Official Report*, 17 May 2004; Vol. 421, c. 784.]

I was wrong, and I apologise to the House. The poll tax was not only wrong in practice and in principle but it was political suicide, and it is no wonder that the hon. Member for Meriden was on her feet within 30 seconds—

Mrs. Spelman *rose—*

Phil Hope: Here she is again.

Mrs. Spelman: There is no excuse for the Minister's not having heard what I said. He does not even have the excuse that he was not here. I shall repeat again, in case he does not retain information very well, that there is categorically no question of us returning to a poll tax.

Phil Hope: I have been quoting Dickens, but I turn to Shakespeare:

> "The lady doth protest too much, methinks."

It was unedifying last week to see the Liberal Democrats trying to stuff back into the hat the £100 rabbit that they pulled out at the Brent, East by-election. Now the reverse is happening. The Tory poll tax rabbit that we thought had been firmly stuffed back into the hat has popped back up again. We may only be able to see its ears at present, but it is there. The electorate can see it, too.

The poll tax is the least of the Conservatives' worries. Both Conservative contributors to the debate—the hon. Members for Leominster (Mr. Wiggin) and for Macclesfield—made heartfelt pleas for more money for their local councils. That is laudable and understandable. However, perhaps they should consult their Front Benchers about their policies. Not only will we get a new poll tax from the Tories, but they have promised a massive £2 billion cut in grants to local councils. On 16 February the shadow Chancellor revealed that in the first two years a Tory Government would freeze spending on local councils. That would inflict immense damage on local authority services. There would be cuts in neighbourhood warden schemes, cuts in CCTV schemes, cuts in school crossing patrols, cuts in refuse collections, cuts in meals on wheels, library staff and social workers. Streets would not be cleaned and crime would rise.

To make matters worse, the Tories have promised to end resource equalisation. That is the mechanism that ensures that the Government give more support to those areas that have greatest need. Under the Conservatives we would have cuts for all, but bigger cuts for those in most need. It is a disgrace.

I shall conclude by reminding the House of Labour's policies. We have increased grant to local councils by 30 per cent. in real terms. We have seen significant improvements in local authority performance, as shown by the comprehensive performance assessment. We have given new freedoms and flexibilities to local authorities. We have introduced an effective best value approach to improving local services and we have seen, as my hon. Friend the Member for Leeds, West said, tangible improvements to people's lives. That is a positive vision for local government, working as community leaders, delivering better services, working in partnership with others—including the business community, the voluntary sector and the Government—

Mr. McLoughlin *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 189, Noes 326.

Division No. 190] **[3:59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Bacon, Richard
Baker, Norman
Baldry, Tony
Baron, John *(Billericay)*
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burns, Simon
Burnside, David
Burstow, Paul
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Cotter, Brian
Cran, James *(Beverley)*
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Gummer, rh John
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Laing, Mrs Eleanor
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Paice, James
Paterson, Owen
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Peter Atkinson and Gregory Barker

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Blackman, Liz
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Gordon *(Dunfermline E)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, rh Jean
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*

Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Duniwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
McFall, John
McGrady, Eddie
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, rh Michael
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Morgan, Julie
Mudie, George
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Dr. Richard *(Wyre F)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*

Tellers for the Noes:
Gillian Merron and
Margaret Moran

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the Government has increased grant to local authorities by 30 per cent. in real terms since 1997, in contrast to real terms grant cuts under the previous government; endorses the firm action taken by the Government to reduce

council tax increases in 2004–05 to the lowest level for nine years; notes that Labour councils have the lowest average Council Tax increases at 4.7 per cent. and the lowest average level of Council Tax at £870; congratulates the Government on its commitment to enhancing the delivery of public services by local authorities and notes the evidence from the Comprehensive Performance Assessment of significant improvement in local authority performance; welcomes the extension of substantial freedoms and flexibilities to local authorities, including the prudential borrowing regime replacing the capital controls imposed by the previous government; notes with concern that all of these advances would be jeopardised by the policies of the official Opposition which would freeze expenditure on most local authority services; contrasts the Opposition's current rhetoric with its track record of centralisation when in government; rejects its opportunistic approach; and endorses the Government's commitment to high performing local authorities delivering effective local leadership and quality public services in the most cost-effective way.

Mr. George Osborne (Tatton) (Con): On a point of order, Mr. Deputy Speaker. Have you had an indication from Ministers in the Office of the Deputy Prime Minister or, indeed, the Department for Constitutional Affairs that they are prepared to make a statement, before the House rises, on the emerging chaos in the distribution of postal ballots? That is particularly important in my region, where, as with other regions in the north of England, an all-postal ballot will take place for the European and local elections. I have received notice from my returning officer today—other returning officers in the north-west region replicate this view—that, owing to problems with the printing of postal ballots, there may be a delay of up to a week in sending them out. Of course, that may have a catastrophic impact on the election. Have you had any indication that the Government will make such a statement?

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Further to that point of order, Mr. Deputy Speaker. There has been huge concern in the House over the past few months about the Government's decision to proceed with this very large-scale postal voting pilot in the face of clear advice from the Electoral Commission that it was not safe to do so. It now appears that Conservative Members' worst fears have been realised and that the process is already descending into chaos. Is there anything that you can do, Mr. Deputy Speaker, to ensure that the responsible Ministers come to the House at the earliest possible opportunity to explain?

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I do not think that this is an opportunity to enter into a debate on this matter. The straightforward question to the Chair is whether I have received an approach that a statement be made. The answer to that is no; I have no notice of such a request. However, hon. Gentlemen have clearly raised what appears to be a serious matter, and I hope that those on the Government Front Bench have noted it and that we shall see the consequences of that.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Further to that point of order, Mr. Deputy Speaker. The House rises tomorrow. A few weeks ago, a Minister from the Dispatch Box gave the House an absolute assurance that everything was all in order for the postal ballot pilots to go ahead. I have heard in my constituency that the postal ballots have not gone out in Amber Valley because of the same problems that my hon. Friend the Member for Tatton (Mr. Osborne) mentioned. You, Mr. Deputy Speaker, should possibly communicate to Mr. Speaker that it is unacceptable for us not to have a statement on this issue at 7 o'clock tonight, so that the Government can inform us what is happening. The Prime Minister said today at the Dispatch Box that he was making urgent inquiries. If he was making urgent inquiries, the House should also be told what is going on in this shambles. The timetable is very tight.

Mr. Deputy Speaker: That was essentially the same point of order. Nothing that the hon. Gentleman has said has detracted from the importance of the matter that has been raised, but it is not a matter that the Chair can rule on. The answer is that there has been no approach to the Chair as yet for a statement, but I am sure that those on the Government Front Bench will have noted what has been said and the record will be considered if a decision has to be made as to whether any further action is to be taken before the House rises. I cannot add to that.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I have ruled on the point of order. I can rule on a fresh point of order, but I cannot take the same one.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): It is a fresh one.

Mr. Deputy Speaker: I will give the right hon. and learned Gentleman the chance to dispel my scepticism.

Mr. Hogg: On a point of order, Mr. Deputy Speaker. You are right to be sceptical, but you have done me a slight injustice. You will know that the Chair has the capacity to take an application for an emergency question. As you know, such an application is normally made in the morning before half-past nine, but there is a discretionary power to take an application for an emergency question later in the day. Do you have the discretion now to take such an application?

Mr. Deputy Speaker: I would never knowingly do an injustice to the right hon. and learned Gentleman. If he or any other Member wishes to pursue that line, it would be a matter of approaching the Speaker's Office in the normal way. It is not a matter on which I can rule from the Chair.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I have made my ruling. Unless there is a new point of order, I do not think that there is anything more to be said.

Mr. John Redwood (Wokingham) (Con): On a point of order, Mr. Deputy Speaker. Given that those of us who debated this issue heard Ministers give categorical assurances from the Dispatch Box that all would be

well, what opportunity is there for Ministers to correct the record of the House if they do not make a statement today?

Mr. Deputy Speaker: That is plainly not a fresh point of order that I can rule on. The matter has been aired and its importance is clearly understood. There are opportunities for action to be taken in response, but there is nothing further that I can say now. I do not believe I am justified in holding up further progress in the proceedings on the Order Paper.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I have dealt with this matter.

Peter Bottomley (Worthing, West) (Con): On a new point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: I hope that the hon. Gentleman will be original.

Peter Bottomley: I have seldom been accused of being anything else.

There is a procedural point: it is open to the occupant of the Chair to suspend proceedings so that discussions can take place between the usual channels to find a way of getting a statement or a debate. I have already voted in the European elections; I have been treated more fairly than other people.

Suspending the House for five or 10 minutes, so that the Government can make a statement about how they intend to proceed, might be the most useful way of resolving the problem. This is not just a party game played out here; it is a matter, in the east midlands, of people not being guaranteed a vote in a form that the Government dictated they should have it.

Mr. Deputy Speaker: I hear what the hon. Gentleman says, but there is no case for suspending the sitting of the House, which has business before it. There is absolutely nothing to stop the most intense traffic between the usual channels, if that is seen as a way of progressing the matter.

Town Planning

Mr. Deputy Speaker (Sir Alan Haselhurst): I must inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.21 pm

Mr. John Hayes (South Holland and The Deepings): I beg to move,

That this House notes that development of the Green Belt continues unabated under this Government; believes the Government's Communities Plan will be unsustainable and will damage the quality of life of millions of people in this country by concreting over green fields and destroying rural communities; further notes that the Government's targets for brown field development have actually led to the loss of green spaces in suburban areas through infill development; and further believes that communities through their local authorities, not remote regional bodies, should be able to decide the priorities for local development.

If I may beg your indulgence, Mr. Deputy Speaker, I shall start by pointing out my tie. You will notice that it is the tie of the Deepings rugby club, and I am wearing it today to celebrate the success of its under-13 and under-14 teams, their coaches and the staff. I know that the whole House will want to celebrate that success with me.

One reason for the motion is the fact that Conservative Members want to expose the truth. I shall tell some home truths—truths about the homes that should be built on brownfield sites as part of an urban renaissance and truths about the houses that are gobbling up the green belt. In exposing those truths, I shall reveal the Government's trickery, for which I do not blame the Minister for Housing and Planning. He is a good man. I blame the Deputy Prime Minister and the regime under which the Minister is unfortunate enough to work.

Mr. John Gummer (Suffolk, Coastal) (Con): Did my hon. Friend notice that the Deputy Prime Minister had hardly come into office when he gave planning permission, later overturned, to build the largest estate on a greenfield and green-belt site almost in Britain's history, near Stevenage, a town that could do with redeveloping from within rather than spreading out across the countryside?

Mr. Hayes: My right hon. Friend's typically apposite intervention gives me the opportunity to explode a myth. We may hear from Labour Members—my right hon. Friend will be ready for this, as he always is—claims that the Conservatives are against all development. Of course the Conservatives are not against all development, but we believe that development should be in character and keeping with existing settlements. It should be of a scale that is appropriate to those settlements and in line with the wishes of local people.

Mr. Lindsay Hoyle (Chorley) (Lab): On a point of order, Mr. Deputy Speaker. Members on this side of the Chamber cannot hear the hon. Gentleman because he keeps turning round. That is unfair because the debate should be for all to hear, not just those on one side of the House.

Mr. Deputy Speaker: I am sure that that is something of which the hon. Gentleman would never be accused. It

[Mr. Deputy Speaker]

is a fair point. I have had to rule on a number of occasions because Members at the Dispatch Box, on both sides of the House, tend to move around and, generally speaking, it is helpful not to do so. The more that is addressed to the Chair, the more that will be heard and picked up by the microphones.

Mr. Hayes: I will, as is appropriate, address my remarks through you, Mr. Deputy Speaker, and I will face you as much of the time as possible, to our mutual benefit and enjoyment, I hope.

Mr. Deputy Speaker: I can only say to the hon. Gentleman that that will add to the pleasure of my afternoon.

Mr. Hayes: Not for the first time, Mr. Deputy Speaker, you have made my day.

Mr. Mark Prisk (Hertford and Stortford) (Con): Without wishing to test my hon. Friend's patience, may I return to the question asked by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) about the decision on Stevenage, which matters to the people in the immediate area and also sets a dreadful precedent? Does he agree that it sets the tone for the Government, who are blind to the precedent that the Deputy Prime Minister has established? The destruction of the green belt will be remembered for many years when they are long gone.

Mr. Hayes: My hon. Friend is right that that will be the Government's legacy. The whole House and the people of Stevenage and elsewhere will be disappointed that the Deputy Prime Minister is not in the Chamber today, because he stands indicted, as my hon. Friend suggested. He ought to come to the House and explain himself.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Further to the point that my hon. Friend made about the Deputy Prime Minister and the intervention of our right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), did he see the article in *The Sunday Telegraph*, which said that gardens

"have been officially classified as 'brownfield sites' ripe for redevelopment under planning guidance issued by John Prescott, the Deputy Prime Minister"?

Will he call on the Government to explain their position, and on the Minister who, as he said, is a good man, to disown it?

Mr. Hayes: As if in anticipation of my hon. Friend's pithy and appropriate intervention, I had planned to deal with that precise matter. First, however, I wish to make some progress.

The Government, as I said, have been engaged in trickery. Like all dud coins, their cons have two sides, but we have come to learn that their currency is spin, not substance. This particular con is about the green belt and brownfield development. Like all confidence tricksters, Ministers initially sounded plausible. Greenfield development has increased under this Government. I am pleased that the Minister does not dispute that, because in a parliamentary answer to my hon. Friend the Member for Meriden (Mrs. Spelman), who leads for us, he revealed that in 2000, 430 hectares of the green belt was developed, whereas in 1997, only 405 hectares were developed. There has therefore been a steady increase in the volume of green belt developed under the Government.

When challenged on the subject, however, the Government are imprecise and evasive about details. That is not my analysis or judgment—I am not guilty of exaggeration or hyperbole, to both of which I am virtually immune—but the considered view of the House of Commons Library, which says:

"Government replies to PQs asking how much building has taken place on green belt land are normally evasive, mentioning the overall strategy . . . but not precisely answering the questions."

I know that you will be struck by that, Mr. Deputy Speaker, as, indeed will all hon. Members, who rely on parliamentary questions for good, accurate information. I have already said that the Minister is a good and straightforward man and, apart from anything else, he will be disappointed in himself.

The Government's claims about the green belt have focused on overall strategy, but they have not given clear details. When challenged, they have claimed that they have increased the green belt in net terms, but their own figures show that the increase from 1997 to 2003 is based on a few limited areas. The increase in England was 24,800 hectares, almost all of which is in four areas. One would expect the pressure for development to be greatest in those areas, and one would expect to find them around London and in the south-east and the south of England. I had a close look at the words of Mr. Duncan Sandys—the Minister will be familiar with his words and, I suspect, reads them in bed every night.

Mr. Duncan Sandys made it clear that the purpose of the green belt was to produce a tight strip of land around urban areas to prevent their encroachment into the surrounding countryside, that it should be a narrow strip of land and that it should be where development pressure was greatest. It was designed, he said, to prevent "urban sprawl".

So where were the areas that the Government added to the green belt? In Tyne and Wear, York, south-west Yorkshire and the north-west. The increases can be attributed to smaller areas within those regions: Blyth Valley, Tynedale, Ryedale, Bolsover, Doncaster, Blackburn and Vale Royal. In fact, 91 per cent.—almost all of the increase—can be attributed to Blyth Valley, Tynedale, Bolsover and Blackburn.

What are the areas like where the green belt has been increased? The Tynedale council website which I looked at describes the area as forestry dominated and truly remote—not the area most likely to suffer from urban sprawl, not an area under pressure for development, but an area that describes itself as "truly remote".

The Bolsover website describes the greenbelt area as situated on the north-eastern fringes of Derbyshire bordered by the Peak district and Robin Hood's Sherwood forest—elegiac, picturesque; not a place, one imagines, where people are desperate to build vast numbers of new houses—the kind of desperation that is fuelling the development mentioned by my right hon.

Friend the Member for Suffolk, Coastal (Mr. Gummer) in his early intervention, the kind of development so resisted by the people of Bedfordshire, Kent and Northamptonshire, who know what they face in relation to their communities and the supporting infrastructure.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab) *rose—*

Mr. Hayes: I shall happily give way to the hon. Lady, who is about to defend the attack upon our green fields.

Dr. Starkey: I am immensely grateful to the hon. Gentleman for giving way, but I suggest that he does not try to guess what I intend to say. In the title to the debate and in his remarks so far, he has referred to urban sprawl. Would he be so kind as to explain what he means by urban sprawl? His discourse thus far suggests that he regards any extension of urban space to be ipso facto urban sprawl. Is he therefore suggesting that no towns or cities should increase in size at all, and that all development should occur within the existing boundary of an urban space?

Mr. Hayes: The hon. Lady either did not hear what I said or did not listen to what I said. I said that sprawl, defined not by me, but by the architects of the green belt, was the urban area encroaching into the surrounding countryside. I went on to speak about development that was out of scale, out of character and outside the wishes of local people. I should have thought that was pretty plain. I wonder what the hon. Lady would say to her constituents and people close to them when they were faced with developments of the kind that I described—out of scale, out of keeping, out of character, against their wishes and without supporting infrastructure. I wonder whether she would defend her constituents or kowtow to the Government's position. That is a challenge for her, and I know she will meet it with her usual diligence.

Dr. Starkey *rose—*

Mr. Hayes: I shall briefly give way to the hon. Lady, as a matter of courtesy.

Dr. Starkey: Naturally, I always listen to my constituents, but most of them live in houses built on greenfield land, as virtually the whole of Milton Keynes was, so they understand the balance between the need to protect the countryside and the need to provide affordable housing for young people.

Mr. Hayes: I shall come to affordable housing, but the protection of the countryside requires more than fine words. We had fine words from the Prime Minister before 1997, when in an interview in *Country Life* he spoke about how much he revered and loved the countryside. It was a passing relationship that he soon got over.

Dr. Alan Whitehead (Southampton, Test) (Lab): In pursuit of an attempt to find out where houses might be, were the hon. Gentleman's party ever to come to power, I note in the Order Paper the phrase, "town cramming", which presumably the hon. Gentleman does not approve of, and the reference to

"the loss of green spaces in suburban areas through infill development",

with which the hon. Gentleman does not agree either. So where would the houses actually be? Would they be anywhere at all?

Mr. Hayes: There is a difference between town cramming and urban regeneration, but I shall deal with that point later, as I feel that I must make some progress. I know that the situation is uncomfortable for Labour Members. The hon. Gentleman is a very diligent Member of Parliament who takes his work seriously, and he takes a great interest in housing and speaks with great authority about it. I know that he is uncomfortable about some of these issues. If he were not a balanced man, he would not have that discomfort, but he is such a man and he will share my disquiet, as well as a degree of the embarrassment that I think the Minister feels deeply.

Mr. Kelvin Hopkins (Luton, North) (Lab): The hon. Gentleman mentioned Bedfordshire, in which my constituency is situated. In Luton, we are running out of brownfield sites and using everything that we can, but there are 7,000 families in housing need. Is he telling my constituents that they will not be rehoused, because we are never going to build on greenfield sites outside our town?

Mr. Hayes: No; indeed, I met a delegation of people from Bedfordshire a few weeks ago, and they argued very strongly that there was a need for development, but not of the nature or on the scale that the Government imagine, and not in the way in which the Government choose to do it—outside the consideration of local people, against their interests and with a minimal chance for them to have a say. I suspect that the people in Bedfordshire, rather like people in my constituency in Lincolnshire, want incremental development of a scale and character that are in keeping with what is already there. It is the speed, scale and nature of development, as well as its location, that are fundamental. Like the hon. Gentleman, I accept that we need to build houses—we always have done, and we always will—but where those houses are built, how local communities are involved, the infrastructure to support them and their relationship with the landscape are matters of which everyone in this House should take account, and which Governments in particular have a duty to handle responsibly.

Mr. John Redwood (Wokingham) (Con): I am attracted to my hon. Friend's idea that local opinion should carry more sway. What changes would he like to see in the present planning system to guarantee that that happens?

Mr. Hayes: My right hon. Friend will know that I spoke about these matters at some length on Monday. He was one of the first people to demand a copy of my speech, because he takes a great interest in these things. I said on that occasion that the planning system is typically unresponsive. It is esoteric and it frustrates developers and bemuses members of the general public.

[Mr. Hayes]

The Government had an opportunity to do something about that in their Planning and Compulsory Purchase Bill, but rather than rooting planning in the community and making a transparent system, as the Minister said he wanted to do, by removing power and giving it to remote regions, I suspect that the Bill has made planning all the more esoteric and distant from the people who are affected by the decisions of planning authorities. I share my right hon. Friend's distaste for that attack on local democracy, which has been carried forward in the Minister's name. I am a supporter of local democracy, and I want planning decisions to be taken as locally as possible, as clearly as possible and in a way that is well understood by local people, in line with local wishes; but I shall say a little more about that in a few moments.

The areas where the Government have extended the green belt have been well away from the areas where they should have done so. Indeed, the Library says in precise terms:

"These are probably not the areas in England where there is most pressure for development."

That would be bad enough, but the other side of the coin with this Administration is their failure to come clean about brownfield development. Once again, I went to that definitive source of information, the House of Commons Library. You might think, Mr. Deputy Speaker, as I believed, in my innocence, that brownfield land would include disused factories, empty warehouses and sites that needed redevelopment and would benefit from new initiatives, new housing, bringing in new people and building new buildings. That is in line with comments that were made earlier from the Labour Benches. It has been made clear in various interventions that such development is necessary. It is certainly necessary when what we replace is worse than the new development.

Brownfield land includes not only those sites, but according to my information, any land in the curtilage of an existing structure, which relates to the earlier point about gardens.

A close examination of the statistics shows that a substantial proportion of what the Government claim is brownfield development—brownfield development is hard to measure because the Government do not give precise answers, but I have examined the national land use database statistical record from September 2003—is not built on what would generally be recognised as brownfield land. That developed land consists not of scars on the landscape that should have been built on, but green spaces within urban areas—developments at the bottom of people's gardens. Frankly, that is the other side of the dud coin, and it is a con.

The Government easily met their targets for brownfield development, which is an achievement that the Minister trumpets and discusses with great confidence, because the land that they have developed is not, by any reasonable definition, brownfield land. I give way to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown), who is an expert on such matters.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Is my hon. Friend aware of a case in my constituency, where the council proposed to take away some council tenants' gardens in order to meet the Government's targets for building on brownfield land? Given the Government's policy of rebuilding on brownfield land, all council tenants should watch out, because their gardens might be taken away for development.

Mr. Hayes: My hon. Friend had briefed me on that additional point. I am always grateful for his expertise and enormous knowledge, which he often displays in the Chamber and in Committee. Once again, he has added an extra charge against the Minister, whose charge sheet grows ever longer, and perhaps the hon. Member for Southampton, Test (Dr. Whitehead) will add to it too.

Dr. Whitehead: As the hon. Gentleman says, it is important to get the definition right. Does his definition of brownfield land solely consist of land upon which bricks have physically been placed—the building's footprint—and does he define the marginal land around such a site as greenfield land? If a paving stone or some gravel had been placed on land in order to access a building, would he define the site as being in-between greenfield and brownfield land? He claims that the Government definition of brownfield land is vague, but is his definition of brownfield land as vague as that which he is attacking?

Mr. Hayes: Most hon. Members would expect brownfield development first and foremost to take account of those sites that, by their continuation in their current form, are a scar on villages, towns, cities or the landscape. The hon. Member for Southampton, Test is well travelled, and he knows that many former commercial or industrial sites, which have not been redesignated for housing and which will never be reborn as industrial or commercial sites, would be appropriate for residential development.If I were lucky enough to be the Minister for Housing and Planning—one day, I hope to hold that post—I would develop those places and examine the mechanisms that the Government have put in place to bring that about.

We know that the development of contaminated sites poses some problems, but it is not impossible to review the regulations, fiscal arrangements and the law to examine whether we can use more of those sites. In opposition, we are having such discussions with all the interested parties as we develop our thoughts and policies.

Somewhere much further down my list might be the issue of in-fill, but it certainly would not be my top priority. You, Mr. Deputy Speaker, Conservative Members and, I suspect, Labour Members, too, would want first to have clear information about precisely what has been developed so far. I defy anyone to glean that information in precise terms from answers that Ministers have given or from the tabular information that is available from the Minister's Department. There are indications that a great number of back gardens have been developed. We can all make the calculation in approximate terms, and we all have anecdotal information from our constituencies concerning land that has been developed and is described as brown field, but is in fact nothing of the sort. Will the Minister give a

commitment to provide better-quality information that breaks down the figures to tell us precisely what kind of land is being developed and called brown field?

Dr. Starkey: Will the hon. Gentleman give way?

Mr. Hayes: I have already given way to the hon. Lady twice, and I want to make a little more progress because many other hon. Members want to speak. I will try to give way again later on.

The motion refers to the communities plan, which was alluded to in the exchanges that took place during my opening remarks. The Government believe that an extra 200,000 houses should be built in the south-east in addition to the 900,000 new homes that are planned up until 2016. The communities plan is designed to deliver 120,000 houses in the Thames gateway area alone. There are profound concerns about the implications of that for community, sustainability, environment and infrastructure. Yesterday, I was in Northamptonshire. I was engaged in some hard work, but I had the chance to talk to local people and take their view of the communities plan. I have a shocking revelation for the Minister—it was not a positive view. People are extremely worried about its implications for south Northamptonshire. They see it as filling the green space between villages. They believe that it will create commuter areas because communities will be unable to provide the employment or services to make them self-sustaining, so people will have to use those villages and towns as dormitories to travel elsewhere. They feel that their local opinion, although it has been voiced, is not being heard where it matters—at the Minister's desk, on his telephone and in his mailbag. They are frustrated that the considered opinions of local people are being overridden.

We have to look again at the communities plan. I am not sure that it is ever appropriate to override local opinion in this way, but there is another side to it. If development is skewed into four areas in the south of England, where economic activity and employment are already substantial and there is already a disproportionately large portion of the nation's wealth, what does that say to the other parts of England and the kingdom? What does it say to the north-west and the north-east? What does it say to people in my own dear county of Lincolnshire? It says that we are going to build more homes and create more jobs and wealth where homes, jobs and wealth already exist. The other side to the communities plan is about kicking against a proper concern for the different parts of Britain, many of which are desperate for a boost.

Mr. Patrick Hall (Bedford) (Lab): Does the hon. Gentleman accept that in the absence of a communities plan—such as the situation that existed under the Conservative Government whom he supported—the pattern of planning decisions for housing development was characterised by housing estates being tagged on to towns and villages, often on appeal, in an unsustainable way that was disconnected from jobs and local services and increased the amount of car travel? That is what happens when a negative attitude is in the saddle and there is no sustainable communities plan. If the hon. Gentleman rejects the sustainable communities approach, does he have revised ideas on how things should be done?

Mr. Hayes: What a good point the hon. Gentleman makes. He is right: much post-war development has been characterised by the sort of unacceptable development that he describes. Housing estates have been tacked on to the end of towns, as he put it. They are often not in keeping and character with the towns and introduce a population to the area who do not assimilate easily, perhaps because they are commuters or drawn from a specific group. For example, estates of bungalows are targeted at older or retired people. To get the community working, there needs to be good social mix, as I am sure the hon. Gentleman acknowledges.

My vision is of incremental development in towns and cities that is in keeping with them. No town or village should be preserved in aspic—all communities must grow and develop. All communities evolve, but it should happen gently, appropriately and with the consent and support of local people. That is not rocket science; it is the way in which most communities have developed from time immemorial. Suddenly increasing the size of a small town or village by 20 per cent. or 30 per cent. is a recent phenomenon. We then wonder why that did not work, why the community did not hang together, why the local infrastructure could not support it, why people could not get on a dentist's or doctor's waiting list and why they had to travel further for work and leisure, with all the attendant undesirable effects.

We need a complete rethink of the way in which we plan for the future, which must be rooted in communities. "Predict and provide" produced the mess that the hon. Member for Bedford (Mr. Hall) described and Government policy has now mutated into "dictate and provide". That is likely to be even worse. The communities plan needs careful evaluation. In my view, it needs more—it requires challenge. That is not only my view. The Select Committee on the Office of the Deputy Prime Minister is as sceptical as me. Its report states:

> "The impact of such a housing programme on the environment could be unsustainable . . . The impact of developing so many homes in the South East, one of the most densely populated regions of Europe, has not been fully assessed . . . The additional homes could place excessive demands on the environment leading to the loss of green-field sites and excessive pressure on the water supply and other natural resources."

I could go on, but perhaps that would embarrass the Minister even more. The Labour-dominated Select Committee took a measured and considered view of his policy and criticised it in fierce terms. With the Select Committee, local communities and the combined might of the Opposition Benches against him, he is under considerable pressure. I hope that he will bend under it in favour of what is right and good. One might have believed so, but we must now consider the revelation of the Barker review of housing supply.

Mrs. Barker, not content with the massive increase in supply that the Government propose, does not simply want the communities plan to be implemented but up to 250,000 more houses to be built every year. Let us imagine the implications of that for the green fields of England. Not a community in Britain would be safe from the Government if they adopt the Barker review. Although they have not said that they will adopt it—they know the political consequences—they have not said that they will not accept such targets.

[Mr. Hayes]

The Government claim that supply will have an effect on house prices and that affordability will be tackled by building countless more houses. I remind the Minister that new housing constitutes 1 per cent. of the housing stock and 10 per cent. of the transactions. To affect the price of housing by supply requires the sort of building—and more—over 10 years that Mrs. Barker proposes. That means not a few hundred thousand extra houses but possibly between 2 million and 3 million more. They would be built on the green and pleasant land that I love and will defend with my hon. Friends.

I should move on before I become too elegiac, but the Minister needs to come clean with us about where the Government stand on Barker. Will they go along with it and accept it or do they share my reservations? Let us have an honest answer on whether they believe in a development land tax. Let the Minister say today, "We believe in such a tax." It is recommended in Barker. Let him honestly say that the Government believe in a housing policy, in the words of Kate Barker, independent of local government. Let him say he believes that; let us have an honest answer on Barker.

I will tell the House my answer on Barker. I know that housing prices are influenced by interest rates, the disproportionate allure of home ownership in Britain, the relative unattractiveness of alternative investment vehicles and the level of non-housing borrowing secured against housing equity. Frankly, those things drive up and hold up house prices. To apply a supply-side solution to those demand-side issues is crude and unlikely to work. It would mean stamping on the wishes of local people, which is precisely what Kate Barker recognises. That is why she wants to transfer all the power to regional authorities, which would impose those targets on local people.

Dr. Starkey: Will the hon. Gentleman give way?

Mr. Hayes: I will, because I said I would.

Dr. Starkey: Will the hon. Gentleman clarify whether he is saying that the relationship between supply and demand has no effect on house prices? If he is saying that, can he explain why the increases in places such as Brighton, Oxford and Cambridge, where there is a relatively finite housing supply but increasing demand for it and prices are going through the roof, have nothing to do with that relationship?

Mr. Hayes: Of course there is a relationship between supply and demand, but the hon. Lady, who clearly has studied these matters in some detail, will understand that the history of that relationship in this country shows a remarkable insensitivity as between supply and demand. In a textbook economic model, one would expect supply to increase to feed demand. One would expect a close relationship between supply and demand, but, if anything in this country, the most surprising thing about the housing market is the insensitivity between the two, not the closeness that she suggests.

I simply say to the hon. Lady that she has to answer some questions about the 2001 census data, which have been largely ignored by Kate Barker and certainly ignored by the Minister and the Government, but which reveal that the ratio of dwellings to households is changing. There is an increasing number of dwellings—1 million more—against households. That is 300,000 more than in the previous census, and 900,000 fewer people in this country than previous Government estimates show. I am amazed that Kate Barker did not take that on board. Frankly, the fact that she did not undermines the arguments on which her report is predicated.

Sir Sydney Chapman (Chipping Barnet) (Con): Will my hon. Friend confirm that in the last 25 years, while the population of the United Kingdom has increased by 4 million, so has the number of households? Those figures reveal the most startling demographic changes taking place in our society. Any solution of the housing problem must begin by addressing those changes.

Mr. Hayes: My hon. Friend is absolutely right. The real housing crisis involves not the net supply issue, but the relationship between provision and need. Look at building history: far more family homes have been built, typically in greenfield areas, than have houses suitable for single-person households. There are far too few adapted houses, wheelchair-friendly houses and houses for older people. There are far too few opportunities for those who want to downsize. Often, older people want to downsize because it is much more convenient for them to live in a smaller property, but they cannot do so while staying in the community in which they have lived and to which they owe their loyalty.

There are all kinds of supply issues, and all kinds of issues involving the match between provision and need, but those are not taken seriously into account by Kate Barker's report. I have heard nothing from the Government about them either.

Matthew Green (Ludlow) (LD): Will the hon. Gentleman give way?

Mr. Hayes: I want to end my speech, and I know the hon. Gentleman will make a pithy and powerful speech of his own later; but if he wants me to give way briefly, because I like him so much I will.

Matthew Green: I thank the hon. Gentleman. He pointed out that there were now 1 million more houses than households. That is partly due to the large and increasing number of second homes. Does he accept the principle adopted by us, and indeed the Government, of ending second-home council tax discounts?

Mr. Hayes: As a matter of principle, I try never to support or agree with the Liberal Democrats. I take the hon. Gentleman's point, however. One of the repercussions of what I described as the relative unattractiveness of alternative investment vehicles has been people putting their money into property, and the Government's pension shambles—I know that the Minister is not personally responsible for that, and perhaps he is embarrassed about it—has exacerbated the problem. The hon. Gentleman is right: the explosion in second home ownership and the buy-to-let market should be dealt with. The truth is, however, that if people had felt more secure about other kinds of investment that explosion would not have happened.

The motion calls for a very different approach. As I said earlier, what we need is an urban renaissance. We need to tie housing policy closely to regeneration policy. We need to understand that the only way of regenerating our towns and cities is to reachieve the population mix that will make them vibrant and viable. We do understand that sustainability means having the public services, the employment, the life in our towns and cities that will make people want to live in them and bring up their children in them.

We believe that the Government's policy of seeing housing as separate from those things—as I think they do—is misguided, short-sighted and against the interests of the communities who resent so bitterly what the Government will impose on them by concreting over so many of our green fields. There is a different approach, a new vision. We need policies built on sound foundations. We need to help more people afford homes of their own. We need to ensure that everyone has a warm, safe home built to last—the least advantaged as well as those with good fortune. We need to give local communities control over how they develop. We need to protect and enhance our precious environment. And we need to regenerate urban Britain, building high-quality homes on brownfield sites.

Those are our goals—goals that are at the heart of authentic conservatism. The idea of a home can inform this party, but it can also inform the Government, and it can inform our nation. Homes are a proper symbol of social justice, of security, of private ownership, of independence from intrusive Government, of local identity and of embryonic community life. We need to find homes for people so that they can enjoy all those things. We need to give the people the homes that they want to anchor them for life's journey.

5.3 pm

The Minister for Housing and Planning (Keith Hill): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"applauds the Government for maintaining the amount of Green Belt in England and its pledge to maintain or increase the amount of Green Belt; notes that development of previously developed sites for housing has a crucial role in meeting local needs for housing in the Green Belt and welcomes the Government's crackdown on urban sprawl, by adopting a sequential approach to the release of land and planning growth where it is needed; supports its proactive approach in improving the sustainability of rural communities; applauds the Government's success in achieving its previously developed land target early and increasing average densities of new development, which have helped to take the pressure off green fields; applauds the Government for introducing new planning policies in PPG17 to protect open spaces of value to the local community; and praises the Government for introducing the Planning and Compulsory Purchase Act 2004 to improve the speed and quality of decision making and place sustainability at the heart of the planning system, and for its new emphasis on community involvement, ensuring local people's views are an integral part of the plan making process."

As the House knows, I am a devoted parliamentarian. I relish the opportunity for debate, and it is nice to be so much in demand. I have been here for quite a few Opposition day debates of late.

Of course the Government are fully aware of the importance of housing and regeneration. That is why we pushed it to the top of the political agenda, and why we are investing a massive £22 billion through our sustainable communities plan over the next three years. Now it seems that after years of silence and inaction, the Opposition have finally woken up to the significance of these issues.

Of course, those of a less charitable disposition than my own might think that today's debate has something to do with the imminent local elections and that there is an element of opportunism, even scaremongering, on the part of the Opposition in raising these issues in the terms that they have today. Use of such vulgarisms as "town cramming" and "concreting over the countryside" is part of that. Indeed, complaining at the same time about too much development in towns and about concreting over the countryside might seem to some like a classic case of trying to have it both ways. Far be it for me to say so.

The fact of the matter is that the Opposition's record speaks louder than their rhetoric—and we have certainly heard plenty of that this afternoon. After all, it was the Conservative party that stood idly by while development gobbled up our countryside. Thousands of little boxes were spread across our land, all at dismally low housing densities, most of them designed for nowhere and built anywhere. When the Conservatives came to office in 1979, less than 5 per cent. of retail turnover was based on stores outside existing town centres. By 2000, it was growing to nearly a third and rising, as the effects of the big out-of-town shopping centres—the Conservative legacy—began to be felt.

In fact, during the 18 years of Tory Government, nearly 13 million sq m of out-of-town shopping floor space was developed—shopping centres, retail parks and superstores—and the consequence was the devastation of our historic town and city centres. I wonder, even now, whether the Opposition have fully woken up to the significance of the legacy of unsustainable sprawl that they left to us.

Let us take one example of that legacy. The motion begins by noting that

"development of the Green Belt continues unabated".

Continues from when? Well, let us just consider the facts, using published Government statistics. They show that in 1996, of all the new homes built, 2 per cent. were built in the green belt; and in 2001, 4 per cent. were built in the green belt. Let us be clear: new building does not just happen. It often takes years between the granting of the planning permission and the completion of the development. It often, we think, takes too long, which is why we have brought in our planning reforms to speed up the process.

The plain fact of the matter is that many, if not most, of the planning permissions for this doubling of new build in the green belt in the late 1990s were granted under the last Tory Government. So if the Opposition insist on talking about the despoliation of the green belt, we all know who the guilty party is—them.

Mr. Redwood *rose—*

Keith Hill: I give way to the right hon. Gentleman, who I am sure will inject a note of common sense into our proceedings.

Mr. Redwood: I am grateful to the Minister for his rave review. Does he accept that a larger number of

[Mr. Redwood]

people are coming into this country—legally and illegally—than are leaving it? Some external bodies believe that it could be as many as 250,000 extra people a year—equivalent to a city the size of Southampton, which would be necessary to house them all properly. What does the Minister believe is happening in that respect and what impact is it having on the housing market? What would be a sustainable rate for granting people from abroad the right to live and work here?

Keith Hill: We certainly are in pre-election mode, are we not, with that sort of typical Tory scaremongering? Let me put it to the right hon. Gentleman that population growth stemming from various sources is, of course, a significant driver of the demand for housing. We should also be aware—I believe that my old jousting partner, the hon. Member for Chipping Barnet (Sir Sydney Chapman) put his finger on the problem—that there are other significant drivers.

More than 40 per cent. of the demand for new housing arises from natural demographic changes in our population. Some are to be welcomed. For example, we live longer; the elderly do not vacate homes on the scale that they did in the past; many people choose to live alone. That is their choice. Unfortunately, other factors—family discord, divorce and so forth—are significant drivers that can often force people to live singly.

There are therefore many factors at work. The hon. Member for South Holland and The Deepings (Mr. Hayes) mentioned the Thames gateway, and the Under-Secretary of State, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), may want to say something about the true Conservative position on that development. After all, it stems from the work of Lord Heseltine, that visionary who used to represent Henley. However, the fact is that two thirds of the growth in housing demand in Kent arises from changes in that wonderful county's existing population. Folk there live longer and choose to live singly, but they also suffer from some of our society's disorders.

Let us be clear: it is not a question of blaming the enemy outside, but of recognising that serious changes are occurring in our society that we must try to accommodate.

Mr. Prisk: Will the Minister give way?

Keith Hill: No. I shall try and let the hon. Gentleman in later but in these short debates, with many hon. Members wanting to speak, I am conscious that Front-Bench speakers must be as brief as possible.

I want to be reasonable about the green belt, which we all cherish. It is wrong to whip up hysteria by making exaggerated claims about its loss. Nearly two thirds of new development in the green belt has been made on land that was previously developed, and total use of green-belt land amounts to only 0.02 per cent. a year.

The hon. Member for Meriden (Mrs. Spelman) has been silent, at least in a formal sense, throughout our exchanges so far. I have been courteous enough not to draw attention to her, but if she insists on protesting about the green belt I shall draw the House's attention to her website, where she makes it clear that she entered politics to protect the green belt in her locality. I am not surprised: after all, the Conservative Solihull council adopted the development plan on 22 April 1997—that is, before the general election of that year—that led to the loss of some 260 hectares of the Solihull green belt.

Mrs. Caroline Spelman (Meriden) (Con): Does the Minister accept that the Government pulled the rug out from under Solihull council's feet when they redefined what constitutes a brownfield site? They said that my constituents' back gardens were brownfield sites, and in so doing they set neighbour against neighbour. The council found it extremely difficult to defend itself in court.

Keith Hill: I provoked the hon. Lady to speak. I am not sure that central office will approve of that, on this of all days. She knows that redefining gardens as residential land capable of development has been part of the land use classification system since 1975. The Opposition did not challenge that when they were in government, and we inherited that approach from them. I may say more about that if the hon. Member for Sutton Coldfield (Mr. Mitchell) intervenes on me later.

Planning policy guidance note 2 is there to protect the green belt. It confirms that the green belt must be protected as far as can be seen ahead, sets the defining boundaries and provides a presumption against inappropriate development. The guidance is working, and we stand by it.

In addition, the Government have set clear targets for each English region, including those regions that contain the growth areas, to maintain or increase the current area designated as green-belt land in local plans. That is the policy that the Government are pursuing.

On a more serious note, I need to say something about the recently published green belt statistics.

On 29 March 2004, I announced in a written parliamentary statement the release of new statistics on the change in the amount of green belt in England between 1997 and 2003. They showed an increase of around 25,000 hectares in the amount of green belt identified in adopted local and unitary development plans. It was subsequently pointed out to us that the published figures contained errors, including a significant transcription error for which, as the Minister, I of course take full responsibility. In addition, minor corrections have come to our attention in relation to three other local authorities. That is why, in a reply on 10 May to the hon. Member for Lewes (Norman Baker), I published a summary of revised figures for green belt increases between 1997 and 2003, giving the corrected figure of around 19,000 hectares.

In the light of those errors, I want to assure the House that further work is being carried out on checking the revised figures, in order to ensure that they are now robust. That will take two to three weeks. Once we are satisfied that they are accurate, a revised statistical release will be issued and placed in the Libraries of both Houses. I apologise to the House for the errors. The House will, I know, understand that such things happen, but they should not, and for that, I apologise. However, I should remind the House that statistical errors do nothing to undermine the fundamental point that I want

to make today in relation to the Government's record on the green belt: since we came to office, there have been significant increases in the green belt in England.

Some 19,000 hectares were added between 1997 and 2003, with a further potential 12,000 hectares proposed in emerging local plans. If those proposed increases come to fruition, that would be a creditable 31,000 additional hectares—an area bigger than that covered by Birmingham city council. I contrast that record with what happened between 1993 and 1997, when the green belt increased by a mere 2,000 hectares. Already we have expanded the green belt in our first six years 10 times more than the Tories did in their last four years, and we expect to do better.

Mr. Hayes: The Minister has been honest about the error in the figures, and I accept what he has said. However, I question the proportion of green belt that has been added in areas where development pressure is not the greatest. Most people see the green belt as a means of preventing urban sprawl where development pressure is greatest, and that was its original intention. Why is the Minister adding to the green belt in places where that is not so?

Keith Hill: I appreciate the spirit in which the hon. Gentleman received my apology. I understand his point, but if he looks in detail at the figures that I published on 10 May he will see that significant reductions have not been made in the green belt in areas of development pressure—and, in some cases, it has been increased. Major green belt additions between 1997 and 2003 were made in places such as Blackburn, Doncaster, Coventry, Stafford, Christchurch and west Lancashire. I suggest to the hon. Gentleman that those in the midlands and north of England are at least as entitled as those elsewhere to receive the advantages and the protection of the green belt.

Let me say loud and clear that we have no plans to relax planning controls on the green belt. The fundamental policy aim remains to keep land around urban areas permanently open, to prevent urban sprawl and to protect the countryside from encroachment. Where green belt boundary changes are proposed, we want to be satisfied that all opportunities for development within the urban area contained by the green belt have been properly considered, including brownfield land.

Mr. David Heath (Somerton and Frome) (LD): I want to ask the right hon. Gentleman about a particular aspect of development in rural areas. Many of my constituents are getting increasingly irate—I do not believe that they are motivated by discrimination or bigotry—about the fact that Travellers' sites are being allowed on private land where my constituents would have no hope whatever of having permanent development allowed. That is causing friction where there was none before. Is his Department prepared to do something about that, because I fear that it will result in very bad race relations in some parts of England?

Keith Hill: I appreciate the temperate way in which the hon. Gentleman raised that issue. As I have said before at the Dispatch Box, it is an issue not merely for those who live in the countryside but for those who live in urban areas. I assure him that my Department is alert to it. We are active on that subject and we expect to make proposals for revised guidance and more effective enforcement in due course. I hope that that gives him and his constituents some reassurance.

It is important that local people should also be involved in decisions about the green belt, so the need for boundary changes should be considered first in a review of the regional spatial strategy. Only when the need for change has been firmly established should detailed changes be considered through the local plan process. That ensures that local people have a full opportunity to make representations or object to proposed changes.

The Opposition accuse us in the motion of "concreting over green fields",

of losing

"green spaces in suburban areas through infill development"

and of "destroying rural communities".

Mr. Patrick Hall: The Conservative spokesman was generous today in acknowledging the shortfalls of the speculative, mainly private housing development that has too much characterised the past few decades. I think that I am being fair in saying that his solution is to favour incremental, small-scale growth that is decided by local communities. I agree that much development could be dealt with like that, but does my right hon. Friend agree that there are strategic issues to do with demography, household change, employment, transport, pollution—

Mr. Deputy Speaker: Order.

Mr. Hall: Those cannot be dealt with—

Mr. Deputy Speaker: Order. When I rise to my feet, the hon. Gentleman should resume his seat. His intervention is far too long, especially when there is very limited time for debate.

Keith Hill: Thank you, Mr. Deputy Speaker. In a nutshell, I agree with my hon. Friend. Where appropriate, it is right to make small-scale development, but we should not delude ourselves, as a House or as a society, that the pressure for new homes that is already present in London and the south-east can be dealt with by small-scale development about which the local community is the sole arbiter. That is simply unrealistic. We have to go for the larger-scale development that the Government have set out for growth areas. That applies to his constituency and I am grateful for his strategic vision on that approach. We are already bringing in the essential infrastructure and public services that need to be present at the beginning of a housing development and that in the past were unfortunately often brought in at the end, if at all.

Mr. Hopkins: I reinforce the point that my right hon. Friend is making. Does he agree that we cannot cope with the 7,000 families waiting for new homes in Luton by small incremental changes?

Keith Hill: I agree with my hon. Friend. That is, as he and I well know, not invariably the case, but I

[Keith Hill]

wholeheartedly endorse his observations on this occasion. The sort of proposals being made in his locality for what are, in essence, urban extensions offer a way forward, but the scale might have to be substantial. There is a housing need that must be addressed and no shilly-shallying can avoid that reality.

I shall try to press on. I am aware that I have already been speaking for a significant time.

On the terms of the Opposition motion, I draw the attention of the House to the fact that in 1996 the then Secretary of State for the Environment, the right hon. Member for Suffolk, Coastal (Mr. Gummer), published the Green Paper, "Household Growth: Where Shall We Live?" It was an extremely tentative document; perhaps the Conservative Government could see the shades of night closing in and did not want to over-commit themselves on policy.

Nevertheless, the Green Paper contained two important themes. The first was the need for intensification of existing residential areas, including, I am bound to tell the House, the use of gardens. That is in paragraph 6.2—town cramming, I suppose the present Opposition would call it. The second theme was the recognition that not all necessary housing development could be located in existing urban areas—"concreting over the countryside", in their terms, I suppose.

Let me put these questions to the Opposition. What has changed since 1996? Do they believe that they got it wrong in 1996? If they did, what is their answer now to the question they posed themselves only eight years ago?

Mr. Hayes *rose—*

Keith Hill: I give way to the hon. Gentleman, who might care to answer my question.

Mr. Hayes: I am reminded of places such as Macclesfield whose Member of Parliament is our distinguished hon. Friend, the hon. Member for Macclesfield (Sir Nicholas Winterton) and where the local council and community want incremental development of the type that I was advocating, yet the Deputy Prime Minister, the Minister's boss, put a moratorium, through strong guidance, on all development in the town.

Keith Hill: I am aware of the issues in the north-west of England, which are a matter for lively debate in the area, but I must point out two things to the hon. Gentleman. First, in the preceding period of the regional plan, there was an excess of supply over demand in the region, so the Government clearly have to respond to that reality. Secondly, the Government have ambitious plans for the regeneration of cities in the north-west, so significant new build will be needed in those areas as part of the regeneration process.

I shall continue, but I may be a little churlish in dealing with future interventions. We all know that, at present, there is a lot of Tory local election propaganda about the Government wanting to concrete over the countryside, but the blunt fact is that the legacy of the Tories was unplanned urban sprawl. That is why the Labour Government introduced a sequential approach: brownfield first, greenfield last. That is why we set a 60 per cent. brownfield target—and it is working. In 2002, 64 per cent. of new dwellings, including conversions, were built on such land.

Our policies will not only reduce the profligate waste of greenfield land so characteristic of the executive home developments that were so beloved of the previous Government but help to ensure better designed developments that provide for a wide range of needs.

We have already seen rises in housing density. The density of new dwellings in England in 2002 was 27 per hectare, a figure that had remained unchanged at 25 since 1996 and was a great deal lower before then. We want further rises. We have already said that in the south-east we want all planned dwellings built at an average of 30 per hectare, up from the 25 we inherited. By 2016, as a consequence, we will have saved 4,000 hectares of land from new build, an area equivalent to the urban area of Ipswich. We recently announced a new initiative to bring 1,650 hectares of surplus public sector land into use for new homes—an area equivalent in size to the London borough of Islington.

Part of our success in protecting the green belt has been the result of revitalising our cities. They now have a vitality and self-confidence that has been missing for years. That was admirably highlighted in the report, "A Tale of Eight Cities", published by my Department recently.

Mrs. Ann Cryer (Keighley) (Lab) *rose—*

Keith Hill: I am hurrying on, but I feel that I owe it to my hon. Friend to give way one last time.

Mrs. Cryer: My right hon. Friend has spoken about brownfield development. A developer in my constituency is anxious to develop a brownfield site that is perfect for that purpose, but the previous owner has a waste disposal licence from the Environment Agency. Apparently, neither the current owner nor I can do anything to about that and it is deterring him from developing a perfectly good brownfield site.

Keith Hill: I often observe in these debates that there is nothing more deadly than the friendly intervention, and that was a perfect example. I am entirely unsighted of those issues. I should be delighted if my hon. Friend were to write to me. I shall seek to reply to her, within the constraints of my quasi-judicial role as a Planning Minister. I hope that that gives her some satisfaction.

The truth is that people are returning to our cities, which are cleaner, safer, greener and creating more jobs and prosperity for their populations and regions. Take Manchester. Fifteen years ago, fewer than 300 people lived in the centre of that city of nearly half a million people. Now, the city centre has a population of 15,000 people, and it is growing. Many of them are young people who have colonised refurbished Victorian warehouses. Similar trends are evident in most of our major cities' central areas and they are expected to grow substantially in the next few years, with the planned new residential developments. That regeneration is welcomed, but some apparently think that we are planning to build in people's back gardens.

Let us not forget the wider reforms to the planning system. We need to put planning back at the centre of local decision making and to restore pride in both planning and planners. That is why the Planning and Compulsory Purchase Act 2004, so recently passed by the House, introduces a simpler and more flexible local and regional plan-making system, promoting better community involvement and giving local people more say in what their local environment looks like. For the first time, we have given the planning system the statutory purpose of contributing to sustainable development.

Let me make it entirely clear that our vision of creating sustainable communities applies equally to rural areas. The fact is that some of our rural areas are suffering, not because we are hellbent on concreting over the countryside, but because local people cannot afford to live there. That is why we have doubled the Housing Corporation's target for low-cost housing in villages from 800 in 2001 to 1,600 last year and why we will build a further 3,500 low-cost homes in villages over the next two years. That is why we are taking further steps to make it easier for councils to limit the resale of ex-council housing in rural areas, so that those homes are reserved for local people. There are now 30 such areas—up from 24 in 1997—and soon there will be 35. That is not rhetoric; it is real action to protect rural communities.

The choice offered to the House today is simple. We can go forward with this Government's policies: strong, successful, vibrant towns and cities; better designed, more sustainable new development in which homes, jobs and services are planned together, not left to the mercy of the market; and safeguarding our countryside by prioritising brownfield land, increasing the green belt and taking practical action to protect rural communities. The choice is a positive vision of sustainable communities or a return to the sprawl of the past.

The Opposition bring to the House a record in which out-of-town retail devastated our urban shopping centres, our great provincial cities were ravaged by boom-bust economics and low-density housing sprawled across the countryside. The House has a choice: to go back to the mistakes of the past or to embrace a positive agenda in which economic progress, social justice and environmental concern go hand in hand. The Opposition's motion offers nothing. It reminds us of their past failings. It tells us that they have nothing to offer for the future, apart from opportunism and sloganising. I urge the House to reject the motion.

5.34 pm

Matthew Green (Ludlow) (LD): We have just heard two speeches, but neither would bear a huge amount of detailed scrutiny.

The Conservatives' motion is broadly on the point and for that reason we shall support it. However, it is only broadly there. There are difficulties with the Government's approach to planning. They are over-centralist. The recent Planning and Compulsory Purchase Bill takes powers away from local authorities and passes them up to unelected regional authorities. We tried to prevent that but unfortunately the Tories caved in and the Government got their way.

The Government are over-centralist in their approach to housing numbers; that point has already been discussed. They cannot allow for local variation. Most parts of the south-east are screaming out that they do not want as many houses as the Government want them to take. However, for the past six months I have been asking for an extra 1,000 houses in South Shropshire, but the Minister still cannot provide them because of the centralised approach that is taken. *[Interruption.]* He says that he is working on it, and I hope he is. We wait with bated breath in my area.

Overall, the Government's approach fails to trust local authorities as effective planning authorities. The new Bill gives local authorities a greater ability to plan, but the imposition of central targets over that process is the problem. That is where the Minister will discover that the nirvana and vision that he portrayed at the end of his speech will fall down. He needs to give way a bit and trust local authorities more.

In the Department, housing and planning are almost in separate silos. They are not seen as one and the same thing. I realise that the Minister speaks on both issues, but there is a lack of joined-up thinking between the planning system and the need for more affordable housing. The planning system is not used as a vehicle to deliver affordable housing. Several options are available, but they have not been taken up. Too much work takes place in silos.

None the less, the motion is a bit rich given that it comes from the Conservatives. We have heard the Minister outline their past failings, but the very title of the motion, "Town Cramming and Urban Sprawl", gives the game away. They are worried about building in towns and building outside towns. They clearly do not want building anywhere. In fact, the purpose of this debate was to allow certain Tory Back Benchers to jump up and say, "I do not want all these extra houses built in my constituency." We heard that several times during the passage of the Planning and Compulsory Purchase Bill. This is not "nimbyism" but "nimcyism"—not in my constituency. The Conservatives say that they want more affordable housing as long as it is not built in their constituencies. They will quite happily build it everywhere else as long as it is not in the places that they represent.

Dr. Starkey: Does the hon. Gentleman agree that the other point that came across in the Tory spokesperson's speech was that the Conservative party wished to direct people to where they should live in England? That is not in the south-east but up north where there is a lot of space. The Conservatives also want to direct people into the sort of households that they should have. The Conservatives believe that people are spreading out too much and that they should live together whether they want to or not.

Matthew Green: The hon. Lady may have a point, but there is a consensus that housing density should increase. She was verging on saying that that should not happen. However, in broad terms I agree with her.

I have experience of local Conservatives in my area. Their approach to development seems to be to say no to everything. In fact, the Conservative party appears to have a planning policy that is "Always say no". It is the

[Matthew Green]

most negative approach to development that I have ever seen. It does not matter whether jobs or anything else are at stake; it is simply a matter of "Let's say no".

We have seen the Conservatives' failures in government. Let us not forget that out-of-town supermarkets were developed under the Conservatives, and that in places such as Malvern, supermarkets have devastated the town centre. I am worried that this Government will reverse their policy of stopping such developments.

Mr. Patrick Hall *rose—*

Matthew Green: I will not give way because I am conscious of how much time was taken up by the first two speeches and I realise that other Members want to speak.

There is a policy vacuum in the Conservative party. The one occasion on which the Conservatives announced a policy on planning and housing was Monday. The hon. Member for South Holland and The Deepings (Mr. Hayes) made the announcement and then appeared on "Newsnight", where he was well and truly Paxman-ed about it. It was a bit of a "Newsnight" mugging. It may not be fair—I do not think that Jeremy Paxman is fair—but it revealed that the policy did not require any legislative changes and might have an inflationary impact on the housing market. When the Conservatives announce a policy they have a problem, but the rest of the time, when they do not have a policy, they are just the party that likes to say "No".

The Conservatives' wanting to take on the planning issue in local elections would be understandable if they had stood up for what they say they believe in. Let us turn to the Planning and Compulsory Purchase Bill. An amendment on the transfer of powers to unelected regional authorities was ping-ponging between the two Houses. This House may not have been made aware that the Conservative motion before the House is their second. They put one on the Order Paper and then changed it. The first said at the end that

"local authorities should be able to decide the priorities for local development, not unelected regional authorities",

but they removed those words. I wonder why. They are embarrassed that their Lords let them down and allowed the Government to proceed with a Bill that transfers powers to unelected regional authorities from county, metropolitan and unitary authorities. Far from defending the rights of local democracy, they caved in, and they changed the wording of their motion because they are so embarrassed about it.

Mr. Edward Davey (Kingston and Surbiton) (LD): What does my hon. Friend think may be the implications of that for next year's county council elections? This year's local elections have reared their head in today's debates. Does my hon. Friend think that the Liberal Democrats could campaign on this issue in the 2005 county council elections?

Matthew Green: I would be very surprised if Liberal Democrat councillors throughout the counties did not point out the Conservatives' failure to defend elected members over unelected regional authorities. I would also be surprised if it did not get mentioned in the odd "Focus" leaflet. Members from other parties like to mention "Focus" leaflets, but before they jumped up I thought that I would do it for them.

I have had another experience of the Tories wearing their local planning hat. It comes from the other local authority in my area: Tory-run Bridgnorth district council. I do not often mention it; frankly, it is best not to mention it most of the time. A supermarket is to be built in the centre of Bridgnorth. The issue is not whether that is right but the approach that the Tories took. They allowed the senior planning officer to do all the negotiations with the supermarket on his own. He then wrote the development control report stating whether the company should get planning permission, and he spoke in the debate. That was allowed by Conservative-run Bridgnorth council. It then allowed the planning officer to interfere with the legal officer's duty by trying to prevent councillors from speaking because he thought that they might be opposed to the development. The most recent failure is the fact that a meeting was held in secret to discuss the deal and the application, which are one and the same, and councillors who turned up were given the relevant papers and told that they had to hand them back at the end.

That is how the Conservatives run local planning: they do it in secret with no regard to proper and decent practices.

I urge the hon. Member for South Holland and The Deepings to condemn the conduct of Conservative-led Bridgnorth council.

I hope that in her winding-up speech the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Pontefract and Castleford (Yvette Cooper), will touch on planning policy statements. We have spent 18 months debating the Planning and Compulsory Purchase Bill, but the detail that is critical to whether or not someone gets planning permission is included in planning policy statements, which have replaced planning policy guidance. PPSs, however, are never debated in the House. They are produced by the Office of the Deputy Prime Minister, are the subject of consultation, and are signed off by Ministers. They are crucial to planning decisions but we never have an opportunity to debate them. We can argue about the system of planning in a planning Bill, but we can never debate the nuts and bolts of the planning system.

If the Minister for Housing and Planning believes in an open and accountable planning system, he should allow us to debate PPSs, which come up regularly for review. Draft PPS6 has raised a number of concerns, because the Department of Trade and Industry and the Treasury appear to have had an influence in allowing out-of-town supermarket developments again. I believe that the ODPM is concerned, but has issued the statement none the less. PPS6 favours developers of large-scale multiple retail units over other retailers such as small shops in town centres, which could be damaging to town centres. We know how much damage was caused in the 1980s when supermarkets were built on out-of-town sites, but there is concern that PPS6 will lead to exactly the same problem again. A husband and wife in my constituency have summed it up very nicely:

"The centres of small market towns all over Britain will be destroyed just as they have been in France, more small businesses will fail, and many of the jobs created in these new shopping centres will be at the expense of our existing ones. We are constantly being urged to use our cars less and yet new housing developments in the countryside will only encourage more commuting. Why doesn't the Government actively encourage the owners of town centre properties to refurbish . . . ?"

With PPS6, we are in danger of creating more large out-of-town shopping centres. I hope that the Under-Secretary will make it clear that that is not the intention and that if necessary, the Government will change the statement.

Richard Younger-Ross (Teignbridge) (LD): My hon. Friend has mentioned out-of-town developments. The Opposition said that they were going to stop such developments, but they started the process. My hon. Friend may be aware that a Conservative Secretary of State allowed a number of years for the ban to come into effect, by which time all the supermarkets had submitted their applications, as has been pointed out. If the supermarkets are allowed to re-establish themselves on such sites, that will sound the death knell for even more town centres. Does my hon. Friend agree that the supermarkets are causing the strange death of merry England?

Matthew Green: I would not want to vilify supermarkets or go as far as Lord Rooker, who speaks for the ODPM in the House of Lords. Only a couple of months ago, he referred to

"the spivs in the retail industry"—[*Official Report, House of Lords*, 5 February 2004; Vol. 657, c. 854.]—

not, I think, one of the highlights of recent ODMP speeches. There are, however, problems with supermarket developments, particularly on out-of-town sites.

I turn to another planning policy statement—draft PPS7, which covers rural areas. I have two concerns, which I hope the Minister will address. One is the general nature of PPS7. I quote from a constituent, a member of the local Campaign to Protect Rural England, who makes a powerful point, although perhaps it is expressed a little too strongly:

"My main overall concern about the Draft is that it appears to be very heavily biased in favour of almost any form of economic development almost anywhere in the countryside. There is totally inadequate emphasis on the importance of the countryside as a valuable and vulnerable asset in its own right—and on the consequent importance of safeguarding it for its own sake."

I hope the Minister will give assurances that draft PPS7 will not allow significant business development of an inappropriate sort in the countryside. Clearly, farm diversification needs to take place, but that would happen under the current PPG7. I hope the Minister will begin to address some of the concerns that are being raised about relaxing the rules too much in draft PPS7.

There is a second and more serious problem with PPS7: its potential effect on affordable housing. The Minister knows that one of the few ways of creating affordable housing in rural areas is through the use of exception sites. Draft PPS7 appears to rule out the use of exception sites for affordable housing in rural areas. That will have a dramatic effect because it will drive the young people away from the villages to the urban centres. I hope the Minister will be able to reassure us that that is not the intent of PPS7, and that if that is its effect, she will change it.

Finally, I turn to an issue that the Minister raised, but which was not touched on by the Conservatives, surprisingly—that is housing density. I am surprised that with all their worries about town cramming and development spreading out into the countryside, the Conservatives did not mention housing density. Perhaps they were worried because the figures for housing density when they were in government were pretty awful.

The Minister trumpets the fact that housing density is going up, but the figures are still dismal. The most recent figures we have, which I am sad to say are from 2002, show that 27 dwellings per hectare is being achieved. According to the Government's guidance the percentage should be higher. The median point of the range being discussed would be 40 dwellings per hectare—higher than the Minister mentioned. If that had been achieved over the past few years, 40 per cent. more homes would have been produced on the land that has been used since the Government came to power. That is the effect of getting the housing density numbers up.

We do not need estates of executive homes with gardens. We need more dense construction, because that is the way of delivering the affordable houses that we need. We do not deny that we need extra housing. We will not put our heads in the sand like the Conservatives and pretend that we can get away with no more extra houses. We need extra houses, but we need to make sure that they will not devour the countryside. I shall not become all Elgar-like, as the Conservative spokesman, the hon. Member for South Holland and The Deepings was, talking about "green and pleasant Land". I thought he would get on to "dark Satanic mills" after a while.

The debate, as is always the case when we are coming up to local elections, has been a lot of froth and very little policy. We know the Conservatives have no policy. We know their record is appalling. All they can do is point out some of the problems that the Government have created, and we agree with the words of the motion because they analyse some of the problems correctly.

The Government, if one believes them, say, "Don't worry. We've got it all in hand. It's all going to be sorted", but their policies do not add up to sorting the problems of affordable housing and protecting the countryside, which could be achieved if they reviewed the policies. I urge the Government to look seriously at integrating housing and planning policies more closely. I do not believe they have done so sufficiently. That lack of integration is leading to the problems that give rise to debates such as this on the Floor of the House.

5.54 pm

Colin Burgon (Elmet) (Lab): I am aware of the time, so I shall try to cut my comments short. The Conservatives will be pleased that my thunderous attack on their policies in the 1980s will have to be dropped; I shall stick to some fairly positive things.

I want to bring a northern perspective—if I am allowed to mention the north in this debate—to the issue of town planning and urban sprawl. I shall illustrate my

[Colin Burgon]

comments with examples from my Elmet constituency, which is full of towns and villages of markedly different characters that are very conscious of their identities. I share the desire of local people to maintain their own geographical integrity, for want of a better phrase. We do not want villages such as Micklefield to merge with towns such as Garforth, and we do not want Garforth to merge with Kippax or, God forbid, Kippax to merge with Allerton Bywater, where I live.

As I hope has come through in the debate, people are realistic enough to recognise that new homes are needed, and the Minister outlined why they are needed. The reasons include a change in housing patterns and household formation, the fact that we are living longer and the fact that, thanks to a Labour Government, wealth and affluence are growing. My area faces high demand because it is considered a pleasant place to live that has very good facilities. When I travel around the constituency, people tell me that they want their sons and daughters to be able to get a house there and to live in the area when they get married or move into relationships.

The big question is—the Labour party has had a big conversation, so perhaps we should have a few big questions—where should we try to build those homes? Part of the answer to that big question is: on brownfield sites. I do not recognise portrayals, such as those of the Conservative party, of the developments that the Government have encouraged. I am here today to praise Leeds city council for the success that it has achieved with housing developments in brownfield locations.

The last figures that I looked at, which were for 2003–04, showed that 80 per cent. of all new homes built in the great city of Leeds in that time were developed on brownfield sites. The positive impact is that, in the review of the unitary development plan for Leeds, we have been able to remove some 352 hectares from planned development and move it back into green-belt land. In areas such as Scholes and Kippax in my constituency, that has been well received. The only blot on the landscape, if I may use that phrase, is the plan for large-scale development at the northern end of Whinmoor, which I will do my best to oppose and defeat. That development would come on the back of the proposed extension to the ring road.

I am not following a nimbyist line on this issue. My constituency has four or five key brownfield sites, and they are not in people's back gardens. I am amazed that anybody thinks that we could hit housing figures by building in people's back gardens. All I can say is that some of the Conservative Members who have spoken must have exceptionally big back gardens. *[Interruption.]* Perhaps they have front gardens as well—

Mr. Robert Syms (Poole) (Con): And drives.

Colin Burgon: They even have drives; they have everything, the Conservatives.

Mr. Andrew Mitchell: Perhaps I can help the hon. Gentleman on that point. This is a question not of houses with big gardens, but of where developers may knock down two, three or four houses to obtain access to a large stretch of land that he and I would regard as gardens, so that they can put up 16 or 24 flats. That is the point.

Colin Burgon: I accept that, and I am glad that we are seeking to promote a better definition. Some of the terms that were thrown about earlier were a bit too loose, so I welcome the hon. Gentleman's comments.

In my constituency, there are several brownfield sites. There is a petrol station at Micklefield with a car park alongside it, as well as the Swarcliffe development and two other sites—one in Wetherby and another in my home village of Allerton Bywater. The crucial point is that developments on such sites are helping us to meet housing demand and, importantly for people in my area, to protect the adjoining green belt.

That is particularly apparent in the case of the millennium village, which I shall deal with later.

In terms of northern house prices, Wetherby is an expensive place to live. People in Wetherby say that they cannot get on the housing ladder and stay in that pleasant market town. If one calls into Wetherby for a cup of tea—hon. Members might consider this when they drive up the A1—the Micklethwaite Farm development site, which is a classic example of a brownfield development, is just before the river on the left-hand side as one drives into the town centre after pulling off the A1.

House prices are high in that area, so I am particularly pleased that 23 of the 102 properties on that site are affordable homes, ranging from two to five-bedroom units. They have been sold to a housing association that will run them and let them at social rents, which is good news for people in Wetherby. That is one way to begin to address the grave housing shortage, which—let us be blunt—the Conservatives' policy of selling off council houses has exacerbated. There can be no debate on that point.

In my home village of Allerton Bywater, we are blessed with one of the Government's millennium villages—the first one was in Greenwich, and now the scheme has moved on to Allerton Bywater. The project has been run under the guidance of English Partnerships, which is brilliant at engaging people in the democratic process, helping them to understand what the development is about and addressing their fears and concerns.

The 25-hectare millennium village site is a good example of mixed-use development. The site formerly provided jobs for 1,400 miners, and the millennium village has brought jobs back into the area as well as housing. The village includes 500 homes, 100 of which will be sold under shared equity schemes. As a result of those schemes, 20 per cent. of the houses will enable younger people to get on the first rung of the housing ladder. I have spoken to representatives of English Partnerships, who say that local people welcome the scheme.

The millennium village consists of well-designed, high-quality housing, which is important, and it has also revived our community buildings. The old school, which was in a state of disrepair, has been renovated as a community centre and library, and the miners' welfare building, which houses the cricket and bowling teams

and various other activities, has been rebuilt and will be reopened shortly. In that sense, the development is a boon. The crucial point is that the millennium village has saved a beautiful swathe of greenfield land between Kippax and Allerton Bywater, which will not be built on because the millennium village partly meets housing need.

Having listened to Conservative Members today, I urge them to get in touch with the leader of the Conservative group in Leeds, who followed a duplicitous and dishonest policy of opposing that development while demanding the protection of the green belt. Tough choices are necessary in such matters, and we supported the development in order to protect the green belt.

I have a few additional points for the Minister. I hope that PPG3 will not be weakened, because it has been crucial in developing a sequential approach to housing development—brownfield first; greenfield later—and we should try to strengthen it.

The hon. Member for Ludlow (Matthew Green) discussed PPG7. Although PPG7 was brought in to revive the rural economy, it is used like a blunderbuss. It should not be used in metropolitan districts—it was used to introduce agricultural activity on the doorstep of one of the biggest conurbations in Leeds. In that case, a factory was built on the green belt in my constituency solely to promote agricultural or rural revival. That was totally inappropriate, and I hope that we examine that point in the future.

Village design statements are very popular in my constituency, and they should be given even greater weight in the planning process. I should especially like to mention the residents of Bardsey, who spent vast amounts of time developing their village design statement and finished up losing a big battle on mobile phone masts.

Matthew Green: Does the hon. Gentleman share my concern that the Countryside Agency has just stopped giving grants to communities to produce village design statements as part of the vital villages scheme? I hope that he regrets that as much as I do.

Colin Burgon: I do regret it, although I welcome the fact that we introduced the policy. Perhaps it will change. However, I do not want to be like the Liberals by facing both ways at once.

Another aspect of urban sprawl is that when driving on motorways or major roads, one sees redundant trailers and lorries parked in fields with huge advertising signs on them. That adds massive clutter to the countryside, but nobody ever seems able to do anything about it. It is not only local firms that put them there, but multinationals such as IKEA and McDonalds.

We all tramp round the streets delivering leaflets—at least, some of us do; some people pay to have it done—and we can see that something that makes a real difference to the feel of an estate is the presence of trees. Our planning legislation should enforce the provision of trees in public spaces. There is nothing like trees for breaking up the straight lines of buildings and giving variety and colour to an area, as well as for promoting wildlife.

I hope that the Government will continue to encourage bringing life back to our cities. A classic example is the great city of Leeds. Twenty years ago, one would steer clear of the city centre, especially on a Saturday night; now, it is absolutely packed with people. It is a lively place and people are living in it. We should do more to encourage that, because the more people live in the centre, the more pressure is relieved on the edges in constituencies like mine.

We should continue to have tight planning regulation. I do not want us ever to be like the countries with poor planning regimes that lead to hideous sprawl and inappropriate developments, which many of our constituents see when they travel. I could mention several countries, but I do not want to fall out with them, because they might not allow me to visit them in future.

Thanks to this Labour Government, the whole basis of urban and rural land use policy is far more coherent and based on sound principles. Now that we have got coherence back into the system, our job is to continue to move forward.

6.7 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Certain aspects of this debate are of great and grave importance to my constituents. In Sutton Coldfield, we are groaning under the weight of vexatious and unwanted development proposals. We have made some progress over the past year, but it is no thanks to the Government. I am pleased that the Minister for Housing and Planning and the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Pontefract and Castleford (Yvette Cooper), are on the Front Bench today, because they both have some understanding of the problems. Indeed, on the day that the Minister was promoted, he responded to my Adjournment debate on a similar subject. He recently agreed to meet me and a senior councillor from Sutton Coldfield to discuss the issues. I have also indulged in a great deal of correspondence with the Under-Secretary, some of which is ongoing.

I want to make three specific points in supporting the motion ably proposed by my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes). Overall, my key point is that far too few decision-making powers are in the hands of the local community and that the planning system is slanted too much in favour of developers. We have to rectify that situation in the interests of our constituents.

First, brownfield development is taking place in areas where no one expected or intended that it should.

There is a great deal of difference between wasted and undeveloped industrial land, which needs to be cleaned up and returned to productive use, and the sort of back gardens about which the hon. Member for Elmet (Colin Burgon) and I exchanged views a moment ago. The confusion between infill in the back gardens of houses and industrial development land causes enormous upset and great vexation to people who live in my constituency and similar communities. We all know what brownfield development is meant to be, but the concept has been greatly abused through lack of a clear interpretation.

Secondly, communities, through local authorities, must have more power in decision making. It is proposed that three bungalows on Little Sutton lane in

[Mr. Andrew Mitchell]

a lovely part of Sutton Coldfield be demolished to make way for a large number of flats. Everyone opposes that. The three local councillors and I are opposed to it and up to 1,000 people who live in the area have said that they do not want the development. However, the developers are back after being turned down. They can take informal advice from the planners and they threaten to appeal. My constituents are defeated. We cannot match the way in which developers push through proposals, using the well-known weapon on appeal of a slick London barrister. The developers bank the money and move on, and my constituents are left with the disruption and misery caused by a process that should not lead to the results that often ensue.

Once one or two such developments occur in an area, people wake up one morning and find that its character has completely changed. The effect of great density in an area such as my constituency on doctors' surgeries, schools, parking, roads and so on is incremental and immense. We do not oppose the Government's point about the need to build houses or the density arrangements. However, in a city such as Birmingham, those houses must be built in the right area and the authority must be able, under the law, to discriminate between an appropriate and an inappropriate area.

In my constituency, developers presented a proposal for Brassington avenue, which is in the heart of Sutton Coldfield. Although many of us welcomed the original proposal, as soon as that welcome for good sense about density was made public, the developers upped the number of flats that they wanted to build and lost the sympathy of the area and the people who had initially examined the proposal and genuinely believed that it might prove appropriate.

Thirdly, I set the Government a test of their sincerity about the green belt. Peddimore will be a familiar name to the Under-Secretary. It is a site that was removed from the green belt under my predecessor, Lord Fowler, and made a site of regional significance in the west midlands. That was done on the ground of prospective enormous inward investment by the electronics industry. However, it never materialised. The result of a unitary development plan inquiry was devastating. The inspector not only found in favour of the arguments that I and others in my constituency presented and dismissed the council's argument, but made it clear that the council had not even assembled a proper argument.

The Labour council in Birmingham is trying to subvert the inspector's ruling through the draft regional plan and ask the Under-Secretary and the Department to leave Peddimore as a site of a regional significance outside the green belt. The test for the Under-Secretary and the Department is to listen to what all those people who attended the inquiry said. Let the Under-Secretary hear the authentic voices of local communities speaking for the areas where they live and return Peddimore to the green belt. There is no user for the site and no case for its being out of the green belt. Alternative, much better sites exist and there is a damning case against its current status. I urge the Under-Secretary to examine the evidence carefully and ensure that Peddimore goes back into the green belt.

I have been relatively brief about an enormously important subject in Sutton Coldfield. We must ensure that local communities have a much better defence than currently exists. I detect some sympathy for those views from the Under-Secretary. I hope that she will redouble her efforts to find ways of ensuring that the planning system can provide that defence to local communities, which are far too exposed.

6.14 pm

Mr. Kelvin Hopkins (Luton, North) (Lab): First, may I pay a compliment to my right hon. Friend the Minister for Housing and Planning? Unfortunately, I was unable to be present for the first part of his speech, which I shall read with great interest in tomorrow's *Hansard*, but the latter part I entirely agreed with. He has a great grasp of the important issues we are discussing today.

I heard all the speeches from the other Front-Bench spokespersons, and I take issue particularly with the Liberal Democrat, the hon. Member for Ludlow (Matthew Green), who, on the one hand, said that planning should not be too centralised and, on the other, that people do not want to live in silos. Unfortunately, local authorities, to some extent, are silos. They can deal only with matters within their boundaries. Central Government must have a role—

Matthew Green: How much?

Mr. Hopkins: I have nothing against central Government; indeed, I strongly support them and their planning role. They need enough power to do the job properly. My constituency of Luton, North has a desperate housing shortage. We are running out of brownfield sites and we are doing our best to put as much housing as is reasonably possible within the borough boundaries, but we need to expand to house people. We are talking about people on the council house waiting list, not those in large houses. They are the ones who need homes; we need social housing.

The word "planning" greatly appeals to me. It has a socialist flavour of which I entirely approve. Of course, the great advance was made by the post-war Labour Government and the Silkin Act, and we owe them a debt. I am fully in favour of planning—sensible planning—and indeed a central role. Only central Government can solve the problems we have in Luton.

Like many other areas in the south-east, Luton has a serious housing problem. There is a shortage of housing, as well as a shortage of affordable housing, and we need more council housing in particular. There is a similar situation in many other areas. We need to build reasonably near to Luton, but we also have to build in other local authority areas. I have discussed these matters with the hon. Member for South-West Bedfordshire (Andrew Selous), in whose constituency some of the new houses will undoubtedly be built. Some of my constituents may finish up living in his constituency, over time. *[Interruption.]* They are fine people and I want them to be properly housed in decent homes, wherever they live.

Clearly, planning law is designed to have a negative effect—to prevent development where it is inappropriate—but it also ought to have a positive aspect so that it promotes development where it is

appropriate. To the north of my constituency, there are areas of outstanding natural beauty, sites of special scientific interest and areas that should not be built on, but there is also pretty average farm land that is entirely appropriate for new housing.

Mr. Patrick Hall: My hon. Friend's use of the word "positive" brings me to my feet, and I very much agree with him on that. Does he agree that, rather than approaching these matters involving housing development and the sustainable communities plan as a threat and something with which to generate fears, which is what the Conservative motion seeks to do, we can be positive and confident about the many interrelated social, economic and environmental benefits that will flow from a strategic look at those issues and which will help society?

Mr. Hopkins: I entirely agree with my hon. Friend and thank him for his intervention. If we are to have more housing, the logical place to build it is around existing large towns, especially towns such as Luton, which are below a critical mass at which they can become more interesting. We have heard about the splendid city of Leeds, which can sustain theatres. I was going to say that it can sustain a successful football club, but that would have been unfortunate.

Nevertheless, big cities can sustain much more interesting facilities than medium-sized and larger towns such as Luton. Luton and Dunstable, together as a conurbation, cannot yet sustain facilities of the kind that I want in our area. I look forward to the expansion of our conurbation to such a size that it reaches the critical mass at which we will be able to have a big, successful football club, an Olympic-sized swimming pool and a professional theatre.

That is what I am looking for, and I like to think that my constituents agree that Luton could become an even more exciting place if it was larger and we also had decent homes for our people.

There is much to be said for the Government's plans, and I entirely agree with their approach.

A point I have made to local authorities in my area, to people who live there and to my right hon. Friend the Deputy Prime Minister is that we should build the benefits into new housing developments. Small spinneys and woodland areas could be made into green corridors forming a link with the existing conurbation. That would make life much more interesting for everyone in both places, and would preserve what is best in the rural element of urban areas. One of the great successes of planning is our preservation of green areas in towns. Certainly there are some nice parks in Luton, and we want to preserve them.

Mr. John Horam (Orpington) (Con): I entirely agree that we should build an element of greenness into new developments. The problem is that in areas such as the one mentioned by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) and my own constituency, gardens are being filled in, and the concentration on new housing is eliminating the rural, green aspect that we value so much.

Mr. Hopkins: Local authorities in my area strongly agree that green areas should be preserved and green corridors created.

I have not much time left. I want to make one or two important points. In recent months I have had some conversations with house builders. I asked them whether they were interested in building on brownfield sites; no, they were not. Were they interested in building social housing? No, they were not. Were they interested in contracting to build for local authorities or housing associations? No, they were not. What they were interested in was building on greenfield sites where they can get the development value and build expensive executive homes.

The Government must intervene to ensure that that does not happen. There must be a much greater role for the state at local and national level to ensure that we build the houses that are needed, not those designed to bring big profits to builders. If that means a degree of subsidy to reinvent and recreate the great local authority housing of the past, which housed so many of my friends when I was young, so be it. I am a strong supporter of good local authority housing development, and I believe that it must have a major role in the future.

We must stop the house builders, the developers and the free marketeers ruining our countryside and making it a place where many of my constituents will never be able to find houses because they will be unable to buy, and where a small minority of people will live in large executive homes. Low-density housing will do nothing to introduce some sort of equality and social justice.

There are many more points that I would like to make, but perhaps that will suffice for now. I strongly support the Government's position, and will vote against what the Conservatives have proposed.

6.23 pm

Sir Sydney Chapman (Chipping Barnet) (Con): It is a great pleasure to follow the hon. Member for Luton, North (Mr. Hopkins). Given the limited time, I hope he will excuse me if I do not pick up all his points.

In an intervention on the speech of my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes), I pointed out that over the last 25 years the population of our country had increased by 4 million, but so had the number of households. That reveals a dramatic change in our country's demography. Let me give one or two more statistics. The number of lone-parent families has doubled in the last 35 years. The number of single-person households is now 30 per cent. of the total. Conversely, the number of households consisting of married couples and children—what we regard as the typical British family of yesteryear—has fallen from 33 per cent. of the total to 20 per cent. I mention those figures because it is certain that whatever problems we may have in meeting the housing aspirations of the people of our country in the next few years, the task will become immeasurably more difficult.

Let us also remember two other factors. First, in the last 25 years, car ownership has increased from 14 million to 27 million; and, secondly, we are becoming an ageing population. That has occurred not only because we are living longer—due more to medical science than to the Government, though I sometimes doubt whether Government Members realise it—but because of the falling birth rate. We need more dwelling units and, apparently, smaller homes.

[Sir Sydney Chapman]

I do not believe that there is any all-embracing, single, simple solution. We need different approaches and different policies for different areas. I should like briefly to outline my seven-point policy.

First, green belt policies have been the undoubted success of post-war planning policy. I believe that they should be inviolable and that Governments should support them. On the one hand, they have prevented towns joining each other, and on the other, they have prevented ever-increasing sizes of conurbations.

Secondly, we should place even greater emphasis on the use of brownfield sites. One problem is that so many of them are contaminated, making it more expensive to prepare the land for housing. Those sites also tend to be based in areas where building is more expensive than elsewhere. The Government have made changes to section 106 agreements, whereby in return for certain planning permissions being granted, the developers make contributions for the benefit of the community. I believe that the revenues from section 106 agreements should be put into helping developers with the extra expense of developing brownfield sites.

Thirdly, it is possible for us to be much more imaginative. In the old days, we used to think in terms of high-density development and building multi-storey blocks of flats in cities and large towns. However, the ingenuity of architects and planners now suggests that it is possible to have higher-density, low-level development. I would like to see the Government choosing sites in our great cities and very large towns and holding a competition for the design and layout of high-density development. The high standards of health and security that we demand would have to be met and "defensible spaces", to use the modern jargon, provided for people to live in. The winning schemes should be built. After people were invited to assess them, they could readily be sold off at a considerable profit.

Fourthly, we need a firmer policy to protect our pleasant suburbs. Too many impersonal blocks of flats have been allowed to replace pleasant houses, and too much unrelieved "tarmacadaming" for off-street parking has been allowed to replace gardens. Providing more places for cars as well as building more flats has been a problem.

Fifthly, we need to encourage the conversion of more existing non-domestic buildings—warehouses, old mills and so forth—into providing homes. Interestingly, in my part of the country, the value of homes is higher than the value of offices. Some suitable offices could be transformed to become housing stock.

Sixthly, we must have minimum development on greenfield sites. I am not naïve enough to suppose that no such development will take place, but it should be a last resort and occur only when it can be shown that there are no more suitable brownfield sites in the area. It should be possible, on a village-by-village basis, to look at smaller communities and settlements to see whether sensible development could make them more viable. That could mean that the local sub-post office does not have to close and that a bobby on the beat and a doctor could be based there locally. A village could thus be transformed into a more economically and socially viable unit.

My seventh point is that we need a more imaginative policy to reverse our declining urban areas, particularly in the north.

Finally, the motor vehicle has changed the way in which we live as well as having a profound effect on our town planning. Why do we not earmark areas in some big cities in which people may live, provided they do not own a vehicle when that is their choice? We might be surprised to find that many people, especially those in our great cities, would like the option of not having a car, yet being able to live in a quieter environment. It is key to making our inner cities and town centres decent, safe and attractive places once again. We need enthusiasm, imagination and commitment; and would it not be wonderful if we could get all-party agreement on how to go ahead and achieve that?

6.30 pm

Mr. Mark Hoban (Fareham) (Con): I want to focus on my constituency because it reflects many points made by hon. Members, especially those made by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) in the context of his constituency. Fareham's population has expanded significantly. In 1961, 58,000 people lived in the borough of Fareham and by 2001 the figure had grown to 108,000. Most of the development has taken place in the west of my constituency, and in the 1970s, 1980s and 1990s—especially—it was well planned and environmentally friendly. However, brownfield sites are now being used to intensify development, especially in the western part of Fareham.

Nursing homes have closed and have been replaced by large blocks of flats. A block called Paxton court with 24 two-bedroom flats is being built to replace only three bungalows on Locks road in my constituency. Last week, there was a planning application to build 53 flats in five blocks, with car parking and access, on the site of only two or three houses in my constituency. My hon. Friend the Member for Sutton Coldfield identified the problem of more intense development taking place in already well developed areas. The pressure on such sites is continuing not only in the west of my constituency, but in other parts, because the council is required to build more houses to meet the Government's planning targets.

It was interesting to note that the Minister for Housing and Planning referred to one of the last brownfield sites in Fareham. Some 1,650 hectares of land have been transferred from the ownership of the Department of Health to that of the Office of the Deputy Prime Minister. It is a former hospital site, and although part of it has been developed as a hospital, much of it consists of green fields. I will be intrigued to find out whether one of the last remaining green areas in the west of my constituency will remain as a place where children can play, or whether the fields will be built upon under the stewardship of that Department.

Why is there such an intensity of development in my constituency? Hon. Members referred to PPG3 and its guidance on population densities. The increase in the density of housing to 30 to 50 dwellings per hectare is leading to more intense developments on relatively small plots of land, so 24 flats are being built on the site of three bungalows and their gardens. More flats are being crammed into such areas.

The classification of brownfield sites to include residential homes must be examined. The Government's adviser on density said:

"They made very large gardens in the 1930s and it is possible to sub-divide the plots with alleys and paths to introduce denser development".

Such an increase in population density is occurring in my constituency, and the Government are keen for that to happen.

An issue that arises from density of development and the focus on brownfield sites is the change of areas' characters. Park Gate, which is in my constituency, is a mixed residential, office and light-industrial area.

However, the demand for brownfield sites for housing makes it very attractive for businesses to close down and sell their land, or to convert light industrial and commercial premises for the purpose.

That is what is happening, but there is no debate in the local community about the nature of the area. People who may be able to walk to work now will be forced by the change in use to drive to work. That will put pressure on the already crowded roads in the west of my constituency.

The increase in the density of development also places pressure on the existing infrastructure. I return to the example of Paxton court, where 24 flats have replaced three bungalows. The amount of traffic on the roads will be between six and eight times greater as a consequence of such intense development of so-called brownfield sites, but the transport infrastructure in the area—both the local main roads and the M27—is already suffering a great deal of pressure from existing developments. Increasing the intensity of residential development and using more brownfield sites will add to the pressure on the transport infrastructure.

The Government have held no end of inquiries and reports. The south coast multimodal study was the most recent, but there is now to be a further study of transport needs in south-east Hampshire. Those inquiries merely put off the decisions that need to be made if the transport infrastructure is to be improved in my part of the county.

The increase in intensity of development has not increased the stock of affordable housing available for the doctors, nurses and teachers needed to cater to the needs of the growing local population. In part, that is because the price of the sites being used has been bid up—the pressure to develop on brownfield land has meant that developers have to pay higher prices for land. Those increases have been passed on to the people who buy the flats.

Flagstaff House is a development on the site of a former nursing home. A one-bedroom flat there costs £150,000—six times the average earnings in Fareham. The increase in housing density does not equate to an increase in affordable housing to meet the needs of key workers who might wish to live in the area.

The intensity of development and the strains being placed on the infrastructure mean that there is much opposition in the local community to the impact of the planning process. People are starting to feel disfranchised from the process, and to believe that the local council is almost powerless when faced with central Government planning guidelines. If we are to restore confidence in the integrity and transparency of the planning process, we must ensure that local people are able, through their local councillors, to influence more of the decisions that are taken about the future of their communities.

That is not happening at the moment. It is important that we reconnect people with the planning process. People in Fareham are asking for a fairer deal.

6.38 pm

Mr. Robert Syms (Poole) (Con): I begin by declaring my entry in the Register of Members' Interests, as I have an interest in a family property and building company. I also want to apologise to those Back-Bench Members of all parties who have not been able to contribute to the debate. I know that they will be frustrated, but it is inevitable that Front-Bench speakers will want to explain what they say in attack or defence, and that they will take many interventions.

The hon. Member for Ludlow (Matthew Green) suggested that, in future, it might be appropriate for the House to spend more time debating policy planning statements. I agree, as planning is a major issue in many constituencies. Many constituents are affected by it, yet most policy planning statements are not discussed here before they go out to local authorities for consultation. I think that the usual channels should consider whether those statements should be discussed more fully in Parliament, both when they are introduced and later, when we can see how they affect the communities that we represent.

Earlier, there was a little spat about rural planning, when it was clear that there were differences of opinion. We should spend more time in the Chamber on such matters, as that may be the best way of securing a holistic view from Members of Parliament.

In this short debate, we have heard some very good contributions. The hon. Member for Elmet (Colin Burgon) talked about the big conversation and being the voice of the north. His main concern was ensuring that the communities he represents were not joined up to the urban sprawl of the city of Leeds, which takes in many rural and semi-rural areas. We heard a thoughtful speech from the hon. Member for Luton, North (Mr. Hopkins), who glowed when he mentioned the word "socialism". He wanted to make Luton an even more exciting place than it is at the moment, and strongly defended the Government's policies.

We heard a traditional and thoughtful speech from my hon. Friend the Member for Chipping Barnet (Sir Sydney Chapman), who made seven points—unlike President Wilson, who had 14 points. It would be worth the while of the Minister for Housing and Planning to read those points—he was not in his place when my hon. Friend spoke—because they included some very good ideas for the future direction of development. We also heard some good contributions from my hon. Friends the Members for Sutton Coldfield (Mr. Mitchell) and for Fareham (Mr. Hoban).

This debate is about town cramming and housing density. The Minister laid great emphasis on the fact that he wanted to increase density and there are certain parts of the country where higher density development is appropriate. In my own constituency, there are one or two former industrial sites near the quay and the former port that could be developed at higher density, and could include more affordable housing. However, PPG3 and the revisions of it in March 2000 are having an unintended consequence. Many parts of my constituency contain family homes with large gardens.

[Mr. Robert Syms]

What happens is that developers pick streets that used to be middle class, family areas, they buy up two or three homes together or make a large offer to one resident, and then they put in an application for high-density development. As Poole is a seaside resort, the applications tend to be for flats. After the developers get one property, they try to get others, so often multiple applications are made. As a result, the communities feel disfranchised and frustrated, as my hon. Friend the Member for Fareham said.

The consequence, as property after property is turned into flats, is that all the people who protested that they did not want the character of the area to change decide to sell up and move out. That means that the essential nature of the area changes. An aerial photograph of Poole would show mainly trees and gardens, but we are gradually losing trees and gardens and in their place we have higher density development. However, that development is not in affordable housing, but in expensive flats, many of them second homes.

We are losing family homes, trees and large gardens, so the nature of my constituency is changing. That theme is also apparent in Meriden, Sutton Coldfield, Fareham and some of the leafier suburbs of London. It perhaps affects Conservative Members more, because of the nature of the constituencies that we represent. In the past two general elections, the Conservative party was hard hit and the leafier suburbs and rural areas are just about the only ones where we have some representation. In any case, high house prices and the Government's pushing of higher density development through PPG3 have combined in a pincer movement on my constituents.

Planning committees are pushed, by PPG3, to allow higher density developments in the face of great opposition, and they are now demoralised and upset. The planning department in Poole has told me that the development control officers in the Sandbanks, Canford Cliffs and Parkstone areas have to be rotated—like officers on the Russian front—because of the stress caused by residents telephoning and e-mailing when an application causes great concern.

That is a feature of Britain. It is certainly a feature of the suburbs and it is changing the essential character of our towns. That is why there is legitimate concern about how PPG3 is implemented.

We all believe in some degree of national guidance, but I wonder whether there is a way in which one could be more specific about what is and is not appropriate for high density in a local area. My party believes that more of these decisions should be made locally. The only way to sort out the detail and to decide what is and is not appropriate for development is to give more powers to local authorities.

Perhaps areas should be designated as low-density areas in a particular borough or urban area to save its essential character. As it is, people tend to make areas of a borough conservation areas where that is not necessarily appropriate, because they feel that may be a means to ensure that density levels are lower.

Essentially, that is the charge that we make against the Government. Statistics and figures are bandied across the Chamber, but much brownfield development is on urban land that was a garden or a drive, or had been previously the site of a bungalow, now demolished. That is our legitimate concern. When my constituents hear that the Government, in their push for higher density, are commissioning a further study from Cambridge university's Martin Centre for Architectural and Urban Studies, which is spending £1.75 million to look at even more ways to encourage density in suburbs, their natural reaction is to think, "Goodness, there will be more pressure on us to increase density where it may not be particularly appropriate."

That is why the Opposition are on the attack today. Our communities feel that they are under pressure and are being threatened. Many of our citizens feel angry and disenfranchised. The consequence of that in the long term is not good for politicians. When planning committees, residents and even MPs feel that they cannot have any impact on what goes on in communities, and that national circulars, Government inspectors and regional officers have more impact on their towns, we are in great difficulty.

My hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) covered many issues, and I will not repeat a lot of what he said, but there is concern about how the sustainable communities plan will impact on some areas of the south. Although building over green fields is something that one has to do, the Government have planitis—they seem to have a plan for everything, largely by extrapolating and assuming that the trends will continue, making the situation in many of the areas under great pressure rather worse.

The other day, I was talking to the leader of Kent county council. He says that quite a lot of land there is appropriate for housing, but that there is not the infrastructure—

Keith Hill: We are spending £446 million on infrastructure in the gateway.

Mr. Syms: The Minister says that, but Kent says that the Government are not being so proactive in establishing that infrastructure. We must have balance—we must have infrastructure as well as development. Many people in our communities are concerned that the two do not go together—people get the development first, with all the downside and the difficulties, but they do not get the infrastructure later.

The Campaign to Protect Rural England, for example, is concerned about the sustainable communities plan. It says:

"Growth on this scale could devastate the countryside in a region already under severe pressure. And it could further damage declining urban areas which desperately need investment and attention—not just elsewhere in the region but right across the country."

The south-east is under great pressure. The Government need to think again. The Thames gateway makes sense but some of the other plans are rather too ambitious.

My hon. Friend the Member for South Holland and The Deepings made a compelling point on the green belt, which is a great legacy of the Conservative Government of 1955—Duncan Sandys introduced it. It was meant to save land for the long term. It was not meant to be a temporary thing that could be moved at the will of a Government when people felt that it was no

longer relevant. At the moment, green belt is being built on where there is already development pressure and green belt is being added where there is no pressure. Doncaster may be a lovely place but I do not think that it faces the same pressures as areas in the south-east.

That is an issue of real concern

My hon. Friend made powerful points about Barker. The report did not take the latest census material into account: there are 900,000 fewer people in the UK and 720,000 empty homes, 300,000 of which are in London. There is a very good argument for looking into the management of our housing stock and freeing up that stock before we build on green fields across the country.

There is legitimate anxiety about the changes in our communities. I understand the Government's concerns about affordable housing and the need to increase density in certain areas, but in fact what is happening is that many leafy suburbs, and some rural areas, are undergoing substantial change. That is causing great concern to our constituents and the problem must be dealt with; otherwise the anger that already exists will grow. We need a more flexible approach than the Government have shown so far.

I hope that my colleagues support our motion, because the House should make clear its view of the Government's policy.

6.50 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): We have had an interesting debate. The hon. Member for Ludlow (Matthew Green) raised issues about planning policy guidance. He may have heard the Deputy Prime Minister on the radio this morning; my right hon. Friend made it clear that we are not changing the approach to out-of-town developments. Nor does the draft planning guidance mean reducing support for affordable housing in rural areas: quite the reverse.

My hon. Friend the Member for Elmet (Colin Burgon) described the value and importance of the millennium village in his constituency. As his neighbour, I can testify to the importance of that programme, which is regenerating the coalfields area with a new approach to mixed development and the building of mixed, sustainable communities.

The hon. Member for Sutton Coldfield (Mr. Mitchell) raised concerns about his constituency, many involving planning cases, on which, as he knows, I cannot comment. I shall deal later on with some of the broader issues that he raised.

My hon. Friend the Member for Luton, North (Mr. Hopkins) set out clearly the pressures on housing in his constituency. He made a powerful case about the need for more development and housing in the south-east.

The hon. Member for Chipping Barnet (Sir Sydney Chapman) made some important points, many of which I agree with, about the value of good design and the potential for city centre redevelopment. The hon. Member for Fareham (Mr. Hoban) complained about development and greater density, while simultaneously complaining about affordability in his constituency. That very much epitomises the issues we face in London and the south-east.

I want to pick up some of the points made by the hon. Members for Poole (Mr. Syms) and for South Holland and The Deepings (Mr. Hayes), and will start with the issues raised about the green belt. Opposition Members have professed grave concern for the green belt, yet figures published by the previous Conservative Government showed that, in the 1980s and the 1990s, they slashed the green belt. The Labour Government have already increased the amount of green belt and we have made it clear that we need to protect the overall level of green belt in every region. As my right hon. Friend the Prime Minister pointed out earlier today, that is a "darn sight better" than the Conservative party managed to do.

As Opposition Members know, we have also increased the proportion of new houses built on brownfield sites. So far, the Thames gateway scheme has involved more than 80 per cent. brownfield development, with a density of 37 dwellings per hectare. That substantial brownfield development is a good thing.

The hon. Member for South Holland and The Deepings said that we should go back on the sustainable communities plan and that he does not support the four growth areas. I fear that is yet another example of Conservative Front-Bench Members not talking to each other, because what did the shadow Chancellor tell the *Medway Messenger* last week? On a visit to the Thames gateway, the right hon. Gentleman said:

"We should be proud when we carry forward major schemes like this."

The Government are indeed proud to be taking forward the Thames gateway development to provide much-needed homes for people who live in London and the south-east.

Let me deal with gardens. It is Chelsea flower show week so it is a good time to champion gardens. I point out to Opposition Members that nothing has changed for Britain's gardens. The definition of "previously developed land" has not changed. In 1975, under the category "Residential", the national land use classification included

"houses, flats, sheltered accommodation where residences have separate front entrances and adjoining garages, gardens, estate roads and pathways".

That definition was used by Conservative Governments for 18 years, and it included gardens.

The figures on the proportion of brownfield development produced by redeveloping existing residential areas—knocking down houses and rebuilding—has remained broadly unchanged for many years.

The hon. Member for Poole made slightly more thoughtful points about increasing density undermining the character of certain areas, but planning policy statement 3 and PPS1 strongly stress the importance of design. Local planning authorities, frankly, should take a much more assertive approach to the quality of developments, the quality of life in an area and design issues. Greater density does not necessarily produce a decline in the quality of life—quite the reverse.

There is a fundamental problem with the Conservative party's position on planning. The hon. Member for Ludlow was right. The Conservatives do not want to build houses in the green belt. They do not

[Yvette Cooper]

want to build houses as infill. They do not want to build them in the countryside. They do not want to build them in towns. They do not want to build them anywhere. They say that we should put more houses on surplus employment land. We agree. That is why we are changing the guidance, but that will not solve the problem—all the jobs that we are creating have to go somewhere, too. Admittedly, if the Tories got back to office and returned to their boom-and-bust approach, they might create rather more surplus employment land, but I presume that that is not the strategy that they had in mind.

The last time that we had an Opposition day debate on housing, I said that the Conservatives did not have a grasp of the figures and that their sums did not add up. They wanted to build more affordable houses and cut the housing budget by £400 million. Their sums are bad enough, but it seems that their spatial reasoning is pretty ropey, too. Last time, I pointed out that houses cost money; that they do not grow on trees and that they do not fall from the skies. Now, I have to point out that houses take up space. They have to be built somewhere. They cannot be built in the sky or in trees.

The hon. Member for South Holland and The Deepings said that he wanted incremental, gentle development. He was presumably referring to the low levels of building that we saw for too many years. That will simply not provide the homes that we need—the homes that he said that he wanted to provide to anchor people for life's journey. The Conservatives have a strange position. They admit that there are problems with affordable housing and rising house prices, but they then seem to go into complete denial about the relationship between housing prices, housing demand and housing supply. The Tory economic record in practice was abysmal, but at least they used to manage the rhetoric of supply and demand. Somewhere in their years in opposition, they seem to have ditched even any pretence of economic analysis, to fall back on good old nimbyism instead.

The analysis in the Kate Barker report was very clear on the relationship between housing prices and supply. An overwhelming array of evidence and analysis shows the need for more homes to be built. Various figures have been quoted, and one published assessment stated that housing need would grow by an extra 170,000 every year, owing to household growth. What document did that come from? It was not from the Barker review or the sustainable communities plan, but from the Green Paper on housing growth, published in 1996, by Tory Ministers. In 1996, they thought that household growth would be 170,000 a year. Now, they think that there will be no household growth at all. In 1996, the then Secretary of State, the right hon. Member for Suffolk, Coastal (Mr. Gummer), wrote in his foreword to the Green Paper:

> "So let us not take refuge in the fond hope that all this will not actually happen."

Household growth is already happening. Household supply has fallen too far. We need more homes. The Tories should face up to facts and support the development of sustainable communities. Frankly, if they had done that 20 years ago, we might be in better shape right now.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 175, Noes 321.

Division No. 191] **[6.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burns, Simon
Burnside, David
Burstow, Paul
Cable, Dr. Vincent
Cameron, David
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Cotter, Brian
Cran, James *(Beverley)*
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Doughty, Sue
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Laing, Mrs Eleanor
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Norman, Archie
Oaten, Mark *(Winchester)*
Öpik, Lembit
Paice, James
Paterson, Owen
Prisk, Mark *(Hertford)*
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion

Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Randall and
Mr. Geoffrey Clifton-Brown

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, rh Jean
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lawrence, Mrs Jackie
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
McFall, John
McIsaac, Shona
McKechin, Ann
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, rh Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morley, Elliot
Morris, rh Estelle
Mudie, George
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
Olner, Bill
O'Neill, Martin
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*

Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vaz, Keith *(Leicester E)*
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*

Tellers for the Noes:
Vernon Coaker and
Mr. Nick Ainger

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 299, Noes 164.

Division No. 192] **[7:14 pm**

AYES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Blackman, Liz
Blears, Ms Hazel
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, rh Jean
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Hendrick, Mark
Hepburn, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Iranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Lazarowicz, Mark
Lepper, David
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, rh Thomas
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
McFall, John
McIsaac, Shona
McKechin, Ann
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona

McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Mudie, George
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
Oliver, Bill
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Helen
Speller, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vaz, Keith *(Leicester E)*
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike *(Batley)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*

Tellers for the Ayes:
Mr. Nick Ainger and Vernon Coaker

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Begg, Roy *(E Antrim)*
Bellingham, Henry
Bercow, John
Boswell, Tim
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burns, Simon
Burnside, David
Burstow, Paul
Cable, Dr. Vincent
Cameron, David
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Cotter, Brian
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Dorrell, rh Stephen
Doughty, Sue
Fabricant, Michael
Fallon, Michael
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jenkin, Bernard
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Laing, Mrs Eleanor
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
Öpik, Lembit
Paice, James
Paterson, Owen
Prisk, Mark *(Hertford)*
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John

Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Geoffrey Clifton-Brown and
Mr. John Randall

Question accordingly agreed to.

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House applauds the Government for maintaining the amount of Green Belt in England and its pledge to maintain or increase the amount of Green Belt; notes that development of previously developed sites for housing has a crucial role in meeting local needs for housing in the Green Belt and welcomes the Government's crackdown on urban sprawl, by adopting a sequential approach to the release of land and planning growth where it is needed; supports its proactive approach in improving the sustainability of rural communities; applauds the Government's success in achieving its previously developed land target early and increasing average densities of new development, which have helped to take the pressure off green fields; applauds the Government for introducing new planning policies in PPG17 to protect open spaces of value to the local community; and praises the Government for introducing the Planning and Compulsory Purchase Act 2004 to improve the speed and quality of decision making and place sustainability at the heart of the planning system, and for its new emphasis on community involvement, ensuring local people's views are an integral part of the plan making process.

Mr. Andrew Stunell (Hazel Grove) (LD): On a point of order, Madam Deputy Speaker, I want to raise the issue of ballot papers in the European and local government elections in the Hazel Grove constituency. Unlike other hon. Members, who have come to the House to say that their constituents have not received ballot papers, I have come to the House to say that my constituents have received ballot papers and that they have been issued with the wrong ones. In two polling districts of the Bredbury and Woodley ward in my constituency, electors have received ballot papers containing forms for the local government elections in the Edgeley and Cheadle Heath ward, which is in the constituency of the hon. Member for Stockport (Ms Coffey).

Madam Deputy Speaker, you will appreciate that that is causing grave confusion to electors in not only my constituency but that of the hon. Member for Stockport. Have you received representations from Department for Constitutional Affairs Ministers that they want to come to the House to explain what will happen next? If not, will you use your good offices to encourage them to do so at the earliest possible moment?

Madam Deputy Speaker (Sylvia Heal): I have not received any such request from the Department for Constitutional Affairs. The matter raised by the hon. Gentleman is not a point of order for the Chair, but it is of serious concern, and I hope that those on the Treasury Bench will note what he has said.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Madam Deputy Speaker, in the light of your ruling that you have not received such notice, if the position remains the same tomorrow, will it be in order for the procedures of the House to be used to make a request to Mr. Speaker for the relevant Minister to come to this House and answer a question about the matter?

Madam Deputy Speaker: The hon. Gentleman knows that all hon. Members are free to submit such a request to Mr. Speaker for his consideration.

Sir Nicholas Winterton (Macclesfield) (Con): Further to that point of order, Madam Deputy Speaker, I am not questioning your ruling, but this House must be concerned about people being disfranchised. What is happening in the Stockport metropolitan area, Cheshire and other areas of the north-west—

Madam Deputy Speaker: Order. I will not allow the matter to develop into a debate. I have answered the point of order raised by the hon. Member for Hazel Grove (Mr. Stunell).

Mr. David Heath (Somerton and Frome) (LD): Further to that point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Order. Is this on a different matter, Mr. Heath?

Mr. Heath: It is a related matter, but not the same matter. I seek your guidance because it is important for hon. Members to be aware of the procedures of the House given the extraordinary chaos that is developing across the whole of the north of England with regard to postal ballots.

If a request to the Speaker's Office is placed this evening as a matter of urgency, will it be considered tomorrow morning—if no opportunity arises this evening for a Minister to come to this House—so that the Minister can come to make a statement on a matter that most of us are extremely concerned about?

Madam Deputy Speaker: I genuinely understand the concern of hon. Members on such an important matter. I therefore suggest that they make their representations to the Speaker's Office as soon as they wish.

WELSH GRAND COMMITTEE

Ordered,

That—

(a) the matter of the Report of the Richard Commission be referred to the Welsh Grand Committee for its consideration;

(b) the Committee shall meet at Westminster on Tuesday 6th July at twenty-five minutes past Nine o'clock and between Two o'clock and half-past Four o'clock to consider the matter of the Report of the Richard Commission, under Standing Order No. 107 (Welsh Grand Committee (matters relating exclusively to Wales)).—*[Derek Twigg.]*

PETITIONS

Post Office Closures

7.30 pm

Bob Spink (Castle Point) (Con): My constituency, like many others, has suffered from post office closures. We recently had three post offices closed, not to be replaced, and a further three post office closures are now threatened. I wish to present two petitions—one to save the Benfleet high road post office and one to save the Victoria corner post office in Hadleigh. I hope to speak about those tomorrow if I manage to catch your eye, Madam Deputy Speaker. The first petition reads:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament Assembled.

The Humble Petition of Cllr Dave Cross, Cllr Tom Skipp and others of like disposition sheweth

That there is great public concern caused by the proposal to close the Post Office in the High Road Benfleet which will damage our shopping area and threatens the very fabric of our community, hurting vulnerable people the most and that this closure, coming after so many other Post Office closures, is insensitive.

Wherefore your Petitioners pray that your Honourable House shall implore the Government to change its policies on Post Office closures and on the payment of benefits and pensions and the provision of full banking services so that Post Offices are made more viable and retained.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

The second petition relates to the Victoria corner post office. It states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament Assembled

The Humble Petition of Miss Elizabeth Govier, Cllr Beverley Egan and others sheweth

That there is considerable concern over the proposal to close the Post Office at Victoria Corner, Kiln Road, which serves people from Thundersley and Hadleigh and Benfleet, and that this closure would damage our shopping area and threatens the fabric of our society and community, hurting vulnerable people the most, particularly in the light of so many other recent Post Office closures.

Wherefore your Petitioners pray that your Honourable House shall urge the Government to change its policies on Post Office closures and on the payment of benefits and pensions and the provision of full banking services so that Post Offices are made more viable and retained.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Northern Cyprus

Motion made, and Question proposed, That this House do now adjourn.—*[Derek Twigg.]*

7.33 pm

Ann Winterton (Congleton): When Cyprus is debated in this House, we usually hear the Greek Cypriot point of view, but the Turkish Cypriot case is rarely heard. I am therefore grateful for this opportunity to redress the balance.

The international community asked for the self-determination of the two peoples of Cyprus on the future of the island and the decision has now been made. The Annan plan, on which the two peoples of Cyprus voted on 24 April, was presented to the world by the United Nations, the European Union, the Americans and the British as fair to both sides. It gave neither side as much as they wanted. On 16 April, the Secretary of State of the United States described it as the end of the process. He said:

"There is no Plan B . . . There is nothing else coming along."

Kofi Annan himself said:

"There is no other plan out there—this is it."

The two peoples of Cyprus accepted these statements in good faith and voted accordingly.

Turkish Cypriot voters had serious doubts about whether the Annan plan would secure their physical, economic and cultural future in the island, but they were nevertheless willing to give it a chance. The Greek Cypriots were not.

Likewise, Turkey had serious doubts about whether the plan would create a sustainable settlement or cause instability and conflict, as proved to be the case with the 1960 settlement. Nevertheless, the Government of Turkey worked hard with the Turkish Cypriots, the United Nations and Greece to negotiate the Annan plan and pledged to do whatever was required to support it. No fair-minded observer could have expected Turkey or the Turkish Cypriots to do more.

European Commissioners Verheugen and Patten said on 21 April that they felt cheated by the Greek Cypriots. Indeed, Commissioner Verheugen said:

"I feel taken for a ride by the Cypriot Government."

How much more cheated do the Turkish Cypriots feel? For more than 40 years, they have been subjected to physical and economic deprivation and debilitating uncertainty and it is time to put an end to that. It is simply not fair to the Turkish Cypriot people to expect them to endure that hardship any longer and there must be no more attempts to force unwilling parties together. Nor is it fair to penalise Turkey a moment longer in respect of Cyprus.

The European Union said that Turkish Cypriots could not be left out in the cold if the Greek Cypriots voted no and the former have therefore called on the EU and the international community to lift the restrictions to which they are subjected and give them financial assistance to repair the damage done to their economy by those 40 years of restrictions.

Sympathetic words are not enough and specific action must be taken to lift the restrictions without further delay. Adjustments to the restrictions and the modest financial assistance promised so far is simply not

[Ann Winterton]

enough. In particular, it is wrong to expect the Turkish Cypriots to accept financial aid channelled through the Greek Cypriot Administration. Direct air and shipping services to and from Northern Cyprus must be permitted without further delay and Turkish Cypriot students must have access to education here at the same cost as Greek Cypriot students. Turkish Cypriots should not be expected to export their goods through the territory controlled by the Greek Cypriots and EU inspectors could be based in Northern Cyprus.

The international community should also remove visa restrictions. When Greek Cypriots do not need visas, Turkish Cypriots should not need them. It is especially disgraceful that the elected leaders of the Turkish Cypriots should be told to get a visa before they can enter the United Kingdom, even on official business and I ask the Minister for an assurance that this insulting treatment will be stopped forthwith.

The visit of our high commissioner to Prime Minister Talat's office was welcome but our Government should go further and invite President Denktash and Prime Minister Talat for a meeting with the Foreign Secretary. They should also upgrade our high commission office in the north, with senior UK staff actually living in the north. Relations with the Turkish Cypriot mission in London should also be upgraded to permit the same contact as the Greek Cypriots have.

Some people believe that there would be something unfair or unjust in that. Others think a threat to international peace would remain. To explain why that is not the case, it is necessary to deal with the international perceptions of the reasons for the situation in Cyprus, which are so fundamentally mistaken.

The Turkish Cypriots are aware that Greek Cypriots had to abandon their homes in 1974, but they did not wish to abandon their homes in 1958, 1963, 1967 or 1974, which they had to do for mutual defence. The Turkish Cypriots did nothing to deserve the violent attacks to which the Greek Cypriots subjected them in those years and which resulted in the death of so many of their men, women, and children, and the separation of the two peoples of Cyprus.

The Turkish Cypriots did nothing to deserve expulsion from all their positions in the republic, of which they were co-founders, nor did they use their veto power unreasonably, as is so often alleged. The Turkish Cypriots were heavily outnumbered, had no modern weapons and Turkey was, in 1963, in no position to protect them.

Our former Prime Minister, Sir Alec Douglas-Home, said in his memoirs that if the Greek Cypriot leadership could not treat the Turkish Cypriots as human beings, they were inviting the invasion and partition of the island. Those were prescient words. The Turkish Cypriots called on the guarantor powers—Greece, Turkey and the United Kingdom—for help in 1964 and 1967, but none could or would put a stop to the actions of the Greek Cypriots.

It is hard to believe that the United Nations allowed the Greek Cypriots to get away literally with murder and then rewarded them by treating their officials as the Government of Cyprus for the next 40 years. The Greek Cypriots sought to justify their position by reference to a so-called doctrine of necessity, but they had created the necessity themselves.

On 12 March 1964, the British Government agreed with Turkey that the title "Cyprus Government" could mean only a Government who act with the concurrence of its Turkish Cypriot and Greek Cypriot members. There has of course been no concurrence since 1963, but that essential point has been quietly forgotten.

This is what the Foreign Affairs Committee found in 1987:

> "When in July 1965 the Turkish Cypriot members of the House of Representatives sought to resume their seats they were told that they could do so only if they accepted the changes to the Constitution enacted in their absence".

In other words, they could resume their seats if they agreed to fundamental constitutional changes to the great disadvantage of their people, imposed on them by force of arms.

Accordingly, even if there had been any substance to Greek Cypriot claims that they were operating the Government alone of necessity because the Turkish Cypriots were leaving their places vacant, there can be no justification for that claim after July 1965.

The Turkish Cypriots are willing to forgive the Greek Cypriots and to forget the past, but not while they continue their attempt to strangle the Turkish Cypriot economy by restrictions on trade, communications and sport and continue to force diplomatic isolation on their state.

It would not be surprising if hon. Members had a different view of those events, because for the past 40 years the world has been given a skilful version of the story almost entirely from the Greek Cypriot point of view. That is because the Greek Cypriots have had all the Cypriot embassies and high commissions for themselves since 1963. They also occupy Cyprus's chair at the United Nations and in all other international bodies, while the Turkish Cypriots have been excluded from that time until now from all the normal channels of international communication.

The Turkish Cypriots have been prevented for 40 years from having normal trade and communication with the outside world, but what have they done to deserve that discrimination? Their only crime was to be Turkish in an island that Greek Cypriots wanted to turn into a Greek island, by force of arms if necessary.

It is important to remember that, although the Greek Cypriots are more numerous than the Turkish Cypriots, their relationship with each other has never been one of majority and minority. The two peoples joined together as co-founders when they established the Republic of Cyprus in 1960 and successive Secretaries-General of the United Nations have acknowledged that fact. The Annan plan makes it clear that their relationship is one of political equality, where neither side may claim authority or jurisdiction over the other.

The United Nations has never authorised an embargo against the Turkish Cypriots, but the Greek Cypriots were able to place them under restrictions from 1963 to 1974 because they had physical control of the island. By 1974, Greek Cypriot officials had already been accepted for the purposes of day-to-day business by most states and international organisations as if they were lawful

representatives of Cyprus, and they were able to persuade the world that Cyprus had been subjected in 1974 to an unprovoked attack by Turkey.

In fact, when the civil war broke out on 15 July of that year, the Turkish Cypriots again feared for their lives and called on the guarantor powers for help, as the United Nations force could not, or would not, prevent the violence. This time, after waiting 11 years, Turkey responded to their call by landing troops. Britain did nothing to help.

The Greek Cypriot leader of the anti-Makarios faction, Nicos Sampson, said on 26 February 1981:

"Had Turkey not intervened, I would not only have proclaimed Enosis"—

annexation to Greece—

"but I would have annihilated the Turks in Cyprus".

Having dealt with Sampson, it would have been absurd for Turkey to depart and leave the Turkish Cypriots again at the mercy of Makarios, who had been responsible for their persecution for the previous 11 years.

Turkish soldiers are needed in the north of Cyprus until the Turkish Cypriots can survive without them. We all know from the 1950s that even the British Army could not disarm the local militia in Cyprus. Notwithstanding those risks, the Turkish Cypriots were willing to accept the Annan plan's reduction in Turkish troops to a mere 650 men—a force that could not even defend itself—and still the Greek Cypriots object.

After 1974, they enforced their restrictions against the Turkish Cypriots by persuading other countries, and more recently by persuading the European Court of Justice, that it was illegal to trade with or fly to any part of Cyprus without the permission of the "Government of Cyprus"—which meant, in practice, the permission of the Greek Cypriots themselves. The purpose of the restrictions was to bring the Turkish Cypriots to their knees and force them to accept a settlement on Greek Cypriot terms. Fortunately they have not succeeded, but it puzzles most Turkish Cypriots to find that the Greek Cypriots also complain about, for example, the ancient heritage in the north—which I have been fortunate enough to see for myself—but do their best to prevent international experts and donors from giving the Turkish Cypriots any help.

The Greek Cypriots were also able, by using international acceptance to their advantage, to secure judgments against Turkey in the European Court of Human Rights in property cases. In fact the second division of the island, which occurred in 1974 and caused property losses on both sides, was caused by the incomparably more serious violation of the human rights of the Turkish Cypriots, none of whom has ever been compensated.

Some people think that the economic embargo should not be completely lifted because Turkish Cypriots might not then wish to unite with the Greek Cypriots. It is also said that to lift the embargo would be to expose the Greek Cypriot tourist industry to unfair competition from the north. In fact, the reverse is true. The south enjoys an unfair advantage, because the Turkish Cypriots cannot have direct flights to the north or get the investment that they need.

By 1983, the Turkish Cypriots had concluded that it was impossible to achieve a reconciliation with the Greek Cypriots. One important reason was the attitude of the Greek Orthodox Church, along with the extreme views of its leadership. It is clear from the attitude of the Church to the Annan plan, including threats to Greek Cypriot voters that they would be barred from heaven when they died, that that is as true today as it ever was.

The Turkish Cypriots therefore had no alternative but to establish their own state, although the international community never understood the compelling reason for that. The Greek Cypriots were able to obtain Security Council resolution 541, which has dissuaded other states from recognising the Turkish Cypriot state. The resolution calls on the world to recognise only one state in Cyprus, but has advisory force only, and relates to events of more than 20 years ago. The situation today is completely different, especially following the referendum earlier this year, and states need no longer feel that the resolution requires or even advises them not to recognise the Turkish Republic of Northern Cyprus.

It is sometimes claimed that the UN has also called on all states to recognise the Greek Cypriots as the Government of Cyprus, and that the British Government do so. In fact, on 28 April 1980 the then Secretary of State for Foreign and Commonwealth Affairs said in another place

"we have conducted a re-examination of British policy and practice concerning the recognition of Governments. This has included a comparison with the practice of our partners and allies. On the basis of this review we have decided that we shall no longer accord recognition to Governments."—[*Official Report, House of Lords*, 25 April 1980; Vol. 408, c. 1121W.]

On 30 July that year, the then Minister of State reiterated that

"the British Government recognise States, not Governments."—[*Official Report*, 30 July 1980; Vol. 989, c. *723*.]

That was affirmed again on 12 November 1987.

Accordingly, if the British Government recognise states, not Governments, neither the Greek Cypriot nor the Turkish Cypriot Administration are recognised by the United Kingdom as the Government of Cyprus. We should therefore stop referring to the Greek Cypriot Administration as "the Government of Cyprus," as the Americans have already done.

On 25 April 1980, the Government declared that they would

"decide the nature of our dealings with regimes which come to power unconstitutionally in the light of our assessment of whether they are able of themselves to exercise effective control of the territory of the State concerned, and seem likely to continue to do so."—[*Official Report, House of Lords*, 28 April 1980; Vol. 408, c. 1122W.]

Clearly, any such assessment would conclude that the Greek Cypriots are able to exercise effective control of the southern part of Cyprus and the Turkish Cypriots of the northern part, and that they are both likely to continue to do so.

So far as international peace is concerned, the Turkish Cypriots have no aggressive intent toward the Greek Cypriots, and it is they who have opened the border. There is no Berlin wall in Cyprus. The Greek Cypriots know that they have nothing to gain by attacking the north, and Turkey and Greece now have a mature

[Ann Winterton]

relationship with each other. It is unrealistic to regard Cyprus as a threat to international peace. Turkish Cypriots are as determined as anyone to fight terrorism, drugs and organised crime, and are already co-operating fully with the international law enforcement agencies. The only reason why extradition is not possible is that other countries have not as yet signed an extradition treaty with them.

Turning, in conclusion, to the people who had to leave their homes in Cyprus as a result of the violence of the past, of course the Turkish Cypriots are concerned about them—as, indeed, are we all—but the dispossessed persons were not only Greek Cypriots. Many Turkish Cypriots have been dispossessed more than once, as they were forced out of their homes in the 1950s, the 1960s, and again in the 1970s. Families have now been resettled for 30 years and more, and the clock cannot be turned back. The Turkish Cypriots' consistent policy, with which I agree, is that everyone on both sides should stay where they are and be compensated. The Annan plan gave 80,000 Greek Cypriots the chance to go back, but they rejected it.

The property issue must now be dealt with once and for all, and Turkish Cypriots have appealed to the international community for funds with which all those people who lost their property on both sides can be compensated. The British Government should respond generously to that appeal and give further funds with which the Turkish Cypriots can repair the damage done to their economy by 40 years of unjust restrictions.

7.52 pm

The Minister for Europe (Mr. Denis MacShane): I am grateful to the hon. Member for Congleton (Ann Winterton) for raising this important matter. In the short time left for me to reply, I shall try to respond to some of her points. I hope that she will forgive me if I do not enter into a full historical discourse on the problems of Cyprus. The hon. Lady made a passionate appeal and I hope that she will not disagree with me when I say that she made a strong partisan appeal from the position of the Turkish Cypriots. Had the debate taken place with more expert hon. Members of all parties present and with more time to spare, I could have replied in more detail to some of the historical points that she made.

Much wrong was done to both communities over the years. The British Government are now seeking not to right all the wrongs of the past, but to move forward. If we allow today to be the prisoner of the past, as Winston Churchill once said, we will never build a future. I do not believe that there are many in the international community who think that the way forward is a unilateral—and, if I may say so, provocative—recognition of the Turkish northern Cypriot state. That is certainly not the position of the United States or of Prime Minister Talat. It is not the position of all those who are working constructively to find both an international and, in particular, a European solution to the problems of Cyprus. It is undoubtedly through membership of the European Union—through its good offices and trading practices, its support for human rights and the rule of law, and other EU values—that a way forward can be found.

I regret, of course, that we are not discussing today the courageous decision by the Cypriot people to form a new united Cyprus republic. Had both communities voted "yes" in the referendum, this debate would have taken place under very different terms.

We must not lose sight of the fundamental goal, which is to work to reunite Cyprus. It is not to encourage a sectarian split, if I might call it that, of the two communities into two states. I believe that the internal dynamic of the EU, combined with proposals to end the isolation of the Turkish Cypriots—which I hope will address some of the specific and important questions raised by the hon. Member for Congleton—can provide a catalyst to bring both communities together.

My right hon. Friend the Foreign Secretary and I discussed this matter with Mr. Günter Verheugen, the EU Commissioner for Enlargement, this very afternoon. He fully supports encouraging both communities to come together, and the hon. Member for Congleton quoted him accurately earlier. He is concerned that, whereas the Turkish Cypriots voted clearly in favour of the Annan plan, the Greek Cypriots rejected it.

The immediate next step is the publication of the UN Secretary-General's report on his Good Offices mission. I certainly do not want to pre-empt that document. We will work in concert with the UN and other partners to ensure that we co-ordinate on next steps. Those comprehensive proposals for reuniting the island were a result of years of work, and compromise. Much of the finalised document is the result of the work of Cypriots themselves.

I repeat that I firmly believe that the plan provides a fair, just and lasting basis on which to reunite. There is no plan B or C. The referendum provided a chance for the Cypriots to state their views on their future, and we must respect the result. However, it is right to suggest that Greek Cypriots need to reflect on whether they made the right decision.

I believe that it was a great shame that the Greek Cypriots voted no, and that it was a mistake to reject the Annan plan. That offered the best possible compromise, and a basis on which a united Cyprus republic could have functioned effectively in the EU.

The Annan plan had clear advantages. Half of all Greek Cypriot refugees would have returned to their former homes, under Greek Cypriot administration. A property restitution scheme would have given dispossessed owners a much improved system for getting back a share of their property, and compensation for the remainder.

In addition, the plan contained strong and effective protections against migration from Turkey upsetting the ethnic balance of the island. Also, the amount of Greek Cypriot territory would have increased from 64 per cent. to 72 per cent. of a unified state, and the UN had agreed to oversee the transfer of territory to ensure that that happened according to the timetable. At the end of the process, the number of Turkish troops on the island would have been reduced to just 650 soldiers, as the hon. Member for Congleton noted, with great force. Finally, almost all the federal laws of a new united Cyprus republic, including the excellent economic arrangements to ensure financial viability, were drafted by Greek Cypriots.

In the past 50 years, there have been movements of people all over Europe. We accept that the future of our common EU must be based on interdependence rather than on separatism. People must accept the facts as they are today: they must not hope for a return to the past, or to some imagined past that never properly existed.

We fully support the EU policy, agreed at the General Affairs and External Relations Council, following the referendums. Cyprus has changed. It would be wrong simply to return to the status quo prior to the referendums. We strongly believe that the Turkish Cypriots, who voted for a peaceful resolution of the Cyprus problem, should not be penalised because the Greek Cypriots rejected the UN settlement plans. Turkish Cypriots demonstrated their desire to be in the EU, as part of a united island.

That is why it is so important that our country and our Parliament take a lead in strengthening the integration of the European Union, so that Cyprus can find a peaceful role within it. We must reject the views of the separatists and anti-Europeans who would encourage those in Cyprus who want to divide the island permanently.

The hon. Lady asked about visa restrictions on students from the Turkish north and high-level visitors. It is simply a question of visas being appropriate for members of the European Union. Many Turkish Cypriots will be members of the EU by dint of having Republic of Cyprus passports. Turkish Cypriots from the north with such passports will be eligible for the same student visas as any other member of the European Union. The issue of university fees will be dealt with by the normal procedures that cover all EU member states.

We will approach the increased trade and travel activity with northern Cyprus on the basis of two principles. We will continue to work for the objective of reuniting the island as a bi-zonal, bi-communal federation. It would be wrong, therefore, to recognise the north of Cyprus as a separate, independent state. As I understand it, that is certainly not the wish of the present elected leadership of the Turkish Cypriots.

On trade, which is a matter of exclusive community competence, we are waiting for the Commission to bring a proposal to the European Council. In the Government's view, the Turkish Cypriots should be able to trade directly with the EU, importing and exporting through ports in north Cyprus. That will mean putting in place measures to permit duty-free imports of all goods wholly obtained or substantially manufactured in the north, provided that they satisfy the necessary EU checks and requirements. There would, of course, be a requirement that the goods enter via recognised border inspection posts, which could carry out the necessary checks.

We also await suggestions from the Commission for spending the €259 million structural funds earmarked for helping the north "catch up" with the EU acquis. We imagine that to that end the Commission will identify a mix of projects on infrastructure, environmental standards, training and legislation harmonisation. The Government, together with our European partners, seek to send a positive message to the Turkish community in northern Cyprus that Europe is their friend. We hope that Turkey as a whole can start accession talks to join the EU in due course. The future of Cyprus lies in the European Union, as the Mediterranean is a strong part of the future policy—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MADAM DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at three minutes past Eight o'clock.

House of Commons

Thursday 27 May 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SKILLS

The Secretary of State was asked—

Education Mentoring Volunteers

1. **Mr. Jim Cunningham** (Coventry, South) (Lab): If he will make a statement on the volunteers in education mentoring programme at the university of Warwick. [175987]

The Secretary of State for Education and Skills (Mr. Charles Clarke): The Government-funded education mentoring programme in Warwick is helping young people to realise their potential and strengthening voluntary groups and neighbourhoods. The project will receive £55,999 per annum for the years 2004–05 and 2005–06. Last year, 200 students volunteered in over 40 schools. It is an important scheme that shows that we can develop this in many ways. I am grateful for the support that my hon. Friend has given it.

Mr. Cunningham: I cannot stress enough the importance of that scheme, particularly in inner cities and deprived areas. Does my right hon. Friend have plans to expand the scheme up and down the country?

Mr. Clarke: We do. There is a range of such schemes, including an interesting one pioneered by Simon Singh, the author, to get maths students to spend part of their course acting as teaching assistants in maths classes in local schools. We are drawing up detailed proposals for a major expansion of precisely that type of work because we have seen the benefits to which my hon. Friend referred.

School Sports Facilities

2. **James Purnell** (Stalybridge and Hyde) (Lab): What research his Department has commissioned on the use of school sports facilities by the community outside school hours. [175988]

The Minister for Children (Margaret Hodge): The evaluation of the first extended schools pathfinder projects, which includes an evaluation of the use of school sports facilities, was published earlier this year and is available in the House of Commons Library. It shows that many schools make their sports facilities available to the community. We are also evaluating the next phase of our programme to develop extended schools across the country and the use of school sports facilities will be part of that evaluation.

James Purnell: I welcome the extended schools project, but is it enough? There are two things we all know from our constituencies. First, young people are crying out for more facilities and, secondly, we are rebuilding all the playing fields and sports facilities that were sold off by the previous Government. Can we ensure that those facilities are used in the evenings and weekends? In the light of the report on obesity by the Select Committee on Health, do not we need to require all schools to provide those facilities in the evenings and weekends, in co-operation with sports organisations, local councils and the youth service?

Margaret Hodge: It is extremely important that we develop school sports facilities not just for young people, so that they have somewhere to go and something to do, but for wider use by the community. I agree with my hon. Friend that our measures to preserve school playing fields for their proper use have helped to encourage that, but I am less sure that we should make it compulsory for schools to extend that use. I believe that our extended sports programme will capture the imagination of head teachers and governing bodies and that they will choose of their own volition to extend their facilities to the wider community.

Mr. Roy Beggs (East Antrim) (UUP): School sports facilities represent a huge resource and investment and, if we are honest, they have never been fully utilised by the community. Will the Minister encourage school principals and governors, perhaps for the first time, to promote the use of those facilities and make it more widely known that they are available, because in the past school principals and governors reacted only to requests to use such facilities?

Margaret Hodge: I agree. I hope that the hon. Gentleman supports our programme of over £1 billion of investment, with the Department for Culture, Media and Sport, to improve and extend school sports facilities. It is important that they should be available not just to the young people who attend the school but to the wider community, which will benefit from that. Parents and grandparents will benefit from participating in the activities of the school that their children and grandchildren attend.

Mrs. Lorna Fitzsimons (Rochdale) (Lab): My right hon. Friend will be aware of the significant investment in sporting facilities in many schools in Rochdale. However, one problem should be looked at: the issue of revenue and ensuring that capital is used effectively. Sometimes, the community that is most local to the new facilities is excluded because of the pricing policy. Can some work be done to look at revenue to ensure that capital is used to best effect in many of the communities that are most in need?

Margaret Hodge: As part of our programme of investment for the years to 2008, we are examining how

to bring together all the sources of funding to make better use of facilities in schools as part of the extended schools programme. Part of that will involve looking at Government, local government, the role of the voluntary sector and individual contributions to see how those resources can be brought to bear to enhance and sustain those important facilities, which contribute so much to the well-being of the community.

Charles Hendry (Wealden) (Con): Does the Minister accept that a major threat to the use of school sports facilities by the wider community is the problem in finding volunteers to teach the sports? Has she read the reports in the *Daily Mail* this week that highlight the consequences of the compensation culture, which is forcing the cancellation of sports lessons because people are no longer prepared to volunteer as instructors because of the huge growth in the threat of litigation? Does she understand that all the fine words about encouraging sports in schools to promote good health and tackle obesity are worthless if she allows the development of a culture that drives away the dedicated people who give freely of their time to teach those sports?

Margaret Hodge: I agree that volunteers have an important contribution to make not only in the use of sports facilities in schools but in the wider enhancement of potential and opportunity for the children in those schools. However, we as a Government have been extremely successful in encouraging the involvement of volunteers right the way through the lives of children and young people, not least in the millennium volunteers programme, which we launched and which now involves hundreds of thousands of young people in the extension of volunteering. We also have a volunteer programme for sports facilities that links schools to local sports clubs across the whole range of sports. Those clubs are bringing their expertise back into school life through particular sports facilities. We want to carry on encouraging that. This is not a life of dependency, but a life of opportunity.

Selection Policy

3. **Claire Ward** (Watford) (Lab): If he will make a statement on provision for review of the independent schools adjudicator's decisions on schools selection policy. [175989]

The Minister for School Standards (Mr. David Miliband): Schools adjudicators are independent of the Secretary of State and their decisions can be challenged only through the courts.

Claire Ward: My hon. Friend will be aware that, in Hertfordshire during the past year, we have had several challenges on selection policy and the adjudicator's decisions have also been challenged, causing considerable delay and stress to parents, schools and pupils. Will my hon. Friend consider how he could assist the adjudicator to come to more robust decisions? To create some stability, will he consider the possibility that the adjudicator's decisions must hold for a certain amount of time, perhaps two or three years, before they can be challenged again?

Mr. Miliband: My hon. Friend raises an important point. In 32 cases, the adjudicators have reduced the amount of selection being carried out by schools. Any school that is thinking of reversing the adjudicator's decision—I think that my hon. Friend is referring to such a case in Hertfordshire—should think carefully about potential future challenges, the implications of previous adjudicator decisions and the uncertainty that such a reversal might cause to parents and pupils.

Secondary Schools (Cheshire)

4. **Ann Winterton** (Congleton) (Con): If he will make a statement on the funding of secondary schools in Cheshire. [175992]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): On the latest available figures, funding for secondary pupils in Cheshire increased by £630 per pupil in real terms between 1997–98 and 2003–04.

Ann Winterton: Is the Minister aware of the financial problems that smaller comprehensive schools that lack a sixth form and do not have access to social deprivation funding face because of the recurrent budget cuts in Cheshire? They are schools, I hasten to add, that have addressed staff overspend and now have a good balance and that have provided clear evidence of strict financial planning.

Mr. Twigg: I am aware of that and aware that the hon. Lady wrote to my hon. Friend the Minister for School Standards about Middlewich high school. Officials in the Department are considering her letter, including the enclosure from the head teacher of that school, and liaising closely with officials in the local education authority in Cheshire. We will get back to the hon. Lady with a full response shortly.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): My hon. Friend will know the tremendous progress that has been made in school developments in my constituency and the Secretary of State recently visited one of our superb new primary schools. However, we have a problem with the development of specialist schools. A particular school is finding it very difficult to get anywhere near the £50,000 target that it needs to raise. Will my hon. Friend look closely at the needs of Sutton high school and help me to work with it to find solutions to that problem?

Mr. Twigg: I am happy to give my hon. Friend that undertaking. At earlier stages in the specialist schools programme, a number of schools around the country pointed out the difficulties that they had with the £50,000 requirement. Although we believe that most schools should be able to fulfil that requirement, we have established the partnership fund, which might be a source of support for my hon. Friend's school. I shall be happy to keep in touch with him as that matter progresses.

Mr. George Osborne (Tatton) (Con): Does the Minister agree that the funding mechanism restricts choice in places such as Cheshire? Each year, I receive many letters from parents who are bitterly disappointed because they cannot get their children—often along with

other members of their primary school class—into popular local secondary schools. Does he agree that, given that those secondary schools often want to accept such children, we should let the money follow the pupil and allow the good secondary schools to expand?

Mr. Twigg: Of course, that is exactly what we do; indeed, we have provided the opportunity for the most successful schools to expand where such potential exists. But Labour Members want to ensure that every neighbourhood in every part of the country has the highest quality schools, so that that option is available for the many, not just for the few.

Building Schools for the Future (Derbyshire)

5. **Mr. Mark Todd** (South Derbyshire) (Lab): What representations he has received concerning Derbyshire county council's building schools for the future bid. [175993]

The Minister for School Standards (Mr. David Miliband): We have received two representations relating to the use of private finance initiative credits, and to the announcement of the next waves of investment. In addition, an official from the Department has met representatives of Derbyshire county council.

Mr. Todd: The Government have a good story to tell in support of secondary education in South Derbyshire, particularly for schools such as John Port, to which £5 million was recently allocated for new and replacement buildings. However Derbyshire's building schools for the future programme focuses on the county's former coalfield communities, and in my area on schools in the Swadlincote community—William Allitt, Pingle and Granville—which are working closely with the local education authority on an exciting element of that bid. Will my hon. Friend bear that bid very strongly in mind in the next round?

Mr. Miliband: I am sure that my hon. Friend will want me to rehearse the rise in capital funding in Derbyshire since 1997—from £4 million to £40 million in this financial year. I certainly take very seriously his point about the need in coalfield communities for the sort of investment that he recommends, but, of course, Labour Members are committed to such investment throughout the country, starting in the areas of greatest need.

Mr. Patrick McLoughlin (West Derbyshire) (Con): In wave 1 of this programme, of the 12 authorities that were successful only one was a shire council. Why?

Mr. Miliband: In fact, there are 14 authorities in wave 1, including two reserves. *[Interruption.]* Actually, 14 plus two reserves makes 16. The numeracy hour beckons for a certain Conservative Front Bencher. Perhaps he is auditioning for the role of shadow Secretary of State; I notice that the current one is not here today.

The simple answer to the question of the hon. Member for West Derbyshire (Mr. McLoughlin) is that wave 1 was conducted on the basis of need; indeed, that is the basis on which all waves of the programme will be prioritised and on which we shall deal with the whole country.

Mr. Dennis Skinner (Bolsover) (Lab): Can the Minister explain why Derbyshire did not get in on the first round and may I add my support to my hon. Friend the Member for South Derbyshire (Mr. Todd) to ensure that Derbyshire is included in the next round? Every single pit in the county is closed, many of the schools are ancient and Shirebrook in particular—as well as Swadlincote—should be high on the list. I hope that the Minister will provide the right answer.

Mr. Miliband: This is obviously an important issue so far as Shirebrook and Swadlincote are concerned and I hope that we will be able to cover all the issues. We had 52 applications for the first wave of the building schools for the future programme, in 2005–06, and we prioritised on the basis of need and of the impact on educational standards. We were able to help only 14, with two reserves, but I shall certainly bear in mind my hon. Friend's comments about Derbyshire's needs.

Mr. Harry Barnes (North-East Derbyshire) (Lab): Is my hon. Friend aware that, under the previous Government, Derbyshire county council received abysmal funding? This Government have more or less corrected that through the capital investment to which he has referred, but the past is still chained around our necks. On the programme of phased provision, it is important that we get such investment this year, particularly given that we missed it last year. It is especially necessary in areas of deprivation and the first five schools that would be provided for are in North-Eastern Derbyshire.

Mr. Miliband: I know that Derbyshire has submitted three projects to be considered across the life of the programme. I am glad to hear that Shirebrook is one of them. I hope for my hon. Friend's sake that it is in the top priority group that has been submitted by the LEA, not in the other two. I appreciate what he says about the difference that has been made. We want to make sure that there are modern learning facilities for all pupils, because that is vital for their education.

School Starting Age

6. **Mr. Graham Allen** (Nottingham, North) (Lab): If he will make it his Department's policy to require children from areas of traditionally low educational attainment to start school in the year in which they are five, rather than the term in which they are five; and if he will make a statement. [175994]

The Minister for Children (Margaret Hodge): There are no plans to change the age when compulsory school starts. However, from April this year every three and four-year-old became entitled to free early education either in a school or in a private or voluntary pre-school setting.

We also have more than 500 Sure Start programmes, working with children and families in disadvantaged areas. By 2008, we plan to open at least 1,700 children centres delivering integrated child care and early education, together with family support and health services for children under five in the poorest communities.

Mr. Allen: I thank my right hon. Friend for that reply. Does she accept that, in areas of chronic educational

under-attainment, it is important that there is a £3,000 grant for youngsters? It is important that we have on-site provision of further education in schools. However, the most important thing—certainly in my constituency it is essential—is that money is spent at the earliest opportunity. A pound spent on five-year-olds is worth £20 spent on those over 16. Will my hon. Friend look at the work of the city of Nottingham and consider writing to me about the possibility of all five-year-olds being at school for a full year rather than starting in the term in which they are five?

Margaret Hodge: I agree with my hon. Friend. All the research evidence further confirms his view that the early years of a child's life are crucial and determine children's outcomes as they grow up. I am sure that he agrees that a good early-years programme goes beyond early education and encompasses family support and community health services. I will write to him about his suggestion for his constituency. I am happy to discuss with him how we can raise attainment among young people in his constituency.

Jonathan Shaw (Chatham and Aylesford) (Lab): I agree with my hon. Friend the Member for Nottingham, North (Mr. Allen). There is extensive research to show that, for boys born in the summer who start school at an early age, an early start affects their educational attainment and life opportunities, so it is an issue worthy of consideration. Of course, the Sure Start programme helps in the areas that have been referred to. We have 500; we need 500 more. I hope that they will be a priority for spending in the comprehensive spending review. Ministers should keep their minds open to creating flexibility and paths for individuals rather than making individuals fit into the system.

Margaret Hodge: My hon. Friend is right to bring our attention to the research on outcomes for summer-born children. The fact that we have extended the opportunity for early education to all three and four-year-olds will mitigate the phenomenon to some extent. We should begin to understand how that affects children's opportunities before we consider changing the compulsory school starting age. We keep these matters constantly under review. Everything that happens in the early years of a child's life from birth to five, including what we do to support parents, is crucial to the outcome when that child grows up.

Special Educational Needs

7. **Tony Cunningham** (Workington) (Lab): What effects the Government's strategy for special educational needs will have on children with special needs. [175995]

The Secretary of State for Education and Skills (Mr. Charles Clarke): The strategy that we published early this year will significantly help to improve the quality of education of children with special needs. The strategy contains a programme of practical measures to promote early identification of children's special educational needs, boost early intervention on the basis of that identification, improve co-ordination of services to children and their families, improve staff training and build strong collaboration between mainstream and special schools to share knowledge and expertise. They will help to provide the opportunities and support for children with special educational needs to realise their full potential.

Tony Cunningham: Last Friday, as part of autism awareness week, I met parents in west Cumbria whose children suffer from autism. Will my right hon. Friend tell us what the Government are doing to deal with those children's special needs?

Mr. Clarke: Yes, I certainly can. One of the strengths of our strategy is that we focus on each special educational need's characteristics and then build a partnership between the voluntary organisations concerned, the education service and the health service to address that special need. I appreciate the work done in national autism week to highlight these issues, and as part of early support pilot programme, we will shortly provide guidance for the parents of nought to three-year-olds who are diagnosed with autistic spectrum disorder. I hope that that will help to build the early identification and intervention that is so necessary and such a central part of our programme.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): A year ago, Ofsted delivered the most damning indictment of special educational needs provision in mainstream schools. A year later, we have had a strategy document, but absolutely nothing else. Statistics released today show that, last year, 6,000 students with SEN were permanently excluded from their schools. Students are nine times more likely to be excluded if they have a special educational need than if they have not. Over the past year, how many additional teachers have been trained and recruited to meet Ofsted's requirement? How many schools have had whole-staff training to meet the needs of the inclusion programme? What is the Secretary of State doing specifically to deal with the abhorrent permanent exclusion of children with SEN conditions from our schools?

Mr. Clarke: I simply do not accept the catalogue that the hon. Gentleman describes, but he is right to suggest that the situation is serious in many parts of the country, as Ofsted identified. I agree that major issues need to be addressed, but we are implementing our strategy and the resources involved are substantial. For example, in 2003–04, funding for special educational needs was almost £3.5 billion—13 per cent. of the overall schools budget—of which about £1.5 billion was spent on SEN in special schools and £1.7 billion on special provision in mainstream education and so on. There is a major commitment. We are working with the associations and local government to deliver in this respect. He is right to raise his concerns and to press them, as all hon. Members would wish to work with him, but he is wrong to say that we are not taking action. In fact, we are taking very strong action indeed.

Sir Patrick Cormack (South Staffordshire) (Con): Did the Secretary of State see the moving article written by our colleague, my hon. Friend the Member for Witney (Mr. Cameron), in last Saturday's *Telegraph*, in which he underlined how crucial it is that certain

children should never be put into mainstream schools? If he did not read that article, will he please do so? When he has done so, will he write to me?

Mr. Clarke: As it happens, I did read that article and I am happy to write to the hon. Gentleman, but the problem with the debate about inclusion is that there are dogmatists on all sides. Some people say that there must never be inclusion, others that there must always be inclusion. What is necessary is to create a system with the capacity that we have built up to enable the right choices to be made for each child's individual circumstances. It is difficult to get to that point because there are significant resource implications in the education of children with special educational needs. I certainly do not hide, as I did not from the hon. Member for Harrogate and Knaresborough (Mr. Willis) a few moments ago, the fact that we still have a great deal of work to do in some areas, but the core principle must be that we have a system to do what is right for individual children. I will write to the hon. Gentleman on the particular point.

Mr. Mark Hoban (Fareham) (Con): Has the Secretary of State read the report produced yesterday by the Down's Syndrome Association, in which parents express the concerns that many involved in special educational needs have expressed? One parent said:

"Our local authority is bent on achieving inclusion and the reduction of special schools."

Another parent said:

"The important factor is choice . . . a mainstream only route is a dangerous one size fits all approach."

Is it not time to put a moratorium on the closure of special schools to maintain parental choice and ensure that those centres of excellence serve not just today's children, but tomorrow's too?

Mr. Clarke: Unfortunately, I have not read that article. About the same number of children are being educated in special schools now as they were 10 years ago. I agree with the hon. Gentleman, however. I have met groups of parents who feared the closure of a school in their local authority and I know that they felt unengaged and thought the decision was wrong for their children. That is why I gave the answer that I did to the hon. Member for South Staffordshire (Sir Patrick Cormack). This must not be a dogmatic process. There has to be proper consultation with the community, in particular with the parents and carers of those children. The needs of the individual child have to come first.

I maintain the general view that it is best to find a system for the education of children with special educational needs that bears some relationship to the general system, rather than putting them in ghettos of any particular form. It is a difficult management question and, in some cases, a difficult political question. It is difficult to get it right, but I believe that that is the correct direction to take.

School Meals

8. **Mr. David Kidney** (Stafford) (Lab): What action his Department takes to enforce its minimum nutritional standards for school meals. [175996]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): Local education authorities have a duty to provide school meals that meet statutory nutritional standards. Where a school has a delegated budget for meals, this duty becomes the responsibility of the governing body.

The Department for Education and Skills and the Food Standards Agency are jointly funding an evaluation of nutritional standards in 80 secondary schools. That will be published later this year and we will consider the findings carefully, together with the Select Committee report on obesity published today.

Mr. Kidney: Is my hon. Friend aware of my ten-minute Bill next month on food in schools? Does he agree that today's report by the Health Committee gives much added significance to the subject? Does he accept, on behalf of his Department, the central theme of that Bill—that every school should have a food policy, dealing with school meals and the contents of the children's lunch boxes and the vending machines—and that Ofsted should enforce those policies by inspecting and disseminating good practice, so that we embed good attitudes towards food throughout society?

Sir Patrick Cormack (South Staffordshire) (Con): Goodbye Mr. Chips.

Mr. Twigg: I welcome my hon. Friend's ten-minute Bill, which I was aware of. We are in discussions with Ofsted on the role that it can play, both with regard to the nutritional value of food in schools and, more generally, in addressing the need for healthy schools. I accept that today's report makes an important contribution to cross-Government work in tackling that significant problem.

Mr. Nigel Evans (Ribble Valley) (Con): Prohibiting chips in schools will encourage youngsters to go out and get them from other sources. Today's newspapers say that some schools are being forced to provide meals for 35p a head. That encourages the chip culture rather than moving us away from it. Should we not ensure that the resources are right for the provision of school meals so that youngsters have a choice? We also need to educate youngsters so that they value what they eat. Clearly, the implication is not simply that we are becoming a nation of Mr. Blobbies, but that later in life those children could get diseases, such as diabetes, which is on the increase, unless they eat properly.

Mr. Twigg: I agree, although the expression "Goodbye Mr. Chips" came from a Conservative Back Bencher rather than anyone on the Labour Benches.

We must provide a balance and choice in what is available in schools. There are good examples of schools that provide a good, healthy range, even with limited resources. We are working with the Food Standards Agency to evaluate those 80 schools. The report will be published within the next two months, when we will consider how to take it forward. I especially agree with the hon. Gentleman that the school curriculum is just as important as the meals that the school provides. We want to take that forward as well.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend remember that, three years ago, the Education Committee published a report—the first

under my chairmanship—on school meals? Ministers, like my hon. Friend, made nice-sounding statements in the Question Time that followed the report's publication, but very little was done. Is the excellent report by the Health Committee a wake-up call? The relationship between education and health is vital. It is not just about what kids eat at lunchtime but about where education sits in terms of teaching kids about the relationship between what they eat, how they exercise—hopefully, by walking to school—and their future prosperity.

Mr. Twigg: Absolutely. I assure my hon. Friend that I never forget any of his Committee's reports, and I am sure that none of my colleagues in the ministerial team would do so, even those that were published before we joined the Department.

My hon. Friend is right. The report is a wake-up call across Government. An important part of it deals with physical education and sport. As my right hon. Friend the Secretary of State said, we are investing significant amounts to achieve the target of a minimum of two hours physical education and sport in our schools.

It is an indictment that we have not got to that point, but we are progressing.

We also need to ensure that the message about healthy food and healthy living spreads throughout the school ethos and the curriculum. That is why, as the Secretary of State said late last year, we will be publishing a healthy eating blueprint later this year.

Mr. Tim Collins (Westmorland and Lonsdale) (Con): Does the Minister agree that providing healthy, nutritional food options is only part of the pattern, and that schoolchildren at the moment are receiving many mixed signals? Will he review the extent to which some of the companies responsible for the least healthy food options are able to sponsor school activities and put in place vending machines that encourage children to go for the worst food options, not the best?

Mr. Twigg: That is one issue that we are considering as part of the "food in schools" work with the Department of Health. The hon. Gentleman is right to say that we do not want sponsorship that encourages unhealthy activity, but we want to take a sensible approach to sponsorship; for example, we want to encourage the provision of drinking water in schools, and the water companies are among the sponsors of many of those initiatives. We seek to get the balance right.

Vera Baird (Redcar) (Lab): Does my hon. Friend agree that it is critical that nutritious meals reach the poorest children, and that it continues to be a terrible pity that about 200,000 children entitled to free school meals do not claim them? According to research by the Child Poverty Action Group that is, as ever, due to the fear of stigma. Does he have any new plans to deal with that old and seemingly intractable problem?

Mr. Twigg: I am aware of that problem and I have been in discussion with CPAG about the work needed to ensure that free schools meals are taken up. I cannot set out a specific plan of action today, but I assure my hon. and learned Friend that, in considering her point, I will look at whether further work can be done on this specific issue as part of the broader work on healthy eating that I mentioned before.

Teacher Training

9. **Helen Jones** (Warrington, North) (Lab): What assessment he has made of the additional teacher training requirements which would result from the implementation of the Tomlinson report. [175998]

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): The final report of the working group on 14 to 19 reform, expected in the autumn, will set out recommendations for the curriculum and qualifications for that phase of learning. The report will set out carefully phased implementation arrangements. When the Department considers the final report it will work closely with the Teacher Training Agency and other bodies on the implications of the proposals for teacher training.

Helen Jones: Does my right hon. Friend agree that all the indications are that there will be many more practical options in schools when Tomlinson is implemented, so many of our young people will be learning basic subjects such as maths and science through practical rather than theoretical work? That will necessitate major changes in the way we train our teachers, because they are not currently trained in that way. Will my right hon. Friend undertake to give serious consideration not only to future teacher training but to the in-service training that will be required, so that we can make sure that the proposals are properly implemented?

Alan Johnson: My hon. Friend is absolutely right, and I can assure her that the issue is a priority. A departmental group has been set up to look specifically at issues arising from the implementation of the working group's proposals and the need for more practical training. This is not new: although work arising from the Tomlinson report is at a very early stage, a great deal of work is being done now in workplaces and further education colleges to ensure that teachers are properly trained.

Dr. Vincent Cable (Twickenham) (LD): If the Government are to progress the integrated 14 to 19 agenda, will that primarily be done by adding sixth forms to schools that do not have them, or by strengthening the age range of post-16 colleges; if the latter, what steps are the Government taking to remove the discrimination against post-16 colleges in determining staff salaries and funding?

Alan Johnson: We need to look at both options. Central Government have not set out in tablets of stone whether sixth forms in schools, sixth form colleges or, indeed, sixth form centres in FE colleges are the best route forward. In the strategic area reviews currently under way in all 47 learning and skills council areas we are asking providers to put the learner at the centre and decide on post-16 provision accordingly. Funding has been an issue for some time, but I can tell the hon.

Gentleman that the latest pay deal agreed for FE colleges will, by the end of its two-year duration, narrow that gap considerably, although it will not close it.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): Further to the excellent supplementary question asked by my hon. Friend the Member for Warrington, North (Helen Jones) about the centrality of science and maths in the Tomlinson review, can my right hon. Friend give me an assurance that the Smith report on mathematics teaching is being implemented post-haste to address the concerns rightly expressed by my hon. Friend?

Alan Johnson: I am advised by my right hon. Friend the Secretary of State that the Smith report on mathematics is being looked at energetically—*[Laughter.]* You can look at something energetically, Mr. Speaker, whether or not you do anything about it. The Smith report, however, makes an important contribution to the debate, and we will publish our response in the near future.

School Support Staff

10. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What his latest estimate is of the number of support staff working in schools; and if he will make a statement. [175999]

The Minister for School Standards (Mr. David Miliband): In January 2004, there were 241,700 full-time equivalent support staff employed in maintained schools in England—an increase of over 100,000 since 1997. Further information is available in the House of Commons Library. In addition, teacher numbers rose by 4,000 over the past year, and there has been an increase of 28,000 since 1997. That is obviously excellent news for schools and school standards.

Dr. Iddon: The Save British Science Society has found that practical classes in science are often cancelled for a variety of reasons, including poor pupil behaviour. Will my hon. Friend look at the supply of laboratory technicians? They are not well paid, and there are few training courses available for them, yet they are essential to the setting-up and efficient and safe running of practical classes in science.

Mr. Miliband: I completely agree. When I appeared before the Science and Technology Committee a year or so ago, we spoke about this issue, and I explained that work force reform and the inclusion of a range of adults with expertise from the community could play a major role in schools. I certainly envisage a continuing increase in school support staff, including those vital laboratory technicians to whom my hon. Friend referred.

Mr. John Gummer (Suffolk, Coastal) (Con): Will the Minister explain to the House what plans he has to raise the status and acceptance of support staff, who are important to the proper running of our schools? They play an increasingly important role, and should be seen for what they are—an essential part of education, not an add-on extra.

Mr. Miliband: The right hon. Gentleman makes an important point. I hope that he agrees that it is less a matter of acceptance—there is widespread acceptance of the important role that laboratory technicians can play—than of status, which is important. The work force reform agreement, which establishes clear teaching support roles for support staff, will provide them with the status that is demanded. Allied to that is a career structure for laboratory technicians that has not previously existed and a training system to support them. All those things will help to turn the acceptance that he and I think is important into the status that we also agree is vital. The first question today, which was answered by my right hon. Friend the Secretary of State, about the role of volunteer graduate students and others in the classroom, demonstrated an important adjunct to the role of laboratory technicians, drawn from universities and elsewhere.

Gap Year

11. **Valerie Davey** (Bristol, West) (Lab): What assessment he has made of the merits of a gap year to young people's education. [176000]

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): The Department for Education and Skills has commissioned a review of gap years, and the results of that research are due to be published at the end of July.

Valerie Davey: I thank my right hon. Friend for his reply. I am sure that he is aware that the Government are considering whether to support young people from low-income families to ensure that they, too, have the opportunity to take a gap year. Will he ensure that the Department's report feeds into that, and that admissions tutors in further and higher education and people who employ young people in their gap year are made aware of the value of a gap year for young people?

Alan Johnson: I can give my hon. Friend an assurance that the results of the research that we have commissioned and of the young volunteer challenge pilot which she mentioned and which operates in nine educational maintenance allowance areas, will be co-ordinated and, indeed, fed into the work of the Russell commission, which was announced by the Chancellor and the Home Secretary on 17 May, giving us a comprehensive look at a range of issues. We already recognise the value of gap years, but we need to know more about what students do in their gap year, what they get out of it, and other matters that have been under-researched in the past.

Mr. David Rendel (Newbury) (LD): Given that asking round the first year sixth-form students in my constituency this year has shown that many of them have been significantly put off the chance of going on a gap year because of the coming change in top-up fees, what investigations have the Government made to see what effect top-up fees will have on those who are deciding whether or not to take a gap year?

Alan Johnson: I am not surprised that some sixth-formers have been frightened to death by some of the figures floating around—

Mr. Nigel Evans (Ribble Valley) (Con): They are realistic.

Alan Johnson: They are not realistic at all. The suggestion the other day that students will end up with

debts of £40,000 is incredible and wholly unhelpful. In reality the gap year issue is different now from in 1998–99, when fees were introduced. Then students who were applying for university did not know that there would be a fee to pay; now there is three years' notice. Given that the current situation is payment up front—not on graduation—no maintenance grant, no 25-year debt forgiveness and a smaller loan, it is questionable whether students would decide to take a gap year, especially as in 2006 they will get the benefit of all those proposals. We do not intend to legislate in respect of the situation. Universities have the power to deal with any problems that they foresee.

Chris Grayling (Epsom and Ewell) (Con): This is yet another example of the Government saying one thing and doing another. Clearly the Minister has not talked to sixth-formers recently. If he does a straw poll of them, he will find that many of those leaving in 2005 are saying that they will not take a gap year to avoid top-up fees. Does the Minister accept that that will cause chaos in the universities admissions system in 2005 and represents a genuine injustice to many young people who for financial reasons will not take a gap year and will lose out on the kind of opportunity about which the Chancellor has been waxing lyrical this week?

Alan Johnson: I talk to sixth-formers all the time. These proposals are still subject to parliamentary approval; the Bill is still going through the House. If, in the expectation of the happy day coming, the Bill receives Royal Assent, we can do an effective job of explaining the deal to students and their parents, many of whom believe that they will pay £3,000 up front, there is no maintenance grant and there is not an increase in the threshold for repayment. I have not come across a single student whose decision to go to university has been affected. I agree that there is an issue about whether to take a gap year, but once the situation is fully explained, there will not be a gap year problem. Certainly if it is foreseen, universities, who will have the opportunity under variable fees to set a lower fee to avoid a gap year problem, have that solution in their own hands, rather than us legislating, as the hon. Gentleman proposes, to remove that money from the universities and prevent them from having that choice. We have taken a balanced approach to a currently perceived problem.

Mr. David Chaytor (Bury, North) (Lab): Is not the missing ingredient in this debate the role of the parents? Is it not unquestionably in the interests of the majority of parents to encourage their young people to take a gap year, thereby making themselves £1,175 a year better off? Once parents start to understand that by deferring entry to 2006 they will have an enormous tax cut, attitudes to gap years will change.

Alan Johnson: I am told that youngsters today do not listen to their parents. Many of us will hope that they do on this occasion. There is an awful lot in what my hon. Friend says, not just in respect of parental responsibility, but in respect of students recognising that if they enrol in 2006 they will get a bigger loan, a deferred fee, a £2,700 non-repayable grant, a bursary of up to £4,000 from the university and 25-year debt forgiveness as well as all the other proposals that we will have already introduced, such as a higher threshold. It is questionable whether there will be a gap year problem. We cannot be absolutely confident that there will not be one, but once we have got the message across in the next three years there will be a change of perception. I hope very much that we can deal with this issue.

Nursery Education

12. **Richard Ottaway** (Croydon, South) (Con): If he will make a statement on the funding of nursery education. [176001]

The Minister for Children (Margaret Hodge): In 1997 access to free nursery education was effectively a postcode lottery. Since then we have invested more than £11 billion as part of an unprecedented expansion of early years provision. From 1 April 2004, six months ahead of the original target, we amended the regulatory framework to require all local authorities to ensure that there is sufficient provision to deliver a free part-time nursery education place for all three and four-year-olds whose parents want one.

Richard Ottaway: May I suggest that the Minister visit Croydon, where that is not the case? Is she aware of the shambles in the funding of nursery education in Croydon, where the Labour-controlled council has embarked upon a discriminatory and illegal policy to deal with it? Is she aware that owing to a lack of funding, the council is not fulfilling the pledge that she set out? The council is choosing schools that are in Labour-controlled wards to receive nursery education funding, and ignoring the rest of the borough. Does she agree that that is abuse of power and contrary to the advice of officers, and will she use her statutory powers to intervene in what is nothing more than political corruption?

Margaret Hodge: As the hon. Gentleman knows, I am aware of the situation in Croydon because he has written to me about it two or three times and I have responded. As he also knows from the correspondence in which he and I have been engaged, we are working closely with that authority to find a solution. It may be worth pointing out to the House that there are two authorities out of the 150 local education authorities that are having some difficulty in implementing their statutory requirements. One is Croydon; the other is Tory-controlled Richmond.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Small Businesses

18. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What plans she has to assist small businesses to combat fraudulent schemes targeted at small and medium-sized businesses. [176007]

The Solicitor-General (Ms Harriet Harman): There is a wide range of initiatives under way across

Government to help small business combat fraud. Those include helping small businesses protect themselves against fraud and ensuring better investigation and prosecution of fraud.

Mr. Bellingham: I am grateful to the Solicitor-General for those remarks and for the effort she is putting into the dealing with the problem, but is she aware that many of the scams are becoming ever more brazen and complicated? One was reported to me the other day that was targeted at small and medium-sized enterprises and involved an organisation in Holland that purported to be an official lottery. It informed the recipient that they had won a large amount of money, asked for their bank details and asked them to send a handling fee. Some small firms have already been conned by that, believe it or not. Can the Solicitor-General tell the House what further steps she will take to try and sort out the problem?

The Solicitor-General: The hon. Gentleman raises an important point and brings to the attention of the House the fact that huge amounts of money are involved in frauds perpetrated against small businesses. Often that has an international dimension and is highly organised and complex. He may be aware that the Federation of Small Businesses now has a column in its newsletter called "Scamwatch". Perhaps that ought to include the fraud that the hon. Gentleman described.

It is important that we work across Government Departments and across agencies. It is an issue for the Department of Trade and Industry, the Financial Services Authority and the Office of Fair Trading, as well as for the police and prosecutors and small businesses themselves.

Mr. Peter Pike (Burnley) (Lab): Does my right hon. and learned Friend accept that many small businesses have difficulty with the current legislation on money laundering? Does she agree that we should provide more guidance, so that people do not fall into traps that they are not expecting?

The Solicitor-General: We are always happy to give guidance to small business, and we keep in close contact with the chambers of commerce as well as the Federation of Small Businesses. For the most part, they ask for more police resources to investigate fraud and closer working with prosecutors, but if there is a particular issue with small businesses having difficulty with the important new money-laundering regulations, we will do everything we can to help. Those regulations and the changes in the law are very important to tackle a growing problem.

Mr. David Heath (Somerton and Frome) (LD): There certainly is a growing problem, not only with "phishing" for bank details, but with the west African scam, which has been mentioned, and with what I consider to be the worst of all: firms purporting to be Government Departments or agencies asking for registration fees from companies for functions that are, in fact, free of charge.

Many of those cases are reported to local trading standards departments in the first instance, and it is difficult to assess the scale of the problem across the whole country. Can the Solicitor-General assure me that such cases are collated and that what is perhaps minor fraud in individual cases is considered as major fraud when it is replicated across the country and internationally?

The Solicitor-General: Just as Ministers must work with colleagues in other Departments, so the Crown Prosecution Service must work closely with the police—on fraud, it works particularly closely with City of London police. It is also important for local police forces and local trading standards departments to work together. The line between what is a criminal offence and what is taking advantage is often blurred, and we must keep an eye on that point. I shall take up the hon. Gentleman's suggestion and examine liaison between trading standards departments and local police on that issue.

Human Traffickers

19. **Mr. David Kidney** (Stafford) (Lab): What steps the Crown Prosecution Service is taking to secure the conviction of human traffickers. [176008]

The Solicitor-General: The CPS works closely with the police, immigration authorities and victims' organisations to ensure that human traffickers are caught, convicted and receive the appropriate sentence.

Mr. Kidney: I thank my right hon. and learned Friend for that answer. Does she agree that public ill will towards those who enter our country illegally should be properly directed towards organised criminal gangs that smuggle people into the country illegally? Does she think that prosecutors could contribute to focusing public disapproval—nay, loathing—on the right people by securing convictions and the severest sentences for ruthless people smugglers?

The Solicitor-General: I agree with the points raised by my hon. Friend. When the Court of Appeal heard the case of a man called Plakici, who had received an unduly lenient sentence, it said that people trafficking is modern-day slavery. People are tricked, taken across the world and forced into terrible circumstances, which often include prostitution, kidnap, rape and many kinds of assault. The problem is growing, and we must address it internationally. We cannot sort it out alone, and we must work bilaterally with the countries of origin, some of which are in Africa, eastern Europe and south-east Asia, and with our European partners, because victims are often brought into another European country before they are brought into the United Kingdom.

Mr. Dominic Grieve (Beaconsfield) (Con): The Solicitor-General knows that in many cases human trafficking is for the purpose of prostitution, which is a point that we sought specifically to address in sections 57, 58 and 59 of the Sexual Offences Act 2003. Will she tell the House about progress on prosecutions under that legislation? Perhaps she will also amplify her remarks on international co-operation: are we succeeding in extraditing to this country for trial those who facilitate trafficking, because in many cases the traffickers are not based here?

The Solicitor-General: On international co-operation, the offences often occur in a number of different

countries, and victims and evidence are often located in several different countries. That often raises the question of the most appropriate jurisdiction under which to try the crime, and extradition is not a major issue. The hon. Gentleman is right that the 2003 Act adds more offences to tackle that growing menace. The 2003 Act came into effect on 1 May, and I do not know whether any prosecutions have occurred under it yet, but an interministerial group will monitor the situation. The hon. Gentleman, like me, was in the Committee that considered the 2003 Act, and none of us wants good legislation that is not enforced.

Burglary (North Yorkshire)

20. **Miss Anne McIntosh** (Vale of York) (Con): To ask the Solicitor-General if she will make a statement on the rate of successful prosecution for burglary in north Yorkshire. [176009]

The Solicitor-General: The conviction rate for all cases in North Yorkshire magistrates court is 98 per cent., and for all cases in the Crown Court the figure is 90 per cent. We do not have separate figures for conviction rates for burglaries in north Yorkshire.

Miss McIntosh: I have the separate figures, which show that less than 5 per cent. of burglary cases lead to successful prosecutions. In 2002–03, more than 11,000 burglaries were recorded, but fewer than 700 offenders were brought to justice, which is defined as a successful prosecution. The figure is very low, and I wonder what is going wrong and what damage is being caused to the morale of North Yorkshire police, which brings cases to trial, where the offenders are not successfully prosecuted.

The Solicitor-General: In north Yorkshire, the police, prosecutors, courts and other agencies are working together to try to reduce the gap between the number of offences committed and the number of offenders brought to justice. That is happening locally as well as throughout north Yorkshire in general. As the hon. Lady will be aware, there has been a fall in the number of burglaries. The latest information shows that the number of domestic burglaries in north Yorkshire has fallen and that there has been an increase in the number of arrests. It is preferable that burglaries should be deterred, but if they happen, we must ensure that they are detected—that is a major issue—and that people are effectively prosecuted when brought to court. The police and the CPS are working together on that and making some progress.

Government Counsel

21. **Mr. Gordon Prentice** (Pendle) (Lab): What criteria she uses to select counsel to represent the Government in court. [176011]

The Solicitor-General: The selection criteria for counsel to represent the Government include experience in advocacy and advice, quality of written work, academic strength and references.

Mr. Prentice: I thank my right hon. and learned Friend for that answer, but is there any kind of performance monitoring of Treasury counsel—not only for those who represent the Government in court, but for those who represent them in inquiries? For example, was Jonathan Sumption, who represented the Government during the Hutton inquiry, told whether he did a good or bad job? What kind of feedback did he get?

The Solicitor-General: I cannot comment on that specific case, but continuous monitoring and feedback happens for important cases. The panel is reviewed, so that people do not stay on it for life. People's performance is reviewed to determine whether they will stay on the panel of counsel to be instructed by the Government.

Business of the House

12.31 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House give us the business for the week after the recess?

The Leader of the House of Commons (Mr. Peter Hain): The business for the week after the Whitsun recess will be as follows:

MONDAY 7 JUNE—Second Reading of the Patents Bill *[Lords]*, followed by a motion to approve the Third Report of the Procedure Committee on joint activities with the National Assembly for Wales, followed by a motion to amend the Standing Orders in relation to the nomination of Select Committees.

TUESDAY 8 JUNE—Remaining stages of the Age Related Payments Bill, followed by a debate on the "Future of Air Transport" White Paper on a motion for the Adjournment of the House.

WEDNESDAY 9 JUNE—A debate on veterans' affairs on a motion for the Adjournment of the House.

THURSDAY 10 JUNE—A debate on disability on a motion for the Adjournment of the House.

FRIDAY 11 JUNE—The House will not be sitting.

The provisional business for the following week will be:

MONDAY 14 JUNE—Second Reading of the Domestic Violence, Crime and Victims Bill *[Lords]*.

TUESDAY 15 JUNE—Opposition half-day [10th Allotted Day] (Part Two). There will be half-day debate on an Opposition motion, subject to be announced, followed by a motion to approve European documents relating to the financial perspective and to the structural and cohesion funds.

WEDNESDAY 16 JUNE—A debate on European affairs on a motion for the Adjournment of the House.

THURSDAY 17 JUNE—Remaining stages of the Human Tissue Bill.

FRIDAY 18 JUNE—Private Members' Bills.

Mr. Speaker, I wish you and all members of staff of the House, on whom we so gratefully rely, a happy break.

Mr. Heald *rose—*

Mr. Speaker: Order. Before I call the hon. Gentleman, may I say to the House that questions must be put about the business after next week? I shall be very strict on that and will not allow questions on any matter other than that. I remind hon. Members that there will be an Adjournment debate later during which matters may be raised of any Back Benchers' choosing.

Mr. Heald: I thank the Leader of the House for giving us the business. May I associate my right hon. and hon. Friends with his remarks about the staff of the House and his best wishes to you, Mr. Speaker?

Can the Leader of the House give us any indication of when the debates promised by the Foreign Secretary on Zimbabwe and Iraq will take place?

The Leader of the House will have seen reports of the ruling in the Belfast Crown court that the Real IRA is not a proscribed group under the Terrorism Act 2000; that means that it is not an offence to be a member of that organisation. Is not that a blunder by the Lord Chancellor, who gave clear assurances to the contrary? When the Terrorism Bill was in Committee, he said:

"the organisation must be a proscribed organisation under Schedule 2 to the Bill. Under Schedule 2, the Irish Republican Army will include the Provisional IRA, the Real IRA and the Continuity IRA."—[*Official Report, House of Lords*, 6 June 2000; Vol. 613, c. 1064.]

We want that matter rectified rapidly. Will the Leader of the House promise us an early Bill? I assure him that he will have our full support.

As the business in the week after we come back is somewhat slight, can the Leader of the House fit in a short debate entitled, "The mystery of the missing men from the Ministry"? Figures published this week show an annual rise of 88,000 in public sector employment in education, yet the Department for Education and Skills website claims that the number of teachers has risen by only 4,000. Who are the other 84,000? Can we have an assurance that they are not yet more bureaucrats?

Turning to the D-day commemorations, the Leader of the House will know that there is to be a written statement today and that many veterans are concerned about the arrangements for them to attend the march-past. Apparently, there are considerable transport difficulties. Does he agree that had there been such difficulties 60 years ago, we would never have won the war? What is he going to do about it and can we have an oral statement?

The Leader of the House knows that, by and large, we prefer oral statements to written statements, but could not the titles of written statements be more informative? I notice today, for example, that the Secretary of State for Northern Ireland is going to tell us all about "Dealing with the past." It would be much more helpful if he could tell us exactly what his statement was about.

Mr. Hain: I will certainly bear in mind what the hon. Gentleman says about statement titles, as will, I am sure, all my colleagues in the Cabinet and in the Government.

On Zimbabwe, I can promise the hon. Gentleman that a debate will be notified as soon as we have had discussions through the usual channels, including on the availability of the Foreign Secretary. We intend to have a debate on Iraq when the opportunity is right to do so. As the hon. Gentleman will be aware, the Defence Secretary is to make a statement to the House this afternoon. The hon. Gentleman asked for that last week, and it is being served up for the House. I am sure that he will welcome that.

Mr. Heald: We want more.

Mr. Hain: The hon. Gentleman is always asking for more—that is his job. [HON. MEMBERS: "Oliver!"] I will not pursue that line.

The Government are very concerned about the ruling on the Real IRA. The Director of Public Prosecutions is forwarding a report to the Attorney-General with a view to a reference to the Court of Appeal. The Government are clear that the Real IRA should be a proscribed

[Mr. Hain]

organisation. Given the ongoing consideration of a reference to the Court of Appeal, I cannot comment any further.

On public sector jobs, I shall give the hon. Gentleman some of the details for which he asked. In doing so, I note that a Conservative Government, were one ever to be elected, would be committed to cutting public sector jobs on a massive scale. Since June 2003, 162,000 new jobs have been created and recruited in the public sector. At the same time, by the way, 98,000 new private sector jobs have been created. Those public sector jobs include nearly 19,000 nurses, 5,600 doctors, 4,800 police, 4,200 teachers, 16,000 clinical support staff and 16,300 school support staff, as well as many others. The truth is that we want high-quality services and the recruitment of front-line staff to provide those services. That is what the public want and that is what we are delivering. The Conservatives would cut those jobs and services week after week, as they did when they were in power.

We are all concerned to ensure that the D-day Normandy landings are properly commemorated. That is why the Ministry of Defence is providing assistance for veterans to travel to Normandy to make the events on the weekend of 5 and 6 June a success. The main commemoration will take place with the Queen and the Prime Minister present on 6 June. That is important and I am sure that the hon. Gentleman welcomes that.

Julie Morgan (Cardiff, North) (Lab): My right hon. Friend knows that the today's Health Committee highlights obesity. He also knows that sport and recreation are important in tackling that problem. Is he aware of the possible loss of sailing facilities in Cardiff as a result of the proposal by Western Power to fill in part of the Llanishen reservoir? Will he do all that he can to influence the course of events to prevent that from happening? It would block off an important sailing resource in Cardiff.

Mr. Hain: That is obviously a matter of great concern to my hon. Friend. I shall look into it and discuss it with the relevant authorities.

Mr. Paul Tyler (North Cornwall) (LD): We welcome the two statements this afternoon, especially that on chaos in the European elections in the north. If any vital deadlines are missed next week and there could consequently be a legal challenge to the outcome of the elections, will the Leader of the House assure us that we will have a statement on the first day back—Monday 7 June—to explain what the Government intend to do, and that it will take precedence over all other statements? It is obviously an important issue.

On security in the House, can we have a progress report in the week that we come back—

Mr. Speaker: Order. I repeat that the Speaker is responsible for security and I do not want it discussed on the Floor of the House. If the hon. Gentleman or any other hon. Member has worries about security, they can come and see me and I will discuss it with them. The worst thing we can do is to discuss security on the Floor of the House.

Mr. Tyler: Thank you, Mr. Speaker. Obviously I understand that. I intended to take up some of the points that were made in business questions last week, but I can leave that for another occasion.

Why has only one day been allocated to the remaining stages of the Human Tissue Bill? Will the Leader of the House reconsider that? Hon. Members from all parties believe that important issues are at stake. Will he at least review the matter to ascertain whether more time could be allocated?

Mr. Hain: I welcome your comments on security, Mr. Speaker.

As the hon. Member for North Cornwall (Mr. Tyler) said, he will shortly have an opportunity to question the Minister on postal votes. However, I reject the charge of chaos anywhere in the postal vote regions. I note that the Liberal Democrats were prominent in leading a charge to deny many millions of people the opportunity to vote from the comfort of their homes, with the higher turnout and improved quality of democracy that that would bring.

I shall look into the hon. Gentleman's point on the Human Tissue Bill. My inclination at the moment is not to change the timing, but I shall consider his comments.

Mr. Alan Hurst (Braintree) (Lab): In my constituency is a greatly loved maternity hospital, the William Julian Courtauld, which has served the people of Braintree for some 80 years. Up to seven years ago, 350 births a year happened there. That figure fell to approximately 120 last year. The hospital is open 9 am to 5 pm on weekdays only. In the evenings and at weekends, the midwife has to get the key to let the expectant mother in. That is causing a vast deterioration in service. Will the Leader of the House arrange an urgent debate on the provision of adequate maternity services in small towns and rural areas?

Mr. Hain: The Secretary of State for Health will take careful note of my hon. Friend's comments because he raises an important issue. The problem is difficult to understand given that more than 67,000 extra nurses, more than 19,000 extra doctors and more than 7,300 additional consultants have been recruited since we came to power. That should mean extra, higher quality services throughout the country, including in my hon. Friend's constituency.

Mr. John Bercow (Buckingham) (Con): May we have an urgent debate in Government time on Afghanistan? Given that, following the removal of the Taliban, the Prime Minister promised that the international community would not walk away from the plight of the Afghan people, does the right hon. Gentleman share my concern that internecine fighting in that country is rife, that development aid has in many cases had to be diverted to military projects and emergency relief, that opium production is soaring and that the independent newspaper there describes Afghanistan as a nation on the edge of anarchy? In those circumstances, is it not

essential that the House should have a thorough debate, agree a way forward and honour its commitment to the long-suffering people of that beautiful but beleaguered country?

Mr. Hain: As the hon. Gentleman knows, there will shortly be an opportunity to discuss Afghanistan. Obviously, I welcome his concern about the situation there, but he will also have noted President Karzai's statement rejecting many of the points contained in that report. It is also important to note that the economy of Afghanistan grew by 30 per cent. last year. Furthermore, 860 km of road have been rebuilt, 4 million children are now back at school, and 6 million children have been vaccinated against measles and polio. Progress is being made in a very difficult security climate, with the Taliban seeking to come back, assisted by Osama bin Laden's forces.

Huw Irranca-Davies (Ogmore) (Lab): Mr. Speaker, I am mindful of your comments about raising security on the Floor of the House, but I hope that you will understand my sentiment and purpose when I ask my right hon. Friend whether, when we return from the recess, we can have a debate on the role of the Doorkeepers. They play a vital role here in security and it was they who were instrumental in arresting the two purple flour-bomb throwers the other week. I would much appreciate a debate on this issue.

Mr. Hain: I am grateful to my hon. Friend for his remarks about the vital role of the Doorkeepers, which we all appreciate enormously. Some of the gratuitous comments that have appeared in the newspapers in recent days have been bitterly resented by you, Mr. Speaker, by me and all Members of the House who really appreciate the job that the Doorkeepers do. We must also recognise that, when journalists make these accusations, the Doorkeepers cannot answer back in the way that politicians can.

Pete Wishart (North Tayside) (SNP): Can we have an urgent statement on the arrest of my constituent, the journalist Peter Hounam, in Israel last night? The Leader of the House will be aware that Mr. Hounam was the journalist who interviewed Mordecai Vanunu about Israel's secret nuclear programme in 1986. He is currently being held in Israel without legal representation or access to British consular staff. Will the Leader of the House do all that he can to ensure his early release?

Mr. Hain: The Government are very concerned about this situation and it is absolutely appropriate for the hon. Gentleman to raise it. We have asked the Israeli police and the ministry for foreign affairs there for more information, and expressed our concern. We have also asked for consular access to Peter Hounam as soon as possible. I hope that the hon. Gentleman will be reassured to know that I have asked my colleague, the Minister of State in the Foreign Office, Baroness Symons of Vernham Dean, to make contact with the Israeli ambassador to get the issue resolved.

Jeremy Corbyn (Islington, North) (Lab): Further to that response, may I ask whether we could have a statement, when the House returns after the recess, from the appropriate Foreign Office Minister on the treatment of Peter Hounam, the circumstances in which he was arrested and the representations that have been made by the UK Government to Israel to lift the ludicrous restrictions on Mordecai Vanunu, who has already served 18 years in prison and is now under virtual house arrest in the Anglican cathedral in Jerusalem? We pay tribute to the cathedral for being prepared to help and support him, but he should be a free man, free to travel wherever he wishes, anywhere in the world, and not under house arrest.

Mr. Hain: As someone who had many friends placed under house arrest in the old apartheid South Africa, I understand the point that my hon. Friend makes. The treatment of Mr. Vanunu is unacceptable and we have made representations about it throughout his detention, and subsequently.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): In October, 14 million people in the three northern regions will be asked to vote in a referendum on elected regional assemblies. The Government have already recognised that it is essential that those people understand precisely what the powers of those assemblies will be, but the Deputy Prime Minister has already created some doubt about those powers by speculating that they might be extended. It is important that a draft Bill be published, but that will not be enough. It is essential that we debate this matter in the House, preferably before the summer recess, but certainly before the referendums take place, so that we can probe the Government on their precise intentions. Can the right hon. Gentleman give the House an assurance on that?

Mr. Hain: The assurance that I can give to the hon. Gentleman is that the Bill will be published before the referendums take place. That is important so that people know what they are voting on. Equally, it is important to note that the House should welcome the attempt by the Government to hand power back to the people and empower regions of England, just as Wales and Scotland have been empowered, through devolution of decision making. The Government are committed to that policy, which we will continue to roll out.

Geraldine Smith (Morecambe and Lunesdale) (Lab): The Government office for the north-west has recently appraised 20 bids for objective 2 sub-regional funding, and has given top rating to a £3 million bid for circus skills training, while a bid by Lancashire constabulary affecting my constituency, which related to social exclusion, crime prevention, economic and environmental concerns, was rated bottom. I find that completely incomprehensible and I suspect that most ordinary people will also find it so. Can we therefore have an early debate on the decision-making procedures and criteria associated with such bids?

Mr. Hain: On the basis of my hon. Friend's account, I agree that it is baffling.

Mr. John Gummer (Suffolk, Coastal) (Con): Does the Leader of the House agree that it is important to have

[Mr. John Gummer]

the debate on the European Union? I welcome such a debate. Currently, two areas are under consultation: both the cross-compliance arrangements and the excellent arrangements for the EU water directive. Everyone else will have an opportunity to put their views. Is it not time that the House had an opportunity to discuss the EU water directive and cross-compliance, because every farmer in the country will be affected? We ought to have a full day's debate in Government time on those matters.

Mr. Hain: I will certainly take account of what the right hon. Gentleman says, particularly given his long involvement and expertise in this area, both in government and subsequently. My right hon. Friend the Secretary of State will want to note carefully his points and take them into account.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Will the Leader of the House ask the Home Secretary to make a statement to the House after the recess on the position in the Sussex police authority? Five police officers involved directly in the unlawful killing of my constituent, James Ashley, in January 1998, are apparently now to sue the Sussex police authority for £50,000 each for their treatment. The Ashleys have lost a son. A year ago, the new chief constable of Sussex made an apology to the family saying that James's wrongful death came about because of the cumulative effect of policy errors and operational mistakes. Does my right hon. Friend accept that this situation is deeply distressing to my constituents, the Ashleys, and will he ensure that the Home Secretary investigates the matter and makes a statement to Members on it?

Mr. Hain: It is indeed a distressing and tragic incident and our sympathies go to the family. They will undoubtedly be pleased that my hon. Friend has raised the matter on the Floor of the House so that the whole House is aware of it. The Home Secretary will of course want to take careful note of what she has said and to progress the matter.

Dr. Julian Lewis (New Forest, East) (Con): It is now more than four months since I raised on a point of order the question of the volume of noise from the permanent demonstration in Parliament square. In response, Mr. Speaker, you expressed sympathy with my point and the Leader of the House said that he would try to deal with the matter as quickly as possible. In fact, the volume of noise continues unabated. It is not relevant that there was a court case that allowed the protest to continue—that was not related to the volume of noise—and we must consider that the police, who have the duty of being in the front line of any sort of attack that might be made on the House from outside, are being constantly distracted and disturbed by this incessant noise. The police say that it is a matter for the council, and the council says that it is a matter for the police. Why cannot the police cross the road and remove the amplification equipment once and for all?

Mr. Hain: Mr. Speaker, I know that you feel equally strongly about this matter because you have told me so in no uncertain terms. The hon. Gentleman will be aware that the Government are anxious to deal with the situation, which is why we responded as we did recently to the Procedure Committee report. Action will follow, after consultation with the Home Secretary and the police, to sort the situation out.

Brian White (Milton Keynes, North-East) (Lab): May I draw my right hon. Friend's attention to early-day motion 1295, which highlights the situation of a company in my constituency that has had to lay off workers because of the actions of a large company nearby, Hyundai, that refuses to pay outstanding debts?

[That this House notes that small businesses, such as Motor Sports Developments Ltd based in Milton Keynes, have for many years meant that the UK has led the world in designing, developing, preparing, operating and promoting motor sports vehicles for international motor sport, notably the World Rally Championship; further notes that these companies enter into long-term contracts to develop the skills and experience to operate a world rally programme on behalf of a major car manufacturer; is therefore outraged that due to a unilateral decision made by the Hyundai Motor Company in Korea to use its economic power and not to make outstanding payments due to Motor Sports Developments Ltd, the company faces possible closure with the loss of 150 highly skilled employees; condemns Hyundai for acting in bad faith; believes that such a company is not fit to sponsor Euro 2004; and calls on the Government to ensure that where UK small businesses find themselves in this position, they are supported in their legal action against large foreign multi-nationals.]

In thanking the staff at our embassy in Seoul for their efforts, may I ask the Leader of the House to ensure that, across Departments, the Government respond to give small businesses in this situation all the help that they can get?

Mr. Hain: I am sure that my right hon. Friends will want to do that and I am concerned to hear about the plight of Motor Sports Developments Ltd., not least because I am a motor sports fan. I know that it is a company involved in high-performance engineering, in which Britain has a world lead, and we want to make sure that such businesses are safeguarded and able to compete effectively in future.

Rev. Martin Smyth (Belfast, South) (UUP): May I press the Leader of the House on the question of doubt about the legal situation of the Continuity IRA and the Real IRA? The learned judge who made the decision is very able. If that is not cleared up before Parliament resumes in a week's time, will he assure me that legislation will be introduced in the House to tighten the net rather than leaving the ambiguity that seems to favour the IRA who, under whatever guise, continue to terrorise?

Mr. Hain: Obviously, we need to take one thing at a time. The first is to have the Attorney-General's view on how matters should proceed: whether there should be a reference to the Court of Appeal or some other method

of redressing the situation. I, the Government and the Secretary of State fully agree that it is completely unacceptable.

Mr. David Watts (St. Helens, North) (Lab): In the past, my right hon. Friend has promised the House that he would allow Members to discuss the new hours and to review them? Can he set out a timetable for that review?

Mr. Hain: The Modernisation Committee will consider this matter shortly, and I hope that it will begin its review later next month. My hon. Friend will have the opportunity to contribute to it, as will all other Members of the House. We will take into account the welcome review by the Procedure Committee, which sent out a questionnaire to all Members and attracted a high return.

Tony Baldry (Banbury) (Con): In the week after the House returns, can we have a statement from the Secretary of State for International Development on the role of the Department for International Development in Iraq? We have had numerous welcome statements from the Secretary of State for Defence, but so far we have not had a single statement from the Secretary of State for International Development. Given that DFID had its budget sliced elsewhere by £100 million to go to Iraq, there has never been an explanation of where that money has gone. With the handover of authority to Iraqis, we hope that we will be in a process of nation building. One would have expected DFID to be at the forefront of all that. It would be helpful to have a better understanding of what DFID's role will be, rather than simply hearing constantly from the Secretary of State for Defence.

Mr. Hain: On that question, the hon. Gentleman will understand that there have been some adjustments to the DFID budget, and properly so, as the situation in Iraq has required that, and the Iraqi people have needed the assistance that we have secured for them. He will also know that the DFID budget has doubled under this Government, which I am sure that he will welcome, compared with the position under the previous Government whom he supported. Certainly, I will draw the Secretary of State's attention to his points.

Richard Burden (Birmingham, Northfield) (Lab): May I add my support to the comments of my hon. Friend the Member for Islington, North (Jeremy Corbyn) and the hon. Member for North Tayside (Pete Wishart) regarding Mordecai Vanunu and Peter Hounam? As for my business question, can he raise through the appropriate channels, perhaps with a view to a statement after the break, the convention whereby Members are meant to inform each other when they go to each other's constituencies? I ask that because, on Monday, my office received rumours that the Leader of the Opposition was going to visit my constituency the following day. We made inquiries about that, and were told by his office that it knew of no such visit, and that he was going to Birmingham for the motor show.

When I arrived here on Monday evening, I discovered that a note had been placed on the letter board informing me that he was indeed visiting my constituency the following day. I subsequently discovered that it was for a photo call connected with a threatened post office in the constituency.

As my right hon. Friend knows, I have been involved in a cross-party campaign to defend local services. We would be happy to have the Leader of the Opposition on board for that. Does my right hon. Friend share my fear that either the Leader of the Opposition's office does not know what he is doing, or this was an attempt to make party political advantage out of a local issue?

Mr. Hain: Obviously I cannot comment on the details. There is a convention which we are all required to respect; but I should be astonished if my hon. Friend's constituents felt any relief as a result of a visit from the Leader of the Opposition, given his dreadful record of cuts across the board when his party was in government.

Iraq: UK Forces Adjustments

1.1 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): I should like to make a statement on troop levels in Iraq. Overall I am announcing a net increase of around 370 in troop numbers to bring the total of UK forces in Iraq to about 8,900. As the House knows, we keep the number and composition of UK forces in Multinational Division (South East) under constant review. Since MND (SE) was established in the summer of 2003, we have made a series of adjustments in the light of the security situation on the ground and the advice of the General Officer Commanding. The most significant have included the multinationalisation of the headquarters, which was originally based on a UK division; the deployment of two additional surge battalions which I announced in September; and the deployment of a replacement for those battalions, together with a small number of Royal Military Police, primarily to provide a surge capability to assist with the training and development of Iraqi security forces in MND (SE), which I announced to the House on 28 October and 15 December.

As a result of the latest advice from the General Officer Commanding, we plan a number of further such adjustments in MND (SE). The two surge battalions—currently 1st Battalion the Argyll and Sutherland Highlanders and 1st Battalion the Royal Highland Fusiliers—have made excellent progress in their work with local Iraqi forces, which are increasingly taking on responsibility for basic security functions in MND (SE). We therefore judge it unlikely that we shall need two battalions to perform that role beyond this summer, but that too we will keep under review. As a sensible precaution, we are reducing the notice to move of 40 Commando the Royal Marines in order to keep open the option of deploying it to continue this work when the Argyll and Sutherland Highlanders and Royal Highland Fusiliers reach the end of their tours. In the meantime, 40 Commando will continue with its current activities.

In January 2004, we deployed two additional platoons of Royal Military Police from 110 Provost Company to assist in the provision of specialised training for the Iraqi police service. They will reach the end of their tour in June, having performed an invaluable role. We judge that the work should continue, and therefore plan to deploy two platoons of the RMP from 160 Provost Company to replace those returning next month.

The House will be aware that the security situation in Iraq remains difficult, even in parts of MND (SE), which overall continues to be one of the more stable areas of Iraq. In particular, there is a continuing threat from violent groups in the area around al-Amarah in the province of Maysan. Although UK forces and Iraqi security forces have taken, and continue to take, robust and appropriate action to deal with this threat, the General Officer Commanding, Major-General Stewart, judges that with the planned withdrawal of 1st Argyll and Sutherland Highlanders—a light infantry battalion—at the end of its six-month tour in July, it would be advisable to take this opportunity to deploy a Warrior-trained infantry battalion. That will provide Major-General Stewart with a well-protected and mobile reserve, giving him greater operational flexibility. We therefore plan to deploy 1st Battalion the Black Watch with a small number of logistic enablers. That will involve around 600 personnel—a net increase of around 200 when the withdrawal of 1st Argyll and Sutherland Highlanders is taken into account.

Finally, in view of the nature of the threat posed by violent groups around al-Amarah in particular, which has involved both mortar and rocket attacks on UK bases, Major-General Stewart has requested, and I have agreed, the deployment of 69 Squadron from 36 Regiment Royal Engineers—some 170 personnel—for about three months. The engineers will carry out force-protection work, including the construction of additional physical defences in British bases, to reduce the threat posed by the kinds of attacks that we have seen in recent weeks.

I emphasise that these are sensible adjustments, at the request of the General Officer Commanding, to UK forces in MND (SE). It remains the case that we, with our coalition partners, are considering the levels and dispositions of forces required in Iraq in the months ahead, to support in particular the sovereign interim Government of Iraq through the process leading to the election of a transitional assembly and Government early in 2005. If we judge that further changes to the UK military contribution in Iraq would be appropriate to support that process, we will of course inform the House at the earliest opportunity. At present, however, no such decision has been taken.

Mr. Nicholas Soames (Mid-Sussex) (Con): Conservative Members are glad that the Secretary of State has come here today—rightly, at the insistence of my right hon. and learned Friend the Leader of the Opposition—to make his long-overdue and heavily trailed statement about further deployments to Multinational Division (South East). Will he confirm that that is fully endorsed by the chiefs of staff, and is he satisfied that it fully conforms to the Government's apparently slight understanding of their own political objectives? If that is indeed the case, we believe that it is right that this should happen in order to provide additional security as a reserve, and stability as the handover approaches and throughout the period leading up to the elections—subject, of course, to the Iraqi interim Government's wishes.

I have to say that the choice of 1st Battalion the Black Watch strikes my hon. Friends and me as astonishing. The Secretary of State may realise that the Black Watch fought throughout Telic 1, and has been back in England for less than a year. It seems an astonishing manifestation of overstretch and of the state of the Army in terms of the regiments that it can deploy that it has to deploy a regiment that has only recently returned from Iraq after a very hard time.

On the wider but vital issue of the unity of command, given the confusion earlier in the week on the part of the Prime Minister, will the Secretary of State confirm that these troops will continue to be under British command after 30 June, within existing coalition arrangements? Will he also tell us what the relationship is likely to be between the interim Iraqi Government and any new multinational force, and will he say what the rules of immunity will mean in practice?

In the light of his announcement, will the Secretary of State say whether troops in Iraq on existing operations will be moved from their present duties to other locations? As for practical questions of the deployment, will he confirm that the Black Watch, the Royal Military Police and the sappers will be given all the equipment they will need for operations in intense heat and a hostile environment? Will he also confirm that they will have received the full training package in every respect, including conduct on the taking and processing of prisoners? How many of the troops will be reservists? Will the Secretary of State assure us that, given the likely nature of the security challenges that the Black Watch in particular will face, the troops further deployed will have full access to all the riot control equipment that they may need? Has he assured himself on their medical back-up, and will he confirm that they are fully briefed on the welfare package?

Will the Secretary of State assure the House that there is no intention of deploying British troops out of their existing zones of operations? Will he confirm that other discussions about further and indeed possibly strategic deployments are continuing, and will he reassure us that he will make no statement on these matters while the House is in recess? There are still many questions of profound importance with which he will need to deal over the coming weeks. We shall want his assurance that the House will be kept better informed than has previously been the case.

The Government need to show that they have reclaimed a grip on the drift of their policy in Iraq, and prove that they are the master of their objectives and not merely the victim of events.

Mr. Hoon: I am grateful to the hon. Gentleman for his support. He and the House can take it that the series of practical points he raised will be addressed when necessary, if they have not been addressed already.

The Black Watch had appropriate training and was the choice for that reason, given the requirements of the General Officer Commanding.

Indeed, as I indicated clearly to the House, that deployment is on obvious military advice. I have dealt with the immunity question already. On the question of location, I made it clear that it was a deployment to the Multinational Division (South East). The training package and the other matters that the hon. Gentleman raised have already been dealt with—*[Interruption.]*

Donald Anderson (Swansea, East) (Lab): This appears to be a limited, stabilising deployment at the request of the local commander. I understand that President Chirac has been positive about the new draft UN Security Council resolution. Our troops have a high regard for the professionalism of their French counterparts, with whom they work in the Balkans and elsewhere. Now that there will be—hopefully within a few weeks—a new UN Security Council resolution and a sovereign Iraqi Government on 30 June, what is the prospect of countries such as France and Spain contributing to stabilising the position and supporting the civil power?

Mr. Hoon: I am grateful to my right hon. Friend for his question. He invites me to speculate about a situation that has not yet been reached, but like me he is clearly optimistic that a new Security Council resolution and a sovereign Government in Iraq will encourage other countries to contribute forces. As he knows better than me, many of those countries have constitutional restrictions on the deployment of their forces in the absence of an appropriate UN resolution. That resolution should be available before 30 June. I hope that that will encourage other countries to deploy their troops.

Mr. Eric Joyce (Falkirk, West) (Lab): My right hon. Friend will agree that it is entirely appropriate for the media to cover and to scrutinise the operations of our troops and their conduct on operations, but does he also agree that, when there is a cynical and destructive approach, it has a malevolent, negative effect on the morale not so much of our troops, but of service families at home? Will he urge, even though he may be banging his head against a brick wall, a bit of common sense on the part of the media?

Mr. Hoon: I am grateful to my hon. Friend, who served with great distinction and is more aware than most of the damage that such speculation can cause. We have seen a number of suggestions that various forces will depart imminently for Iraq. It is important that there should not be such speculation, not least because of its impact on families.

Mr. Paul Keetch (Hereford) (LD): I thank the Secretary of State for notice of the statement and for coming to the House before the recess.

We have always said that if the commanders on the ground require additional troops, they should get them, but we have also said that if the United Kingdom is to take on additional commitments outside our existing area, that decision should be subject to a vote in the House of Commons. Does the fact that the deployments are at the request of the commanders on the ground and involve more armour and more barricades mean that the security situation is in effect deteriorating? Will there be an additional call-up of more TA troops to cover the deployment? In January, the right hon. Gentleman told the House that the interval for tours of duty for our troops worldwide stood at nine months. What is it now?

Many of us both within and outside the House oppose the war in Iraq, but it was this House of Commons that authorised that deployment. Does the Secretary of State understand that, if he is to continue to receive that support, he must bring back to the House of Commons any extension of that remit?

Mr. Hoon: I do not accept the hon. Gentleman's proposition, which is not recognised in the constitutional law of the United Kingdom. It has not been the practice previously. If he thinks about what he has just said, if there were a need for British forces in southern Iraq to assist coalition forces in a different area, clearly that would be an operational decision taken on the ground. It could not await the return of some resolution to the House of Commons and a subsequent vote. What is important, and the statement provides it, is that we recognise the operational requirements on the ground in Iraq and take appropriate decisions.

Glenda Jackson (Hampstead and Highgate) (Lab): Is the interim Iraqi Government one of the coalition

[Glenda Jackson]

partners, to which the Secretary of State referred, that are considering the level and disposition of forces required in Iraq in the months ahead? When the Iraqi Government become supposedly sovereign, will they still be able to say to the British Government that they may need more troops or, indeed, fewer troops?

Mr. Hoon: I am sorry but I do not accept the way in which my hon. Friend has characterised the position. After 30 June, there will be an interim sovereign Government in Iraq. As has been made clear by Secretary Powell and by my right hon. Friend the Prime Minister, it will be a sovereign decision as to whether foreign forces are located in Iraq. The sovereign Government will consent to their presence, as indeed independent Governments have done in Bosnia, Afghanistan and Sierra Leone. Therefore, the arrangement will be wholly consistent as a matter of law between a sovereign Government and coalition forces—there with the consent of a sovereign Iraqi Administration.

Mr. John Maples (Stratford-on-Avon) (Con): The Secretary of State should really treat the House with greater openness and transparency if he wants to maintain the support, particularly of my hon. Friends and me, for the Government through very difficult times—we have offered support consistently since the war started. He did not answer a single question that my hon. Friend the Member for Mid-Sussex (Mr. Soames) posed. Last week at Defence questions and in the Iraq debate, the Secretary of State said that there were no plans to send any further troops to Iraq. The next day, the quality broadsheets all said—they had clearly been briefed because they all had the same story—that 3,000 troops were to be sent. Now he says that 370 troops will be sent. Does he think that such media manipulation is likely to maintain the cross-party support that the Government have? I warn him that he is putting it in danger—[HON. MEMBERS: "Oh."] I can speak for myself, and I suspect that I speak for some of my hon. Friends.

Mr. Speaker: Order. The hon. Gentleman has asked a supplementary question. I am not having more than one supplementary.

Mr. Hoon: I am sorry that the hon. Gentleman takes that view. I could, had I been concerned with anything other than openness, have chosen to announce the deployment by way of a written ministerial statement. It would have been perfectly proper and in accordance with the principles governing such matters to do so. I chose to make the statement today precisely in the interests of the openness that the hon. Gentleman rightly described. He is a former Minister. If it were possible to manipulate the media with quite the skill he suggests, I am sure that he would have been aware of that. If the media choose to speculate, albeit wrongly, about these matters, it is not the responsibility of the Government.

Ann Clwyd (Cynon Valley) (Lab): As my right hon. Friend said, insecurity remains a major problem in Iraq. May I ask him to pay tribute to all those people, not just the military, who are helping to reconstruct that country, including the two British nationals who were killed this week? One was known to me and had a home in south Wales. He was helping in the reconstruction of Iraq's oil ministry and hoped to return quite soon. Unfortunately, both he and his colleague were killed this week. It is important to make the point that many people of all nationalities are helping in the reconstruction of the country, and they are often risking their lives to do so.

Mr. Hoon: My hon. Friend puts the position extremely well. I join her in paying tribute to those who died and extend my condolences on behalf of the Government to their families. She is right that the key to allowing those people who are risking their lives to continue their excellent work to rebuild that country on behalf of the Iraqi people is security. That is why I have announced today a further deployment of British forces. Security is the key to all else that we need to achieve in Iraq.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the right hon. Gentleman understand that even those of us who are opposed to the British presence in Iraq accept that it must be right to deploy limited additional troops to provide additional security for those already there, but that we will not accept any extension or deepening of our overall role?

Mr. Hoon: The right hon. and learned Gentleman and I have regularly debated constitutional law in years past. I look forward to receiving from him the detailed account that he will no doubt give as to why he makes that opposition in the way he does.

Mike Gapes (Ilford, South) (Lab/Co-op): Last week, I was in Basra with members of the Select Committee on Defence and met Major-General Stewart and many of our people there, including the naval forces on HMS Grafton, who are doing an important job. The Secretary of State is right that the security situation has deteriorated recently, but our forces and the civilians who are helping to supply clean water and with the reconstruction are doing a fantastic job and it would be ridiculous to follow the course suggested by those on the Opposition Benches and withdraw or reduce our commitment at this time. The next few weeks are vital and we need to see this through.

Mr. Hoon: I am grateful to my hon. Friend. I have had the opportunity to discuss with him and other colleagues their recent visit to Iraq, and they have helpfully set out for me some of the more practical details of what they want to see achieved quickly in Iraq. I am very conscious of that matter, and we will take it fully on board.

Mr. Alex Salmond (Banff and Buchan) (SNP): When is any Minister in this Government going to admit that they have led this country and our troops into a morass of monumental proportions? The Government are no longer in control of events, and the Secretary of State is dodging deployment decisions in Najaf at a time when the American President is predicting chaos to come. What is wrong with a policy of replacing American and British troops with troops drawn from Islamic nations

under UN authority? When will the Government accept that we now need an exit strategy, not a "dig a bigger hole" policy?

Mr. Hoon: Perhaps the hon. Gentleman has not had the opportunity to watch the lunchtime news, but there appears to be encouraging news from Najaf, which is completely contrary to his forecast. I accept that he has been remarkably consistent: he has come to the House and forecast doom and disaster at every turn. However, the situation has not developed in the way that he has described, and it does not appear to be developing in that way today in Najaf. He should be paying tribute to the way in which coalition forces have dealt sensitively and sensibly with the position in Najaf, rather than running everyone down in that way.

Paul Flynn (Newport, West) (Lab): I should have thought that the loss of 68 British lives was enough of a disaster for us not to dismiss it. Is it not true that the *New York Times* has just apologised for misleading its readers because it believed the lies of the crook Ahmad Chalabi? Is it not the case that Members might well have been misled on the war, which has not found weapons of mass destruction, which has not decreased the threat of terrorism—but increased it—and which has replaced the torture rooms of Saddam Hussein with the torture rooms of George Bush? If there is to be a major extension of our troops in Iraq, it is absolutely right that we follow the example of the first time around, and vote on it. Is it not the case that the Secretary of State is against a vote because he believes that he would lose it, and that the country would not forgive us if—

Mr. Speaker: Order. One supplementary is just fine.

Mr. Hoon: I note with interest the accounts concerning Mr. Chalabi. As my hon. Friend will be aware, there is currently an investigation into the intelligence that formed the basis of our decision to take military action in Iraq, and I am sure that those responsible will also be looking carefully at the newspaper accounts.

Mr. Edward Leigh (Gainsborough) (Con): In view of what the Secretary of State has said on Najaf, will he reassure the House that no requests have been issued by our American allies for British troops to deploy outside their area? Is it his present intention to keep British troops in their existing zone of operation in the foreseeable future?

Mr. Hoon: I made it clear in the conclusion of my statement that there are continuing discussions, particularly on ensuring security in the handover to Iraqi sovereignty. We are well aware of determined threats to disrupt that handover, and there is likely to be an upsurge of violence, not least against Iraqis. We have seen some appalling recent incidents directed against those Iraqis who have the courage and determination to stand up for their country and attempt to rebuild it. That is why we are continuing to consider the position as we move towards the handover.

Harry Cohen (Leyton and Wanstead) (Lab): Further to the question of the hon. Member for Gainsborough (Mr. Leigh), are the Government considering security control by British forces of Najaf and Karbala? Has that been requested and if so, by whom?

Mr. Hoon: I have made it clear that we are currently considering a range of issues. It is important that we, with our coalition partners, continue to examine the security situation as we move towards the handover. I am sure that even those opposed to the military action in Iraq would recognise that the return of Iraq to a sovereign interim Iraqi Government is a vital stage in the process of allowing Iraqis to assume responsibility for their own affairs. We must therefore ensure that they have appropriate security support during that period.

John Barrett (Edinburgh, West) (LD): Will the Secretary of State say exactly when the decision was taken to send these troops? The House was told yesterday lunchtime that no decision had been taken, but 24 hours later, we are being told that it has now been taken. What has changed between yesterday and today?

Mr. Hoon: I am sure that the hon. Gentleman will be aware that the Cabinet tends to meet on a Thursday morning.

Alan Simpson (Nottingham, South) (Lab): Even those of us who believed that Britain was misled into an illegal war on Iraq understand the current predicaments of the UK troops there. Will the Secretary of State clarify two points from his statement? On the current deployments, he used the words "the latest advice" from commanders in the field. Was that in the form of a request from those commanders, rather than a request from the US Government? Will he also acknowledge that the mandate that the Government have from Parliament does not extend to an increased role in Iraq that would specifically deploy UK troops under US command? Nothing would put UK troops at greater risk than being placed alongside US torturers, in an indistinguishable relationship.

Mr. Hoon: To deal with my hon. Friend's second point first, UK troops have been under US command repeatedly in recent times, in both Iraq and Afghanistan, which did not appear to place them at great risk, if I may say so. On his first observation, he misunderstands the way in which such matters work. Obviously, we keep under regular review the number and nature of our forces in our areas of operation and discuss that on a regular basis with the General Officer Commanding. When that officer indicates that in his military judgment there is a requirement for more forces or for a different mix of those forces, we consider that carefully. If appropriate, as is the case now, we take the necessary decisions.

Mr. James Clappison (Hertsmere) (Con): We are all proud of the courage and professionalism of our soldiers, but they are being stretched thinly, and some units particularly thinly. Will the Secretary of State answer the question that my hon. Friend the Member

[Mr. James Clappison]

for Mid-Sussex (Mr. Soames) put to him on the Black Watch? That was one of a number of highly pertinent questions that the Secretary of State just did not answer.

Mr. Hoon: I am sorry that the hon. Gentleman was not listening sufficiently carefully. I made it clear that the Black Watch was deploying because it had the appropriate training and equipment.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): This fresh deployment, on the basis of the Secretary of State's statement, appears to be minimal. Is he aware, however, that the public would be seriously worried about any further large deployment, particularly if it involved deepening and extending our role? Although no one in the House is calling for troops to be withdrawn immediately, people would like to know that we do indeed have an exit strategy.

Mr. Hoon: I hope that I have at least set in train in my hon. Friend's mind the idea that supporting a sovereign interim Government with our forces—operating in the way in which we have in places as diverse as Bosnia, Afghanistan and Sierra Leone, and being able to train local forces in precisely the same way as in those areas—holds out the prospect of providing the opportunity, in time, as the security situation allows for it, for more and more security tasks to be taken over by Iraqi forces, rather than their relying on the multinational coalition. That is the process that we are setting out to achieve, and it can be achieved as soon as those Iraqi forces are able to carry out the responsibilities that we currently undertake.

Mr. Robert Key (Salisbury) (Con): I support the troop deployments announced. Will the Secretary of State confirm that the troops now going out, and all British forces in theatre, are fully briefed on the terms of the Geneva convention on treating prisoners with dignity and honour, and that that extends to not taking photographs of them and then publishing them? What constraints apply to the media over their publishing photographs that they might have bought?

Mr. Hoon: I can give that assurance, which I feel that I have already given to the hon. Member for Mid-Sussex (Mr. Soames). As a matter of law, there appear to be no formal, legal constraints to prevent a newspaper from publishing fake photographs. Nevertheless, I hope that newspapers, not least in the light of this particular terrible incident, will think more carefully in future before publication.

Mr. Ian Davidson (Glasgow, Pollok) (Lab/Co-op): Does the Secretary of State accept that many of us are increasingly concerned at the way in which a growing number of British troops seem to be getting sucked into a hole that the Americans have dug, and which they continue to excavate? What steps is he taking to ensure that the concern felt in this House about the behaviour of American troops in Iraq—their over-liberal use of firepower and their treatment of prisoners—is conveyed to the Americans? Surely no British soldier's life should be put at risk simply to try to help the re-election of George Bush.

Mr. Hoon: On my hon. Friend's factual proposition, he will be aware that at the height of operations in and around Iraq, some 45,000 members of Britain's armed forces were involved. That number was rapidly reduced to 8,500, and today's announcement involves only a very modest increase in numbers. As I have pointed out, we adjusted the numbers in the light of the security situation on the ground. That process will go on, in the light of advice from the General Officer Commanding.

Mr. Nigel Evans (Ribble Valley) (Con): I support the deployment of extra troops; indeed, if the Secretary of State has received such advice it would be folly to go against it. When did he receive the request from the General Officer Commanding, and when did he himself decide to deploy extra troops? Following what he said about the Cabinet, can we now be assured that any other requests will come before full Cabinet before further deployments are made?

Mr. Hoon: The hon. Gentleman will surely know that the process of ordering the extra troops required to deal with a situation on the ground takes some time—when time is available. Equally, if it is a matter of urgency, the process can be completed within 24 hours. Decisions have been taken to deploy British troops, and they have arrived in theatre within 24 hours. It does not make sense to set out in detail the process through which such decisions are taken, simply because as much time as is needed will be taken to achieve the required improvement in security.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State assure the House that there will be no further increase whatever in British troops deployed in Iraq, that they will not come under American command, and that if the coalition Government taking over on 1 July want them to withdraw, they will go? By what date does he expect all British troops to be out of Iraq?

Mr. Hoon: I have made it clear that we keep the number and nature of British troops in Iraq under constant review, so I cannot give my hon. Friend the first assurance that he seeks. So far as the position after 30 June is concerned, my right hon. Friend the Prime Minister has made it clear—indeed, it follows from the transfer of sovereignty—that in the event of an interim Iraqi Government's deciding that coalition forces were no longer welcome and that they no longer consented to their presence, obviously, those forces would be withdrawn.

Mr. Peter Luff (Mid-Worcestershire) (Con): Is the Secretary of State seriously telling the House that the only Warrior-trained infantry battalion available to go to Iraq is the 1st Battalion the Black Watch? If so, will he at least take this opportunity to express to the soldiers involved and their families his regret at the stress that they are being put under by his decision?

Mr. Hoon: I will not express any such regret. Those troops are available and trained in the job that they are required to do; I am confident that they will be pleased to carry it out.

European and Local Elections

1.33 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): With permission, Mr. Speaker, I should like to update the House on progress in the administration of the European parliamentary and local elections. A number of Members made points of order yesterday in response to media reports, so I thought that it would assist the House if I gave a short report on the picture so far.

No unexpected issues have been reported to my Department in those parts of the country where voting will occur through conventional means. In respect of the all-postal voting pilots in the north-east, the north-west, the east midlands and Yorkshire and Humber, at this early stage regional returning officers are reporting good progress in general. They all remain on track for issuing ballot packs by next Tuesday, 1 June, in accordance with the regulations.

Twelve printing contractors are involved in the all-postal pilot trials. Because of technical issues associated with the data processing and printing machines operated by associates of one contractor—Opt2Vote—some local returning officers did not receive their printed ballot packs to the schedule originally anticipated. No doubt this delay has caused some of the concerns that have already been voiced, particularly in the east midlands, where Opt2Vote has the largest contract. Contingency arrangements appear to be working well. I am assured that spare printing capacity is being employed across the country and that the printing issue is now in hand. Revised printing schedules from Opt2Vote indicate that it will be able to meet the 1 June issuing deadline for all local authorities.

Separately, the managing director of one other contractor was taken ill, which caused a printing delay for two local authorities. I am pleased to report that the returning officers in question have been able to reallocate ballot pack printing, and I should like to thank the other contractors and the local authority in-house printing teams for employing their spare capacity.

Overall, 127 local authorities are taking part in the all-postal pilots, and 49 local authorities are still in the process of printing. This is within the margins of the targets set, and I am confident that the deadlines to hand over packs to the Royal Mail will be met. Thirteen of the 40 authorities in the east midlands have already had their ballot packs delivered to the Royal Mail, and in the north-west 28 of the 43 authorities' packs have been delivered. In the north-east, 19 out of 23 packs have been passed to the Royal Mail and other deliverers, and in Yorkshire and Humber 18 out of 21 have gone to the Royal Mail.

I am pleased to report to the House that the Royal Mail is responding efficiently and effectively to the challenge of all-postal voting. We have established excellent relations with the management teams in each region and at a national level. Yesterday, I met Adam Crozier, chief executive of the Royal Mail, and plans to ensure delivery as quickly as possible were confirmed. Many electors have already received their voting papers, and some papers have even been returned to returning officers. I encourage electors with postal votes to make their choice, complete their ballot papers and post them by 8 June, to ensure they are safely delivered to returning officers in plenty of time for the close of poll on 10 June.

All-postal voting has been piloted for several years, gradually scaling up from local pilots to this year's four regional pilots. The initiative is being tested to discover the impact on turnout, and the signs are that millions more electors will participate as a result of receiving their ballot papers at home. This is surely to be welcomed, as our democracy rests on achieving the most widespread involvement of as many people as possible.

I hope that the House finds this short update useful, and that it will pay tribute to the sterling efforts of professional and dedicated returning officers throughout the country. They are rising to the challenge of making voting easier and more convenient for the public at large, and I am confident that the elections will run smoothly.

Mr. Bernard Jenkin (North Essex) (Con): Nobody is fooled by the Minister's phoney confidence. I invite the House to picture the scene in the private office as the messages come flooding in and bits of paper are flying around, with the Minister's mentors saying, "Play this very low key and keep it as quiet as possible, so as not to cause alarm." The fact is that the Government have created a potentially extremely serious situation. The Minister did not tell the House just now that the plan was for ballot papers to be distributed this week—such are the contracts that he negotiated—and for the first of the returns to be opened this weekend in every single authority. However, many local authorities in the four northern regions have yet to have their ballot papers printed.

Should ballot papers for 125,000 electors in Bradford, for example, fail to be delivered to the Post Office by the close of play next Tuesday, what will happen? Paragraph 14 of schedule 2 to the European Parliamentary and Local Elections (All Postal) Pilot Order 2004 states the situation clearly:

> "The ballot pack shall be issued by the returning officer as soon as practicable after 5pm on the 17th May 2004"—

and that was a long time ago—

> "and not later than the 1st June 2004".

The initial legal advice that we have received is categorical. In Bradford, Newcastle or Preston, any substantial failure to deliver ballot packs to the Post Office by close of play next Tuesday would mean cancelling and re-running not just the local elections in those places, but the European elections for the whole of those regions.

The only alternative would be a recall of Parliament next week for emergency legislation. Of course, the returning officers and their staff will do everything possible to achieve the deadline, despite the Government's arrogance and stupidity, but let the House not take their dedication and professionalism for granted. I join the Minister in thanking the thousands of public servants involved. Let us lament their wrecked bank holiday weekend, which results from the Government's incompetence.

Even if all the deadlines are met, some electors will inevitably be disfranchised by the delays. Anyone going abroad this weekend for a fortnight will not be able to

[Mr. Bernard Jenkin]

vote. The House recognises that this hapless Minister is only obeying orders by appearing here today. Is not the Deputy Prime Minister the man responsible for making this great democracy begin to seem more like a banana republic? Is the Minister going to try to deny that if the Government had accepted the advice of the Electoral Commission for a much smaller pilot he would not be making this humiliating statement today?

I listened to the words of the Minister when he said that the Government were "gradually scaling up" the pilot. The Government have rammed through at short notice legislation that they never originally intended to introduce to put a third of the English electorate under a so-called pilot. That is now proving to have been a rash act. Was not the Deputy Prime Minister warned about this time and time again? The chairman of the Electoral Commission, Sam Younger, personally wrote to him on 4 March saying:

"Preparation time is already limited and further delays will add uncertainties and risks."

He wrote again on 23 March. He said:

"May I emphasise again how important it is to resolve this issue."

Surely the fact that the Minister mentioned one illness in his statement shows what risks the Government were taking. Will he admit that the real reason for defying the Electoral Commission's advice was the Deputy Prime Minister's determination to pilot all-postal voting in all the three regions due to hold referendums on elected regional assemblies in the autumn? The ultimate question that the Government must answer is why the Government are always so ready to abandon principle and consensus in order to pursue their own cheap, narrow sectarian advantage?

Mr. Leslie: I presume that the tone of the hon. Gentleman's response was intended to gain some sectarian advantage for the Conservative party; what it will probably do is quite the opposite. Those with responsibility in this House—I include in my comments Members from all parties—will recognise that it is important that we maintain public confidence in the manner in which our elections are administered. It is the responsibility of returning officers at regional and local level. I have confidence in their abilities to cope. They all say that they are happy to be coping with the all-postal arrangements. They report that, while there have been some delays, as I mentioned in my statement, the printing schedules are on track to meet the 1 June deadline.

The hon. Gentleman speculated what might happen in certain circumstances. He mentioned legal advice that he had received. I do not expect that we will go past the 1 June deadline. As that situation is not likely to arise, I do not believe that it is necessary to go into that level of speculation.

The hon. Gentleman made a point about Bradford. I have looked into that area. I understand that the ballot packs are due to be with Royal Mail today and tomorrow, which is clearly ahead of the 1 June deadline.

There were problems with a number of contractors—especially Opt2Vote in the east midlands—but I believe that contingency plans are working well and that we are on track to use some of the spare printing capacity that is around. These issues arise all the time in elections, but because the all-postal elections are subject to obvious scrutiny it is natural that hon. Members are paying particular attention. I believe that the elections will run smoothly, but I caution all hon. Members. We need to be responsible about the tone and language that we use when we speak about the administration of elections. It is important that people realise that the returning officers can cope. They will run the elections well. The arrangements are on target; we are on track. The hysteria from the hon. Gentleman is unwarranted.

Mr. Harry Barnes (North-East Derbyshire) (Lab): This pilot would now seem to be sunk. Who will be the last returning officer to receive the packs? By what dates should the packs initially have been received, according to the schedule? What extra help will be provided to returning officers to see that they are able to meet the deadline for the distribution of ballot papers?

Mr. Leslie: As I explained some moments ago, 1 June is the deadline in the regulations for the issuing of ballot packs—that means that they go from the printers to Royal Mail. We are on track to do that. The media reports of how printers factor in the scheduling of their different printing arrangements have led to some of the stories. I assure my hon. Friend that the regulations will be adhered to, that electors will get their ballot packs in time and that they will have ample opportunity to complete and return them. We are in constant dialogue with the returning officers for all the regions, especially the east midlands, given the size of the Opt2Vote contract. We will continue to give assistance to them as appropriate. They are the clients of the contractors, yet we are helping in looking for spare printing capacity as and when that is necessary. I do not believe that there is any need at this stage to have a lack of confidence in the returning officers.

Mr. David Heath (Somerton and Frome) (LD): I am grateful for the statement, but any lack of confidence is not in the returning officers but in the Government who got them into this mess.

Was not the Minister's statement astonishingly complacent given the scale of the problems? In the east midlands, with the single exception of Chesterfield borough council, which was allowed to do its own thing in terms of printing because it had conducted a previous pilot successfully, all the local authorities were forced into the hands of a contractor who clearly could not cope. Many returning officers will not have the packs until 1 June, which is the date by which they should have been sent to voters.

The Minister blandly says that in the north-east 19 out of 23 local authorities will be on time, without mentioning that the four that will not be on time happen to be Newcastle, Gateshead and north and south Tyneside, which represent almost a third of the electorate in the north-east. Will the Minister explain who are the "other deliverers" apart from Royal Mail that he mentioned in his statement? He made no reference to the returning officers who are having to cope with printers who have made mistakes in the composition of the packs and papers that have been sent to the wrong electors. My hon. Friend the Member for

Hazel Grove (Mr. Stunell) has mentioned two pairs of wards in his area that were affected last night. We now know that in at least two further wards—Stepping Hill in the Stockport constituency and Heald Green in the Cheadle constituency—electors simply have received the wrong ballot papers in the post. It is difficult to see how that will be corrected.

There was an arrangement agreed by all parties, the Electoral Commission and Royal Mail for a moratorium that prevented any ballot packs from being delivered with the election material from a single political party, because that clearly would give a bias. That moratorium is not being adhered to. Has the Minister anything to say about the integrity of an election that is in that position?

If the ballot papers are not in the hands of the electors on 1 June, which is what the regulation requires, will regional and local returning officers or the Minister's office have any power to suspend, extend or cancel the elections?

This disaster could have been avoided had the Minister listened more to the expert advice of the Electoral Commission and of this House and had he not acceded to the bullying of the Deputy Prime Minister.

Mr. Leslie: It is exceptionally disappointing that Opposition spokespeople have tried to capitalise on what are normal printing arrangements and difficulties, which are encountered in any election arrangement. They will all know that, from time to time, the printing schedules have to change because of technological issues and, in this case, the printing machines and the process by which ballot packs can be produced. However, so long as those ballot packs are produced within the target margins—before the deadline of 1 June—I am confident that we can run these elections smoothly.

It is incumbent on all hon. Members, particularly those who are party spokespeople, to think very carefully about such an opportunistic attempt to jump in on any story that may come along, to claim that all the elections are somehow in jeopardy. That is not the case. The elections will run smoothly. I am confident from the assurances that I have had from the regional returning officers, who are the professionals involved, that they have ample capability to cope with any necessary arrangement, and Royal Mail will also be able to cope with the delivery arrangements. Hon. Members must bear in mind the fact that others are watching and need to see this.

In respect of the hon. Gentleman's point about the east midlands, I do not believe that all those returning officers were forced to use Opt2Vote contractors. They had an opt-out arrangement with the regional returning officer, and all but one chose to use Opt2Vote. Most of the difficulty in the north-east was due to the illness of one managing director at Document Technologies, but we have now found arrangements whereby the in-house printers in the Sunderland local authority have helped out in catching up with the printing there, so I believe that the problems are solved in that area.

I will look further into the points that the hon. Gentleman raises about Stockport, but I believe that, when we consider the scale of these all-postal elections—14.2 million people are involved—the elections will be successful. As I say, the general picture is one of good progress so far.

Keith Vaz (Leicester, East) (Lab): I welcome my hon. Friend's update. As he knows, Leicester is one of the pilot areas. We expected to receive our ballot papers this weekend, although the electoral registration officer assures me that they will go out next week. My hon. Friend knows that the papers can be either sent by post or delivered to a venue. In Leicester, the electoral registration officer has decided that there should be one venue—the town hall. In view of the delay in issuing those ballot papers, would it not be acceptable to have a venue in each parliamentary constituency in Leicester, thus making it easier for people to deliver their ballot papers if they receive them late, after they return from holiday? Will my hon. Friend issue guidance to that effect and provide help to local authorities if they wish to take up that suggestion?

Mr. Leslie: All the necessary guidance for local authorities is in place—I am confident about that—and the minimum number of assisted delivery points is one for each local authority, although it is a matter of discretion for local returning officers to choose whether to supply further assisted delivery points. I am not sure about the precise arrangements in Leicester, but that area was contracted to Opt2Vote, as part of the ballot delivery. I have seen the schedule, and we anticipate that its ballot packs for Leicester will be delivered in time. The regional returning officer for the east midlands, Roger Morris, is confident about that, but I will continue to monitor the situation.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The Minister said that no unexpected issue has been reported to his Department. Does he understand that many hon. Members find that rather surprising? In my constituency, it was anticipated that the returning officer for North Kesteven district council would receive the ballots packs about a week ago. None will be received until Sunday, at the earliest, and many—probably most—will not be received, if all goes well, until Monday, which is the day before the things must be issued. That is a scandalous state of affairs, when the returning officer had desired at least a week's leave.

Mr. Leslie: The right hon. and learned Gentleman's question had the answer within it: the target deadline is 1 June. I am confident that we will have those ballot packs by then. Certainly, some local returning officers had anticipated that they could process ballot packs slightly earlier. There have been some delays because of data processing issues and the printing machine technology, but those issues are being rectified. The issuing of ballot packs is on schedule, and I believe that the elections will go successfully.

Mr. David Chaytor (Bury, North) (Lab): May I tell the Minister about my concern? Three of the candidates in the local elections in Bury have recently been subject to damning reports by the Standards Board for England. All three of them have been involved in postal vote irregularities. A few weeks ago, one of them turned up at the town hall, demanding 200 postal vote

[Mr. David Chaytor]

application forms. The Crown Prosecution Service investigated the other two for irregularities in residential care homes. The fact that they are all Tory candidates is, I am sure, an absolute coincidence. Will my hon. Friend assure the House that the guidance given to election candidates in respect of the handling of postal ballot forms is absolutely accurate and thorough? Is he confident that the integrity of the process is secure, particularly where candidates have financial interests in residential care homes?

Mr. Leslie: I understand that the Electoral Commission has been closely involved in drawing up suggestive guidance about the handling of ballot papers for all parties. That is available, and I am sure that all parties will have seen it. I am not aware of the issues that relate to the Standards Board for England. Those matters would be more appropriate for the Office of the Deputy Prime Minister, but I will pass on my hon. Friend's comments to my hon. Friends.

Peter Bottomley (Worthing, West) (Con): Has the Minister received any legal advice covering the events that he does not anticipate happening—if things are not done within the statutory deadlines? In his discussions with regional and local returning officers, has he asked them to monitor the ballot papers that are received too late to be counted and to make notes of the postmarks, showing when they were posted?

Mr. Leslie: The latter point was made during debates on the European Parliamentary and Local Elections (Pilots) Bill, and we said then that the Electoral Commission would consider monitoring such issues in the report that it will produce by the middle of September. That will be a good way to investigate what happens during the pilot schemes and trials that we undertake.

On the first point, of course, I receive legal advice all the time on the various contingencies and options. That is the case in this situation as well. It would be wrong if I did not constantly stay in touch with the legal position; but, as I say, I have full confidence that we will not need to be in a position where regulations are not adhered to.

Angela Eagle (Wallasey) (Lab): May I reassure my hon. Friend that the ballot papers in my constituency appear to be popping through people's doors this morning, exactly on time? That is a clear example of the system working. Will he comment in a bit more detail on the data processing problems? Do some of the problems stem from the fact that electoral registers in the UK are held in all sorts of different ways and that local authorities organise them in ways that do not line up with one another? Could we learn some lessons about modernising the way in which we keep our electoral registers if we are to proceed with such experiments in the future and make voting easier?

Mr. Leslie: I am glad that my hon. Friend's constituents are receiving their ballot packs. That is the case for most electors in the pilot regions. Listening to one or two examples of printing queries, people would think that the problems are widespread. That is not the case. I have confidence in the returning officers, and these elections will run smoothly. She also raises a fair point about the form in which electoral registers are held. That is something on which the Electoral Commission has made recommendations in the past. We are considering standardising electoral registration data nationwide, but that is perhaps something for future legislation.

Mr. Peter Atkinson (Hexham) (Con): I do not know where the Minister has been hiding, but had he looked at the regional press in the north-east this morning, he would have seen the front-page headline of Newcastle's *The Journal*, which says "The big postal voting farce". More than 600,000 ballot papers have yet to be issued in the north-east. As my hon. Friend the Member for North Essex (Mr. Jenkin) said, those had to be issued, as soon as practicable, after 5 pm on 17 May, which was 10 days ago. Will the Minister answer the question that we have been trying to get him to answer: what happens if the postal ballots do not reach the returning officers by 1 June? Is the election valid or invalid?

Mr. Leslie: The validity of any election is a matter for the law, not for Ministers. That would be taken up should a returning officer be in breach of his legal obligations. We do not anticipate that returning officers will be in breach of their legal obligations. They report good progress in ensuring that they stay on target and on track with the 1 June deadline. That is the situation.

I understand that this will be a newsworthy event. No doubt newspapers will have lurid headlines. I repeat, however, that it is important that we do not have hysterical comments, such as those that we heard from the Opposition Front Benches. It is important to take a moment to think about the need for public confidence in the way in which our returning officers act in the administration of elections. They do a good job, and they are doing a good job this time, too.

Alan Simpson (Nottingham, South) (Lab): It would be wrong to describe the problem as something that relates to the competence of the returning officers; it is about whether they will have the ballot papers for distribution by 1 June. The problems in the east midlands are summed up by what seems to be the rebranding of the company responsible for the print contract. It is now more popularly referred to not as Opt2Vote, but as "Out to Lunch". Will the Minister give the commitment to Members who represent constituencies in the east midlands that we will be given a detailed description of the safety net provisions that will be put in place so that we can discharge our duties to the electorate should Opt2Vote still find itself dining out on its own incompetence?

Mr. Leslie: I am sorry that my hon. Friend characterises the work of one contractor in that way. It has encountered difficulties, but that does not mean that disaster has struck. It is on target to deliver ballot packs on schedule on 1 June. That is the situation, and my hon. Friend would not expect me to report anything but the facts. I believe that the information that I am receiving from the regional returning officer for the east midlands is accurate. He has good contingency plans in place. I will, of course, endeavour to keep all hon. Members

informed of developments. I thought that it would be useful to update the House on progress so far, which, by and large, is good.

Mr. Nigel Evans (Ribble Valley) (Con): I can imagine why the Government do not want local or European elections, but to make a shambles of the election process is beyond the pale. If there were no problem, the Minister would not have made a statement—so he obviously accepts that there is one.

I spoke to the returning officer in Preston today. Ballot papers should be dropping through people's letterboxes, but the proper checks need to be carried out and the returning officer is doing the proofing now. Does the Minister accept that had those papers dropped through letterboxes on time, some people who are going on holiday would have been able to vote, but now they cannot? Had they known that the election process would be a shambles, they could have arranged a proxy vote. We warned him that he should not persist with postal ballots in the north-west. The Government forced that through, against all the advice. It is his responsibility. He must take the blame.

Mr. Leslie: Intemperate language does not get the hon. Gentleman any further forward. I thought that it was important to give the House an update, not least because of media reports and yesterday's points of order. Had I not done that, no doubt more points of order would have been raised, asking where Ministers are and so on. I am doing my best to describe the picture of what is happening according to regional returning officers. They have reported good progress so far. We are at an early stage, not forgetting that close of poll is 10 June. We still have a long time to go, and no doubt anecdotes will be heard from time to time. We try as hard as we can, as do the returning officers, to ensure that the elections are infallible, although issues will arise from time to time. I repeat: we are on schedule to deliver successful elections. I have no reason to doubt that at this stage.

Mr. Gordon Prentice (Pendle) (Lab): My hon. Friend mentioned his meeting with Adam Crozier yesterday. Did Mr. Crozier give a 100 per cent. guarantee that ballot papers posted on 8 June would arrive with returning officers on polling day on 10 June? Can the Minister remind me whether anything is on the ballot paper to indicate that it must be returned by 8 June to be counted?

Mr. Leslie: I discussed the return of ballot papers with the chief executive of Royal Mail. Although there will be a sweep of post boxes right up until the close of the poll, we are advising electors to ensure that they post their ballot papers by 8 June to be certain that the returning officers receive them in plenty of time. We want to ensure that as many electors as possible know that. It is in the advice that they receive in their ballot packs. I hope that my hon. Friend will help in promulgating that message.

Mr. Peter Luff (Mid-Worcestershire) (Con): The Minister is a decent chap and I am anxious to help him. He must realise that he has not convinced the House, and hon. Members on both sides remain concerned. May I draw his attention to a couple of facts? The hon. Member for Nottingham, North (Mr. Allen) said yesterday that the elections are worse than those in a third-world democracy, or words to that effect. We recently had highly successful and efficient elections in the world's largest democracy—India—which compare favourably with the mess that we are in. Even at this late stage, why does not the Minister think of inviting Commonwealth parliamentary election observers to ensure the integrity of the elections?

Mr. Leslie: I look forward to when the hon. Gentleman next meets his returning officers. I think that I will post them copies of his comments. I am sure that they will be astonished at the intemperate language that he uses to describe their dedication to their task. They are perfectly capable of dealing with the arrangements and have them in hand. We have seen the ballot packs going out, and the vast majority are already with Royal Mail. We are on schedule to meet the 1 June target.

Mr. Graham Brady (Altrincham and Sale, West) (Con): On 16 March, the Office of the Deputy Prime Minister: Housing, Planning and Local Government Committee took evidence from secure printers, in particular De La Rue Security Products and Document Technology Ltd. They expressed grave doubts about the viability of the process. De La Rue, probably the biggest and most highly thought of secure printer, had already decided at the beginning of March not to tender for the ballot paper printing because, in the words of Mr. Keith Brown:

> "We took the view subsequent to that, in early March, that we have withdrawn from this year's pilots on the basis both of potential lack of print capacity, but also in terms of procurement lead times for key pieces of equipment."

This shambles was not only predictable but foreseen by those who knew what they were doing. It is patently obvious from what has happened in the past few days that Ministers do not have a clue what they are doing. Given the fiasco over which the Minister presides, will he take the responsibility, of which he spoke, and apologise to the House, returning officers and the electorate for the mess? Will he also give an undertaking that anyone who does not receive their ballot paper in time will be able to cast a vote in the traditional way, at a polling station, on 10 June?

Mr. Leslie: Again, I regret the hon. Gentleman's approach. I do not know whether it was clear to the House where his quote ended, but his talk about shambles and so on was not part of De La Rue's comments. Different contractors and printers have taken a different view of whether they want to participate. We have 12 main contractors involved in the scheme and have experienced delays with, I think, two of them. We are in touch with them and the returning officers are working closely with them, bringing them back on track. We do not have a problem that is as widespread as the hon. Gentleman suggests. It is important for him to take a step back, take a breath and realise that the elections are running smoothly.

Dr. Julian Lewis (New Forest, East) (Con): Judging by his statement the Minister will be assessing the

[Dr. Julian Lewis]

success or otherwise of this experiment according to whether turnout goes up. As someone who, 20 years ago, worked with other Conservatives, Liberals and the then Social Democrats to try to restore integrity to trade union ballot practices, may I assure the hon. Gentleman that the measure of whether an election has integrity is not the level of the turnout? If turnout goes up it is often a sign that there has been multiple voting, cheating, ballot stuffing and abuse in general. How confident is the Minister that when these elections are over there will not be a great many reports about abuses?

Mr. Leslie: I am really disappointed with the hon. Gentleman. Saying that a higher turnout is a sign of malpractice is beyond reality. He needs to appreciate the track record of previous postal pilots; they all proved successful in raising the electorate's participation, and that will happen again in these elections. The Electoral Commission will be undertaking an investigation and review of how the pilots work and, as I said, it will report in September.

Mr. George Osborne (Tatton) (Con): I am glad that the Minister responded to my point of order yesterday and came to the House to make a statement today. He may be aware that the regional returning officer in the north-west, the chief executive of Manchester city council, had an emergency meeting with returning officers in Cheshire and West Lancashire last night, and they are moving heaven and earth to get the ballot papers out as soon as they receive them from the printers. Does the Minister, on behalf of the Government, accept any responsibility at all for this mess?

Mr. Leslie: I am glad that the hon. Gentleman made his point of order yesterday; I saw it in *Hansard* and wanted to come to the House to respond to it. It is important that hon. Members have that opportunity to raise issues from time to time, even though those issues may not necessarily be points of order.

I am aware that Howard Bernstein, the regional returning officer in the north-west, is meeting colleagues in different areas to discuss issues, and quite right too. That is exactly the job that regional returning officers should be doing. I think that they are doing a good job, and I believe that the elections will be successful.

Point of order

2.13 pm

Mr. Dominic Grieve (Beaconsfield) (Con): On a point of order, Mr. Deputy Speaker. Further to the question of my hon. Friend the Member for Hexham (Mr. Atkinson) and in light of the Minister's inability to tell the House what would be the legal consequences of the failure to get the ballot papers issued by 1 June, is there any way by which we can get a competent and capable Minister to the House this afternoon who can answer what is in fact a very simple question of enormous consequence? It is my belief that if that issuing did not take place the elections would be effectively void, which would reflect very badly on the state of our parliamentary democracy. We also want to know what provision the Government will be making to recall Parliament next week in those circumstances so that we can act to prevent the entirety of the European election process being voided as well.

Mr. Deputy Speaker (Sir Michael Lord): These are very serious matters, but they are not ones that the Chair can deal with at this time. The whole House will have heard what the hon. Gentleman put on record. Matters concerning the recall of Parliament are all laid down in the Orders of the House.

Whitsun Adjournment

Motion made, and Question proposed, That this House do now adjourn.—[*Ms Bridget Prentice.*]

2.14 pm

Mr. Iain Coleman (Hammersmith and Fulham) (Lab): I welcome this opportunity to speak, I promise very briefly, about three important constituency matters: the proposed closure of more post offices, the troublesome state of postal deliveries and the new arm's-length management organisation that will in future be responsible for the majority of public housing in the area.

Approximately 18 months ago I raised in the House the matter of the closure of a Crown post office in North End road in Fulham. I predicted that it would be a disaster for the community and said that I had no confidence in the public consultations that Royal Mail would purportedly carry out. Despite the strongest possible objections from the local council, the community at large, Postwatch and myself, the closure went ahead. Sure enough, we have been proved right and the closure has been appalling for the area. The queues at the so-called alternative post offices in the area are unacceptably long, and pensioners have not been signing up for direct debit. It is hard to imagine what has been gained by the venture, except for a poorer service in the area and a deeply sceptical attitude among local people towards Royal Mail and the Post Office.

There has also been the closure of the Richmond Way branch, also in my constituency, in August 2003, the implementation of which was nothing less than a farce. I wish that I could say that I am astonished that the Post Office is doing that all over again, but I am afraid that I am not at all surprised. That will not, however, keep me from registering my continued grave concern for its actions in my constituency and pointing out the huge number of representations that I have received from local people who are very angry about it.

There are now proposals for the closure of a further two branches, in Brackenbury road and Fulham Palace road. Although I understand that those two branches are not in the same league as the North End road branch, being sub-post offices rather than Crown post offices, there seems to be a wanton disregard on the part of the Post Office for the local communities that these closures necessarily hurt. If the proposals do go through, and I fear that they most certainly will as they are effectively a fait accompli, that will amount to the closure of five post offices in my constituency in less than two years. Although the Post Office continues to assure us that there are easily accessible alternative post offices for individuals to use, it consistently fails to acknowledge that the closures have been carried out in some of the most deprived and vulnerable areas of London.

Another matter of concern for my constituency is also, unfortunately, related to Royal Mail and the Post Office. Royal Mail's recent restructuring, which involves the merging of the two mail deliveries into a single daily delivery, has been ruinous and caused untold grief and chaos for individuals and businesses in Hammersmith. Those cost-cutting measures resulted in almost 20 per cent. of the work force at the Hammersmith sorting office being made redundant, and the use of temporary workers has added to the general confusion and negligence. That is supposedly all an effort to boost productivity, increase efficiency and cut costs. To add insult to injury, I have now been advised that the local sorting office will have to hire another eight staff.

I have already had two meetings with the relevant local managers, who have done their best to be helpful. They have advised me that they are sure that the situation will get better, and I have to say that services are improving. However, I am advised that a similar scheme will be introduced in Fulham in the near future, and I have little confidence that it will be pulled off smoothly. The failure to implement the scheme efficiently in Hammersmith was partly due to a general disregard for the specifics of the area, such as productivity, targets, staffing and the like, and that seems to be an endemic failure in Royal Mail at large. Whereas each community has particular needs and requirements, Royal Mail has a tendency to favour the one-size-fits-all method. The only logical explanation for the new arrangements is that they are an attempt to save money and stuff the consequences for what, after all, is supposed to be a public service. The reality, though, is that extra resources have been spent on redundancy costs and the employment of many casual staff, whose productivity and quality of service has understandably and inevitably been extremely poor. As with post office closures, we must continue to be very wary of further geographical extension of these changes, and I strongly urge the management of the Post Office promptly to review the new arrangements before we have yet another debacle on our hands in other local postal districts.

I would just like to say a few words about the new arm's-length management organisation that will in future be responsible for providing housing services for 14,000 tenants and 4,650 leaseholders in the London borough of Hammersmith and Fulham.

In the past, I have expressed disappointment in the Chamber at the Government's insistence that the local authority set up an ALMO. Hammersmith and Fulham has an excellent housing department that was recognised by the Audit Commission in a comprehensive audit assessment of the service. It awarded the department a three-star rating and, in the light of that award, the Government should not insist on the setting up of an ALMO before they have provided the necessary investment to meet their own decent housing standard.

The council set up its own housing commission, composed of tenants and leaseholders, under an independent chair, and it carried out a detailed investigation of the housing department. The commission's unanimous view was that the council should be allowed to remain as the landlord and that the normal routes of stock transfers or ALMOs should not be compulsory for Hammersmith and Fulham. It also took the view that if change was essential to secure money from the Government, the ALMO route was preferable to a stock transfer or any other option. Eventually, the council agreed to an independent ballot of all leaseholders and tenants, and there was an overwhelming majority in favour of setting up an ALMO.

[Mr. Iain Coleman]

Next week, on 1 June, the ALMO goes live, and 410 staff will be transferred from the council's employment to the new company, which is wholly owned by the council and governed by a board. A legislative framework is in place to establish the relationship with the council and the company's business objectives. The company will be able to access funds from the Government's ALMO programme, and it has submitted a bid for £190 million. It anticipates receiving additional funding of £100 million between 2004 and 2010, so a total programme worth £300 million will be delivered for local housing if the bid is approved in full.

A number of other hurdles need to be successfully negotiated. We expect to hear in September 2004 the funding allocation for 2004–05, following the outcome of the Government's comprehensive spending review. There will also be an inspection of the new arrangements in November, and the new company must be awarded a two or three-star rating for funding to be triggered. I wish to put on record my thanks and congratulations to all the tenants and leaseholders, the members of the ALMO board, and all the staff who have worked so hard. In the ballot, 81 per cent. voted in favour of the ALMO and, like me, they look forward to the new funding, which will bring new windows, kitchens, bathrooms and many other improvements to local people, who have waited for those upgrades for far too long. In conclusion, I urge the Government to make a speedy decision to fund in full the ALMO's excellent bid to meet the decent housing standard for tenants and leaseholders in Hammersmith and Fulham.

2.22 pm

Mr. Paul Tyler (North Cornwall) (LD): I am pleased to be able to contribute to our debate. I very much appreciate the fact that the Deputy Leader of the House of Commons will secure a ministerial response to issues raised in these Adjournment debates, which are among the most useful parliamentary occasions, as regulars in the Chamber today will agree. We can raise constituency matters and more general concerns in the knowledge that we will get a thoughtful response. If that were always the case, the electorate might hold the House in more respect.

Bob Spink (Castle Point) (Con): Does the hon. Gentleman agree that this occasion allows us to raise issues that are relevant to our constituents, and helps us to re-engage them with the democratic process? God knows, that is very much needed.

Mr. Tyler: The hon. Gentleman anticipates something that I was going to deal with a little later. First, however, I want to use the speech of the hon. Member for Hammersmith and Fulham (Mr. Coleman) as a case in point. Although he spoke about his constituency, I suspect that every hon. Member can identify with the points that he made about, for example, urban post offices. I am sure that, like me, hon. Members on both sides of the House have precisely the same experience of the way in which a Government-owned company—the Government still have the majority holding in the Post Office—treats them as representatives of the community and the general public. Post Office Counters Ltd. has an important responsibility to consult, which it does not always fulfil.

To take up the hon. Gentleman's point about the Royal Mail, we heard today that the group has made profits again. Surely, this is the moment to expect better quality and standards of service. A few minutes ago, however, we heard that such is the Government's respect for the Royal Mail in one area of the country that they do not even trust it to deliver ballot papers in the north-east. The Under-Secretary of State for Constitutional Affairs, the hon. Member for Shipley (Mr. Leslie), did not respond to the point made by my hon. Friend the Member for Somerton and Frome (Mr. Heath), but in his statement he said that in the north-east ballot packs have been passed to the Royal Mail and other deliverers. This must be the first time ever that the Government have had to go outwith the Royal Mail network because they simply cannot trust it to do the job adequately. The hon. Member for Hammersmith and Fulham is right to be concerned about the reliability of Royal Mail deliveries in his local area, and we are all entitled to know how it will improve its service to the public.

There are important issues that we need to address before we adjourn for the recess. To return to the point made by the hon. Member for Castle Point (Bob Spink), this week, the constitution unit, led by Professor John Curtis, published research demonstrating that the collapse of public respect for politics and politicians owed more to perceptions of artificiality, politicians' mixed motives and alleged sleaze than disappointment with Government delivery. It also suggested that there was not a great collapse of trust in all institutions, so we cannot use that as an alibi for lack of respect for Parliament. It also dispelled the notion that that lack of respect can be ascribed to the prejudices of the tabloid press. To misquote Shakespeare, the fault is not in our stars, let alone *The Sun*, but in ourselves.

Contributing to the perception of expensive, self-serving irrelevance is the way in which the House has failed to represent the true state of the body politic in Britain. For example, despite the decisions made in 1997 and 2001 by the electorate—the people who send us here and give this institution the reason for its existence—the House of Commons still operates as if it is a bipartisan body politic. It is not. The "Buggin's turn" approach to political debate and decision making has one last hiding place: the Chamber. Such an approach is not necessarily taken throughout Parliament, but it is certainly taken here. For example, there is an extraordinary arrangement whereby a large sum of state funding is awarded to the so-called official Opposition—it is not as if there are only two parties in the House. The leader of the larger Opposition party and his colleagues receive £0.5 million of state funding. The latest Library briefing shows that the Leader of the official Opposition received a salary of £124,277 per annum. I make no comment about whether he is worth that or not; that is what he receives. In an interesting comparison, the Speaker receives only slightly more, as do Cabinet Ministers. The Opposition Chief Whip, who is not here this afternoon, receives £95,281 per annum, and the Deputy Chief Whip and the Assistant Chief Whip each receive £81,809. The total package is worth more than £0.5 million of taxpayers' money. Let us imagine that, after the general

election, Opposition party B has 150 Members and Opposition party C has 149. During the Parliament, a Member from party B decides to change party. They will carry on their back £0.5 million.

Chris Bryant (Rhondda) (Lab): Would that not mean that the Labour party had only 360 seats, which seems very unlikely?

Mr. Tyler: I shall hold the hon. Gentleman to his forecast. However, at the drop of a hat, there would be an extraordinary situation, with a transfer bonus of £500,000 or £600,000 a year. Someone could be encouraged to make such a change, demonstrating the odd way in which this House operates and the fact that it has not caught up with the views of the electorate at large.

To give another example, there is no proper provision for the allocation of Opposition debates. It is ad hoc, arbitrary and pays no attention to parliamentary arithmetic, which, I remind the House, depends on the votes of the electorate.

The electorate send us here. They must expect in this place reasonable respect for the way in which they express party allegiance. My colleagues and I often complain that representation in the House is not as accurate as we would like. We accept that in Committees, for example, there is a careful allocation by party arithmetically, but that does not apply to the allocation of debates.The timing of these debates is entirely in the hands of Government Whips, for goodness sake, which is obviously ridiculous.

Ms Bridget Prentice (Lewisham, East) (Lab): Hear, hear.

Mr. Tyler: I am interested to hear a Government Whip agree from a sedentary position. It is extraordinary that a Buggins's turn approach applies, particularly between the Whips' Offices. Members will recall that when we tried to release the nomination of Members to Select Committees, there was an unholy alliance between the Conservative and the Labour Whips' Offices because they wanted to hold on to that. I suspect that there is a suspicion on the Government Benches, but particularly in the Government Whips' Office, that one day they might be in Opposition again—the pendulum might swing—so they would like to protect the position of the Official Opposition.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does the hon. Gentleman remember that at one time the Liberal Democrats used to represent all the minority parties when it came to Select Committee selections? The minority parties have rebelled and no longer wish to be under the Buggins's turn arrangements of the Liberal Democrats.

Mr. Tyler: I am sorry, but the hon. Gentleman is severely misinformed. We were enthusiastic for the Government to take on that responsibility. We might make recommendations, but ultimately it was in the Government's hands. The minority parties and the Liberal Democrats were at one in thinking that if the Government wanted to take responsibility, we were only too delighted for them to do so.

The number of days for debate is still effectively not represented in Standing Orders in a way that reflects the arithmetic of the House. What is more, the picking of the days remains in the Government Whips' hands. We complained when the Liberal Democrats were not allocated a day during the long period when the situation in Iraq was unravelling, because the Government were fearful that we would raise that issue and there would be substantial Government Back-Bench support and a major Labour rebellion.

Even in this debate, the situation is odd. On previous occasions, I have spoken towards the end of the debate and been able to respond, as I should like to, immediately before the Conservative spokesman and the Minister, to the interesting contributions from other hon. Members. Because of the way in which these matters are organised, it is still as though there are only two parties in the House.

All those examples and many more simply contribute to the public perception that we do not catch up with the real life of the body politic. Three major parties were represented in this House in 1997 and it became obvious that it was not just a flash in the pan, although I must confess that even some of my colleagues wondered whether we would come back after 1997 in such numbers. After 2001, it became absolutely apparent that, despite the inadequacy of the first-past-the-post system, the situation in the House was different. The voters buried the two-party system in 1997 and they danced on its grave in 2001.

There is a tendency when in government—perhaps some Members still hanker for those days—to think that it is all very simple and that somehow or other there are only two sides to every issue. I remind the House that the big issues of this Parliament have not been simply between the two Front Benches. Distinguished Conservative Members voted with me and my colleagues against the invasion of Iraq, together with a substantial number of Government Members. On tuition fees, foundation hospitals and so many issues there is no longer a two-way stretch in the House. There certainly is not in the country.

Other parts of the building have adapted. Members who have had the interesting experience of speaking in Westminster Hall have found that Ministers are probed, questioned and chased as often by their own Back Benchers as by Opposition Members. On the whole, we have a much livelier discussion in the round.

I do not believe that the pendulum will swing again as it used to in my youth. It is absurd for the Government to think that if it does, they must hold on to the cash and privileges that presently attach to the Official Opposition, in expectation of that day. What a confession of weakness from the Government if they think they are about to reoccupy the Opposition Benches.

As was said earlier, this place does not enjoy the respect that it should. There are a number of reasons for that, but I have had time to touch on only one. Certainly, another is the extent to which we are an anomaly. Outside is a multi-party world that recognises three major parties, but this place has been left behind.

2.35 pm

Huw Irranca-Davies (Ogmore) (Lab): I welcome the opportunity to speak in this debate. While some fellow Members have understandably disappeared to their constituencies, the remainder are free to wax lyrical on subjects close to their heart. In short, while the three-line Whip is away, Members can, to some extent, play.

An issue close to my heart is how to get people involved once again in the political process and directly in politics. It is about persuading people that politics matters, grabbing people when they are young and instilling in them the habit of getting involved in politics and the importance of making a difference. I shall not simply go over well-trodden ground in my arguments, nor focus on the importance of worthy but well-worn phrases, such as "democratic engagement". My appeal today to the House and those happy, select few who may chance upon these words is that we all have a responsibility to make politics sexy once again.

By sexy, I am not referring to Members' alleged or real extra-curricular activities in times past in some of the more colourful, late-night London establishments. Nor am I referring to the way in which members of the press sometimes focus on, for example, the footwear of Opposition Front-Bench spokespersons. Nor am I referring to the fan website of the right hon. Member for Airdrie and Shotts (Mrs. Liddell), which describes her as

"by far the most glamorous doll in British politics since Baroness Thatcher was put out to pasture."

Nor am I referring to the popular preoccupation of the parliamentary estate and the fourth estate to engage in practices akin to political flagellation where we criticise ourselves to the nth degree for failing to use language that people understand, failing to dress cool or bling so that the youth vote can identify with us, or perpetuating in our strange parliamentary traditions that are deemed to turn people off. While all those issues have validity, they are constantly discussed and we return to them again and again masochistically. Valid as many of them are, they are essentially about style, not substance. They are about how we behave and conduct ourselves, not about what we do and can achieve.

In my brief contribution I shall focus on the substance. Politics itself, the seemingly dry and dusty business of this place, is inherently sexy. If we scratch under the spin of presentation, what we do when we do it well makes a real difference to the lives of people in the United Kingdom and across the world. Some would say that politics described as "sexy" is an oxymoron; I would argue that it is not. Members of this House and the media are generally responsible for making it seem like an obvious oxymoron, whereas the two words are in fact complementary. Sometimes we make ourselves feel guilty for talking about politics and for talking up politics. I shall be bold and state on the record for posterity that politics is something to be proud of and that politicians should be proud of their vocation.

If we asked a hundred people on the street what words and phrases they would use to describe politics and politicians, like the old quiz show that Les Dennis used to compere on television when five answers would appear on a screen, I suggest that the following would appear high on the list:

"I'm not interested in politics"; "It's all men in grey suits"; "Nothing to do with me"; or even, "Frankly, I can't be bothered".

Recently, I have spoken to two young men and one woman who wanted to get into politics and had aspirations to become Members of this place and even to become the next Prime Minister. If I paid any heed to the current and consistent view of politics and politicians, I would be tempted to draw on Noel Coward for inspiration and say to them—I will not sing, the House will be pleased to know—"Don't put your daughter into politics, Mrs. Worthington. Don't put your daughter into politics. The profession's disreputable, the job is pretty tough, and admitting that she wants to change the world is not enough. She's a nice girl and though her heart's in the right place, I wouldn't want to see her in despair or in disgrace. So I repeat, Mrs. Worthington, sweet Mrs. Worthington, don't put your daughter in this place." My apologies to the author.

At least we can say that the mood of modern politics is truly international. The US author and commentator, Jedediya Purdy, believes that the common mood of cynicism in modern culture undermines the possibility of meaningful civic engagement: public service. Purdy argues that this mood of irony and cynicism, which one can even see in popular American television programmes such as "Late Night with David Letterman" and "Seinfeld", exemplifies the notion that it is impossible to take life seriously, and that all things are open to mockery and derision. Purdy observes that this seam of cynicism runs deepest among the better educated, which is especially damaging because these "cosmopolitans", as he calls them, are thus persuaded to strenuously avoid careers of public service.

Yet, despite this gloom, Purdy, unlike many of his peers, insists that politics can be a territory where depth and moral courage can thrive and the common good can be promoted. At the risk of presenting myself as a self-righteous, sanctimonious prig, which is always a risk for politicians, I agree with the Purdy thesis. Let us call it, for the purposes of this speech, the Purdy principle. Politics can be a force for good. Politicians can be a force for good, too, and we should not be ashamed of standing up and saying that.

Politics matters. Cynicism is sometimes deserved, but increasingly cynicism is a downright lazy approach to public affairs by those who report on or observe our efforts. The reality of a politician rarely being able to deliver absolutely everything that he or she promises mutates into "They promise everything but deliver nothing", and then into "They're all a bunch of self-serving so-and-sos". The reality that there are occasionally politicians who may lie or cheat, just as there are bad apples in every walk of life, becomes "You can't trust any one of them an inch". The reality that we occasionally get things wrong becomes "They're all about as much use as a chocolate fireguard".

The first line of my job description says, "Must have broad shoulders". The second line says, "Must be able to laugh at himself daily and hourly". The third says, "Must not read the papers or watch politics on television, for fear of taking things—or himself—too seriously". Is politics so bad, so shameful, so deplorable? Should Mrs. Worthington send her daughter into the profession, or would she be better advised:

"Get thee to a nunnery",

Hamlet-style? Should my wife and sons change their surname to avoid ridicule in the streets? I do not believe so, and I shall explain why.

Politics can, in many small ways, change lives. I would not be here if I did not think so. Let me give the House some examples of why it is worth suffering Hamlet's

"slings and arrows of outrageous fortune".

The examples are based on real people with real problems in my constituency.

An elderly man comes to see me, very dignified and very reluctant to approach the MP. He explains that he has never sought the advice of the MP before. So what has happened in the 84 years that he has kept himself to himself and now brings himself to my office? It is a humbling experience simply to sit and meet such people. He is a former miner, one of a generation of south Wales men who, if they were not lucky enough, as some were, to get a scholarship, go away to university and pursue a different profession, spent their lives digging coal out of the rich but complex seams in south Wales.

In some ways the man has been fortunate in his life, because he has seen many of his friends into the grave. He has sung at too many funerals to remember. Because of a compensation scheme introduced by the present Government, the largest industrial compensation scheme in Europe and possibly in the world, he is able to apply for some payment for the chest disease that is a direct result of his time underground. Eventually he gets the payment. It is not a great amount, but he appreciates it. More importantly, his children and grandchildren will see the benefit of it. Politics has made a difference to that man's life.

That is not the end, however. The solicitor who handled the compensation case for the former miner—a solicitor based in the south of England, with whom I am very familiar, who has no relationship with coalfield areas and no knowledge of miners, their families or communities—has deducted 15 per cent. of his compensation payment in what, in truly lawyerly fashion, he calls contingency fees. "Contingent on what?", I ask. It is not contingent on any risk to the law firm because the firm is guaranteed its payment under the generous Government compensation scheme. It is contingent on nothing. It is a fabrication of lawyerly words that masks pure unadulterated greed. The Government have already paid the solicitor's fees, regardless of whether that former miner is due compensation or not, but the law firm comes back for more. Not satisfied with a pound of flesh from the taxpayer and the Government, it wants a pound of flesh from the miner himself.

We battle. The Back Benchers battle. The Government are on our side and enlist the support of the Law Society to tackle those legal vultures. We battle again. The firm resists. We persist. The firm gives in and gives back the money. It is only a few hundred pounds, the price of a good night out for the solicitor and his wife in London. But they will not have it at the expense of my constituent—not at the expense of someone who has dug coal out of the rich seams of the south Wales coalfields. Not for the benefit of that solicitor has he done that, and not for the benefit of that solicitor is he living with chest disease for the rest of his life. So politics matters. Politics makes a difference to our lives.

When I ran for election in Ogmore, I remember knocking on doors in a council estate in the Ogmore valley. Council housing was one of the great achievements of successive Labour Governments, but we must recognise that despite many good examples, sometimes the quality of that housing or the management of the estates left much to be desired. There have always been council estates where the sense of community and pride in the housing were something to behold. The estate I visited was not one of them.

Outside a particular flat, grim and depressing, was a battered pram. The door was open and the child had just been lifted out of the pram and taken inside, out of the drizzling rain that had begun to fall. It rained for 30 days during that by-election, I remember.

Chris Bryant: I do, too.

Huw Irranca-Davies: Indeed. The alley to the flat was strewn with rubbish and debris, and when the mother came to the door, her face said it all. It bore an expression of misery and despair. How could things get this bad? How could any decent society fail her and her child in that way? There were numerous reasons, but the council had also decided that enough was enough.

Unable to fund the repairs, renovations and demolitions necessary to renew its housing stock, the council advocated a new way forward—an ideologically challenging way forward for a Labour authority—stock transfer, passing the ownership and management into the hands of the people themselves. It happened. It worked. That mother, whom I subsequently met, and all the residents of that estate and many other estates throughout the borough are now living in smart, high-quality brick-built terraces with their own front and back gardens, and most importantly of all, with a sense of pride in their home and community.

My message is that in many ways, in many lives, politics makes a difference for the better. The lifting of children, pensioners and low-paid working families out of poverty shows that politics makes a difference. The statements and policies that make neighbourhoods safer places to live in, with better amenities and a better quality of life, are evidence that politics makes a difference. The teaching of civics in schools, the recognition of the role and the rewarding of the voluntary sector, and the direction of lottery funds towards poorer communities, are more evidence that politics makes a difference time and again. The 84-year-old who walks into his MP's office for the first time in his life and asks for help is further proof that politics and politicians can make a difference.

No hon. Member should ever apologise for the job that he or she does or the importance of politics. Politics is what makes the world go round. It is the grease that oils the engine and it is the engine itself. As such, it is sometimes messy, sometimes dirty, sometimes noisy and confusing.

Hon. Members may disagree about the direction in which we should travel, but without politics and politicians, there would be no power to drive in that direction. Policy sets the direction, but let us never deride politics because it is the power that can change society for better or worse. Politics is the engine room of our society—let us disagree on direction, but let us agree on the worth of our work.

2.50 pm

Mr. David Amess (Southend, West) (Con): I congratulate the hon. Member for Ogmore (Huw Irranca-Davies) on his cameo speech, which moved me so much that I shall use it as a defence against attacks from people who do not like politicians—the whole House enjoyed it.

I want to raise a number of points before the House adjourns for the Whitsun recess. More than 18 months ago, Jackie Cox and other members of The Obesity Awareness and Solutions Trust came to my surgery to discuss obesity. I raised the matter in the Health Committee, where I was delighted to find that I was pushing at an open door. Members of the Committee agreed to an inquiry, the report of which has been published today. The three-volume report on obesity is magnificent, and all 11 members of the Committee are proud of it. We do not intend to allow it to gather dust; we intend to campaign for action. Sadly, a leak occurred during the deliberations on the report—that matter is being dealt with—but I was delighted by the huge media interest at this morning's press conference.

As far as I am concerned, the bottom line was the Committee's visit to America. In America food is very cheap, and it is practically given away with no regard to fat or sugar content, and with the option to "size up" portions for 30p. We were all shocked by food suppliers' irresponsibility, and that is the problem. As a Conservative, I favour voluntary agreements, but I hope that hon. Members keep raising the issue until food suppliers behave more responsibly and limit temptation.

TOAST inspired the Health Committee to conduct its inquiry, but its funding has been withdrawn under section 64 of the Health Services and Public Health Act 1968. It had tremendous plans to build a centre of excellence, the TOAST house, to run a mobile drop-in centre and to produce the "TOASTbites" journal to help people—mainly ladies—who, despite dieting and other measures, simply cannot lose weight and need help badly. I hope that hon. Members on both sides of the House will do what they can to persuade Ministers to examine TOAST's funding.

In the Easter Adjournment debate, I raised the subject of crime and praised the *Yellow Advertiser* for supporting the "more feet on the beat" campaign—in particular I praised the editor, Graeme Allen, and the journalist concerned, Luke Walsh. The newspaper invited readers to submit coupons calling on the Home Secretary to provide sufficient funding for 10 extra police officers to patrol the streets in the Southend police division, and nearly 2,000 coupons have been returned.

I used to represent another constituency, where I was first elected in 1983 and which had one police station at that time. When I left that constituency it had three police stations, but I seem to have had the reverse effect on my current constituency, Southend, West. When I was elected three police stations were in operation, but one has been closed, another is hardly open and the third is open on a part-time basis.

The general public pay for the police and they are not happy with the availability of local police stations. For instance, Leigh police station is open on Monday to Saturday mornings and is completely shut on Sundays. Westcliff police station has closed, and Eastwood police station is hardly open. Local residents feel strongly about that campaign and intend to continue campaigning. I hope that the Deputy Leader of the House of Commons will pass on my comments on police strength in Southend.

Many hon. Members have raised the issue of mobile phone masts, on which the House appears to be agreed. One week ago, my Telecommunications Masts (Need and Safety Test) Bill achieved an unopposed First Reading. Although little time is left in the Session, it seems to me that the measure can go through on the nod, because everyone agrees that the spread of mobile phone masts is dangerous.

I praise my local newspaper, the *Leigh & Westcliff Times*, which, led by Mr. Michael Guy, has campaigned on the issue from an early stage. My Bill places the onus entirely on operators. In future, operators would have to prove the need for a mobile phone mast to local authorities, thus saving local authorities the huge expense of dealing with the matter. The Bill also places the onus on operators to prove to the council committee that there are no health risks.

I tried to organise a public meeting under the auspices of the Mobile Operators Association. We all know how such organisations enjoy public meetings—they are delighted for MPs to deal with the issues, but they place certain restrictions on the nature of the meeting. I followed all the requirements of the Mobile Operators Association, which eventually wrote to me two days before the meeting, stating that, given the circumstances, it could not attend. Of the five operators that make up that organisation, only two, O_2 and Orange, which have 26 million users between them, attended the meeting, where they listened to the general public's concern, with which the House is only too familiar.

The House legislated to make it unlawful to drive a car and use a mobile phone—like Sir William Stewart, who compiled the Stewart report, I believe that, depending on the thickness of the skull, the excessive use of mobile phones is worrying. Does any hon. Member think that that law is being enforced? It is a complete sham. We have cheered ourselves up with the thought that we have dealt with the matter, but laws do not work unless they are fair and there is good will. It is nonsense to suggest that an army of people are stopping cars because the general public are using their mobile phones. Government figures make it clear that accidents and fatalities have increased as a result of people driving and using mobile phones.

The hon. Members for Hammersmith and Fulham (Mr. Coleman) and for North Cornwall (Mr. Tyler) mentioned post offices. Here we go again—every hon. Member, regardless of their party, is upset about post office closures. Mr. Deputy Speaker, you and I were in the House when it voted on Sunday trading, to which I was totally opposed. I knew that, as a consequence of Sunday trading, supermarkets would grow, which has had an impact on our local communities and local stores, and similar arguments relate to post office closures.

I represent a tiny urban area. The Post Office is marvellous at sending out letters telling us that we will be consulted.

The Post Office told me that it wanted to consult me and my constituents about the possibility of closing five post offices. We all protested, and the five post offices

closed. Last week, by recorded delivery, I got another letter from the Post Office, telling me that it wants to consult me and my constituents about another five post office closures—this in a tiny area where there is a huge number of senior citizens. Out of all 659 constituencies, Southend, West is No. 1 in terms of people aged between 100 and 112. For many of my local residents, post offices and all that they offer are extremely important. I hope that the Government will reflect on that.

Mr. Heald: I agree with my hon. Friend about Sunday trading. Does he agree that the Government have created further problems for post offices by changing the method of benefit payments to phase out the order book and by providing money through the urban reinvention programme that is available only if a post office is closed, not kept going?

Mr. Amess: My hon. Friend is entirely right. Automatic credit transfer has had a huge impact. Having visited all five post offices that are faced with closure—I think that I will be left with only eight or nine in the whole constituency—I am sure that they would reinforce my hon. Friend's point.

Bob Spink: Does my hon. Friend agree that the Government's preventing the Post Office from providing full banking services, including direct debit discounts on utility bills, is making it less and less viable; and that when a post office closes, people lose not only that post office but the support that it gives to the whole shopping parade, so that the whole area starts to crumble?

Mr. Amess: My hon. Friend and neighbour is entirely right. When I had those conversations in the post offices, I also called in at the parade of shops, where people said exactly the same thing.

Chris Bryant: The hon. Gentleman should have learned by now not to listen to the shadow Leader of the House. The truth is that millions of pounds are going to post offices in rural areas to ensure that they stay open. Millions of pounds are also going to post offices that stay open to help them to improve their facilities. Many of my constituents are worried about the facilities that are provided in existing post offices and would like to see, for instance, disabled access.

Mr. Amess: I represent an urban constituency—I make no apology for that—and I assure the hon. Gentleman that it is badly affected by what is happening at the moment. I have a high regard for the Minister for Energy, E-Commerce and Postal Services, who was a splendid leader of Newham council, but he has got it wrong on this issue. His hands are probably tied.

I shall move on to a matter that was raised by a constituent of mine. On 25 October 2000, during an Adjournment debate on the Osteopaths Act 1993, the then Minister for Public Health, the hon. Member for Pontefract and Castleford (Yvette Cooper), promised a thorough investigation into how the General Osteopathic Council was implementing the Act. That might seem to be of little interest to the general public, but many people are very grateful for the help that osteopaths give. My constituent, Frank Waters, has rightly pointed out to me that no such investigation has taken place. Why is that? Why has the Department of Health since obstructed any investigation? Why has it refused to investigate how the General Osteopathic Council has abused in the past, and is abusing at present, the 1993 Act, and the effect of its abuses on trained osteopaths who are registered or not registered with it? Will the Deputy Leader of the House find out the answers to those questions?

The issue of abortion is rarely raised in the House of Commons these days. I was delighted that three weeks ago a news broadcaster was brave enough to show "The Silent Scream". I hope that it had an effect on those hon. Members who saw it.

In recent weeks, the abortion issue has returned to the news. I wish to highlight two cases, the first of which involves the courageous action of the Reverend Joanna Jepson, who sought a judicial review of the refusal of West Mercia police to prosecute the doctors involved in a post 24-week gestation abortion for cleft lip and cleft palate. Some of us can remember how we voted on that particular issue when the House was given an opportunity to form an opinion. Thanks to Joanna's persistence, West Mercia police recently announced that they are to set up a new inquiry into this case. However, that should not be the end of the matter. Let us not forget that in the United Kingdom we have some of the most liberal abortion legislation in the world. An abortion can be obtained on the grounds of disability up to term, which is nonsense given that special baby care units can save babies at 22 and a half weeks. Disability rights groups have expressed concerns about the discriminatory impact of our abortion law. I entirely agree with them, and I hope that the Deputy Leader of the House will pass on my comments to the Department of Health.

The second case is that of Melissa Smith. I hope that all hon. Members were shocked by that case, in which an abortion was arranged for a 14-year-old schoolgirl by a 21-year-old school health worker without the girl's mother's knowledge or consent. That is absolutely outrageous. If ever a case captured the smugness that we have seen for 30 years on this issue, that was it. When Melissa needed an operation for appendicitis, two signatures from her parents were required, but when the abortion was carried out, no opinion was sought from them. Perhaps the saddest comment came from Melissa's boyfriend Dwaine, the father of the aborted child. He told reporters that he and Melissa believed that an abortion was their only choice. What counselling had they received from those marvellous organisations, Brook, Marie Stopes and the British Pregnancy Advisory Service? Are they truly independent and non-directional? For many years, the response of successive Governments to the rise in teenage pregnancies and sexually transmitted infections has been more of the same contraceptive-rich, value-free education. Traditional values inside and outside the House are mocked. Melissa's case illustrates the tragic consequences of our irresponsibility. I hope that the Government will act on those matters.

I hope later to present a petition to the House on behalf of my constituent, Maajid Nawaz. The Foreign Secretary has been very helpful in relation to that case, and has met me, parliamentary colleagues and family members to discuss it. As some hon. Members know, on

[Mr. Amess]

25 March this year three men were jailed for five years because it was claimed that they belonged to the Islamic Liberation Movement, which is not a proscribed group. As far as I am concerned, those men are entirely innocent. When the Foreign Secretary met us, he informed us that the Government were waiting for the judge's summation. Will the Deputy Leader of the House use his good offices to find out where we stand? As he knows, we had very little time to make our case to President Mubarak. There is tremendous support in Southend, West and throughout the country for this plea of clemency. I ask the Deputy Leader of the House to do everything that he possibly can to ensure that the Government chase up the case to ensure that these men currently detained in Cairo get that which they richly deserve—justice.

3.9 pm

Chris Bryant (Rhondda) (Lab): It is a delight to speak this afternoon after another Welsh Member, my hon. Friend the Member for Ogmore (Huw Irranca-Davies). I have always been amused by the name of his constituency because when I first typed it into a Word document, the spell-check came up with "Gomorrah".

I want to concentrate on an issue that my constituents have raised more frequently than any other, although some people might consider it ephemeral and trivial. It is broadcasting. Public service broadcasting is as important to democracy as this House. In this country, we have enjoyed for many decades a public service broadcasting ethos based on independence of thought and journalistic enterprise, and we have enjoyed an independence of journalism for many centuries.

Public service broadcasting is important not only because it provides an oasis of independence away from commercial pressures, thus enabling better quality television programmes, but because one has only to consider a country such as Spain, where there is a different understanding of public service broadcasting, to realise the dangers than can exist in a democratic system. Last year, the Spanish public service broadcaster, Radio Television Española, produced a series of news programmes in the run-up to the general strike that tried to avoid mentioning it, except to suggest that it would be dangerous to go out on the streets, terrifying to take part and that many violent protesters might be involved. None of that was true. When the trade unions subsequently took the public service broadcaster to a tribunal, it found against the broadcaster, which had to issue a public apology. That was when we began to see the cracks in the edifice of public service broadcasting as state broadcasting in Spain.

We saw the real evidence on 11 March, following the bombs at Atocha railway station in Madrid. We all know about those tragic events. It is shocking that there is clear evidence that the conservative Government in Spain made a determined effort to try to ensure that the public service broadcaster gave the impression to the people of Spain that the bomb had nothing to do with al-Qaeda or the Spanish Government's support for the war in Iraq but was solely due to ETA. That happened despite the evidence that most of us could probably have adduced from simply noting that 11 March was two and a half years after 11 September. There is clear evidence that the Spanish Prime Minister not only rang major journalists on all the national newspapers but leaned heavily on the public service broadcaster so that no story suggesting that the events were linked to al-Qaeda appeared in the newspapers.

On the Saturday evening, the night before the general election, the Spanish public service broadcaster devoted a whole evening to the problem of ETA, thereby trying to support the Spanish Government's insistence that the bomb was nothing to do with al-Qaeda. Although the concept of kid-gloves interviewing of Ministers might appear attractive to the Deputy Leader of the House, the way in which such broadcasting in Spain has undermined real democracy, which we all support, is frightening. It is perhaps no surprise that, when the people of Spain felt that the wool was being pulled over their eyes, they turned out in substantial numbers to vote to change the system. It is good news that, despite the temptation to seize the propaganda tool of the Spanish public service broadcaster, the socialist Government in Spain intend to institute reform so that the public service broadcaster is more independent, and run more along the lines of the BBC.

Independence does not only arise in public service broadcasting. It is well known that Reuters had the whole story on the Thursday afternoon of the attacks and refused to run it because it believed that a conservative Government under the Partido Popular would be re-elected and that it would suffer retribution if it ran the story. It is therefore vital to have a publicly funded, public service broadcaster that understands itself to be not a state broadcaster but a genuinely independent upholder of truth in a democracy.

It is also important that a public broadcaster is not simply a tiny part of the broadcasting market, as some would like it to be. I do not believe that it should be simply Shakespeare, Schiller and Shostakovich. To use Greg Dyke's term, it should be an 800 lb gorilla. It is important that it is not simply like PBS in the United States of America, which is no more than a pimple on the back of the American broadcasting giants. If we are to ensure that democracy thrives, it should be a hefty body that can create world-breaking television and radio programmes.

Of course, there are dangers of the BBC being too big, developing a culture of its own and believing in itself so intrinsically that it can never accept that it might occasionally get things wrong. It is interesting that the BBC now employs more staff than the number of British people living in Gibraltar. We therefore need a strong, large and independent public broadcaster that must also be humble.

I want to focus on some issues that are relevant to Wales. It is commonplace to say that the broadcasting market has changed more rapidly than ever in the past few years and that significant change will happen again. That is nowhere truer than in Wales. The statistics are startling: 54.5 per cent. of homes in Wales have digital television, which is well ahead of the rest of the United Kingdom, for which the figure is 40.5 per cent.; and 68.9 per cent. of people in Wales have multi-channel televisions, which is more than two out of three, as opposed to 54.5 per cent. in the rest of the United Kingdom. Two out of three people in Wales have not only S4C but Channel Four. My constituents have

clamoured for that for a long time. The reasons for the more rapid take-up of digital in Wales are obvious. People wanted Channel Four as well as S4C, especially in the English-speaking areas such as my constituency. The topography of Wales makes it difficult to get good reception throughout the country for the basic channels that everyone else takes for granted. The English-based broadcasters are not good at putting rugby on television and we have had to make our own special provision.

One of the most significant differences between the Welsh broadcasting market and the rest of the United Kingdom is that nearly all the people who have gone digital have done so through satellite. Forty-three per cent. of homes in Wales have digital satellite, only 6 per cent. have digital terrestrial television or freeview, and only 6 per cent. have cable. Again, the reasons are obvious. There is little cable and freeview in Wales. Only 60 per cent. of Wales is covered by freeview, which is not available in my constituency. That is a source of intense irritation, especially when people go to Dixon's or Curry's in Pontypridd, buy their set-top box and hear the shop assistant confidently assert, "All you have to do is plug it in and it will work"—only to find that it does not, because freeview is unavailable in many valleys constituencies.

People say, "I pay the same licence fee as everybody else. Why can't I get BBC 3, BBC 4, BBC News 24 and even BBC Parliament?" It appears unfair and it is one of the major issues that the BBC will have to tackle in the coming years. I am also worried that four out of five people who have gone digital in Wales have had to do so through Sky. In other words, Rupert Murdoch is being given a virtual monopoly of digital take-up in Wales because we have a lower penetration of cable and digital terrestrial television. That is worrying. No single person should be able to determine which channels are where on people's television sets and be able to hoover up the digital future. We must tackle those issues.

Enormous challenges arise from all of this, including one for the whole broadcasting ecology. That is a term that people who have worked as lobbyists in the BBC and other organisations love to use, but it has some relevance. There is an enormous temptation in Wales simply to produce lots more local channels and local programmes, and of course that sounds nice. If people talk to their MP about these matters, they will almost certainly say, "Oh yes, we want more local programmes and channels."

In Wales, however, that means that instead of getting BBC 1, we get BBC 1 Wales. So, providing that I manage to get home to Wales tonight, instead of being able to watch "Question Time" at 10.35—the single most popular news and current events programme in this country, which reaches between 3.5 million and 5 million viewers—I shall have to watch "Dragon's Eye", which is probably one of the least popular news and current events programmes in the country. We do not get "Question Time" until considerably later, when, even though many Welsh viewers might have wanted to watch it, it will be well past their chapel-goers' bedtime.

We do not get BBC 2 on digital in Wales; we get BBC 2W. That will mean that, tonight, instead of the excellent "One Day of War" which BBC 2 is showing—a programme about war all around the world, which has had loads of publicity throughout the country—we shall get "Sara Edwards' County Set", whatever that may be, followed by "Ivor the Engine"—*[Interruption.]* I can see that I have lost the argument; everyone would obviously prefer to see "Ivor the Engine".

Mr. Heald: *rose—*

Chris Bryant: I give way to the fat controller himself.

Mr. Heald: Actually, I think that the Secretary of State for Education and Skills has that responsibility.

Programmes such as "Ivor the Engine" and others that the hon. Gentleman mentioned are very popular. Why should his taste take precedence? Certainly, when I visited the National Assembly for Wales recently, there was great enthusiasm for programmes with a particular Welsh content.

Chris Bryant: It would be difficult to argue that "Sara Edwards' County Set" was the most popular programme, or, for that matter, that "Dragon's Eye" would be more popular in Wales than "Question Time". It would certainly not be right for me to inflict my taste on everybody in Wales. However, I suspect that Wales would be better off trying to be more ambitious about the programmes that it makes, instead of adopting a policy of putting a leek and a daffodil into every television programme shown there.

I recently went to the BAFTA Cymru awards in Cardiff, and I was hard-pressed to see a single programme that won an award that night that had been shown anywhere other than in Wales. That is a problem. It has not always been the case, however. When the Culture, Media and Sport Committee went to the United States of America a couple of years ago, I was delighted to see, on our return flight, that two of the films that we were offered had been filmed in the Rhondda: "Very Annie Mary" and "Solomon and Gaenor", which are both excellent films. The truth is, however, that the tendency at the moment is for the BBC to invest too much in too many small programmes—partly because it has a great deal of money from the licence fee settlement, much of which has been devolved to the regions, which is great in itself—and the danger is that, instead of broadcasters enabling us to see a wider world, we are being made more insular and inward-looking. That will be a problem for us, culturally, in Wales.

It was nice to see that the latest BBC bodice-ripper, "He Knew He Was Right", was a BBC Wales production, but I could not see any Welsh talent, Welsh scenes or Welsh writers on the programme. Yet we have significant Welsh talent—we always have had—in the form of actors and singers, for example. I do not need to go through the list, but an example would be Sir Stanley Baker—he was from my constituency—who was one of the great actors and who appeared in "Zulu" among many other films. We ought to be ensuring that our broadcasters in Wales attract an international audience for all that great talent, rather than just a home-grown one.

A specific challenge faces S4C, the Welsh language channel. Its audience figures for the last few years show that, in 2000, it had a 7.7 per cent. share of the viewers in Wales. In 2001, it had 6.3 per cent., and in 2002, 5.2 per cent., which means that it lost one third of its

[Chris Bryant]

audience in only two years. S4C therefore finds itself on the edge of a precipice. Even its reach—illustrated by the number of people who turn to it for at least 10 minutes a week—has fallen from 65 per cent. to 48 per cent. It is now reaching an audience of about the same level as that of Channel 5, despite the fact that 30 per cent. of homes in Wales cannot get Channel 5 at all, and that every home can get S4C.

S4C therefore faces a real problem of audience figures, which brings with it a problem of money. Two years ago, 200,000 people in Wales watched "Big Brother" on S4C. S4C broadcasts not only Welsh language programmes; it carries 36 hours of such programmes a week and about 10 hours of English language programmes such as "Big Brother", along with "Friends" and some of the other American imports. Last year, however, only 100,000 people watched "Big Brother" on S4C—the figure had halved. That is not because fewer people in Wales watched "Big Brother", but because people can now watch it on Channel 4.

That causes a financial problem for S4C. Selling the advertising time around the programme provided a lucrative market, because 200,000 people were watching it, but that market has now greatly diminished, because the audience has halved. As we go into a digital future, in which everyone in Wales has Channel 4 and S4C, it is likely that S4C will lose those programmes and the money that it was getting from selling the advertising time around them.

The Tories did not help S4C either. The Broadcasting Act 1990 set the amount of money that the channel would receive each year at 3.2 per cent. of national television advertising revenue. In 1996, however, they let S4C down by changing the formula to one in which the 1997 grant would increase each year in line with inflation. If we had stuck with the old formula of 3.2 per cent. of advertising income, S4C would have received £84.1 million in 2002. However, because of the Tory funding system, it got only £81.4 million, despite the fact that 2002 experienced one of the greatest recessions in television advertising revenue.

Mr. Heald: The hon. Gentleman might not have noticed—although most people have—that since 1997 Labour has been in power. If the formula is as wrong as he suggests, why is he not leading a campaign against it and doing something to change it? It has nothing to do with the Conservatives.

Chris Bryant: The hon. Gentleman might not have realised that that is exactly what I am doing by making this speech. The formula for S4C does need to be changed, and the Government are instituting—*[Interruption.]* The hon. Gentleman is wittering from a sedentary position, but the truth is that the Government have instituted a review of S4C, although there has not been a debate about it in the Chamber. I am trying to contribute to the debate.

S4C, in its digital future, will have to discover a new identity. It will no longer be good enough simply to be a channel for Welsh-speaking Wales. It needs to rediscover an identity for the whole of Wales, including my Rhondda constituency, and not just by putting subtitles on Welsh language programmes. One of the questions that a young person asked me the other day was, "Why is it that all the bands on S4C are Welsh-speaking bands? Why don't the music programmes have a Welsh-speaking band followed by an English-speaking band?"

Huw Irranca-Davies: Does my hon. Friend share my frustration with S4C that, despite the many good things that it does, its excellent political programmes are singular exceptions in failing to be subtitled in English? Many of my constituents who would want to enter the political debate cannot engage with it on S4C.

Chris Bryant: I absolutely agree with my hon. Friend. One of the most scurrilous elements is that sometimes we find out that what the Plaid Cymru politician has said on a Welsh language programme is not exactly what he said on an English language programme. Without the subtitling, those such as me who do not have any Welsh find it difficult to know what is going on. Equally importantly, I do not understand why S4C is quite happy to interview French politicians in French, with subtitling or translation, but is not prepared to have its own Welsh English-speaking politicians, artists or dramatists appearing on the programme.

Huw Irranca-Davies: Will my hon. Friend also note that S4C is more than willing to interview English-speaking Welsh athletes and rugby stars on its sports programmes, because it feels that they have something important to contribute, whereas English-speaking politicians cannot get a foothold?

Chris Bryant: Absolutely, although this is starting to sound a little self-serving, so I cannot pursue the argument much further.

Of course, it is only right and proper that we should have a hefty Welsh-medium public service broadcaster, not only because the people of Wales for whom Welsh is their first maternal tongue deserve to be able to pursue their political, democratic and cultural life in their own language, but because Wales's growing bilingualism is an important contribution to a stronger society. I want S4C to play a role in encouraging that bilingualism, and not just encouraging Welsh.

I should not delay the House for many more minutes, but there are some challenges for other broadcasters, particularly Channel 4, which has an enormous audience in Wales and should recognise that. Channel 4 should have more of a Welsh remit. For instance, it should be able to interview people in Wales, whereas at the moment it has no provision to do so. The quota for programmes that must be made by Channel 4 outside the M25 is 30 per cent., but only 1 per cent. of those programmes are ever made in Wales. That should rise to 2 per cent., and I hope that Channel 4 will work closely with the independent sector, such as Pop Factory in my constituency, or Boomerang TV, to try to encourage more programming in Wales that gets on to network television via Channel 4.

There are also challenges for BBC Wales. Most importantly, it must get more good, strong Welsh programming on to the network. It is not good enough

that Scotland has "Monarch of the Glen", and Northern Ireland has "Ballykissangel", but Wales has remarkably few programmes that manage to get on to network television. BBC Wales also needs to be much more engaged with the independent sector in Wales. It needs to promote more of a commercial sense in Wales of what it is trying to achieve.

We also need a decent BBC Wales website. It is outrageous that at the moment one cannot find out from the BBC Wales website who is contesting which seat in the local elections on 10 June. If a public service broadcaster has a role to play, surely it must make sure that everybody knows when elections are and who is standing.

Above all, BBC Wales must show all of Wales—not just Pontcanna, Cardiff, Swansea or Newport. It must show the valleys, but not in the stereotypical way such as when there is a drug-related problem or an antisocial behaviour order problem. It must show the fullness of Wales.

There are, of course, challenges for the Government. Everybody in Wales needs a free-to-air option in the digital era. We cannot hand it over to Sky. We need to make sure that the electronic programme guide enables viewers in Wales to find the channels that they want rather than the ones that Sky wants them to find. Above all, digital switchover should happen first in Wales, because we have made the biggest progress towards digital take-up anywhere in the world.

3.33 pm

Bob Spink (Castle Point) (Con): May I start this debate where I left off in the Easter Adjournment debate on 1 April—on the subject of hospice funding? It is a most important issue, which the Government have yet to grasp.

On average, adult hospices in this country receive about 20 per cent. of their funding from the Government—the figure might be a little less—and children's hospices receive a miserly 5 per cent., which is simply too low. The Conservative party has a policy of funding both adult and children's hospices at 40 per cent.

I congratulate my Front Benchers on their foresight, and hope that they will stick with that policy when we win the next election—and the policy is yet another reason why we should and will win it.

Even the figure of 5 per cent. is generous compared with the 1.5 per cent. that Little Haven children's hospice in my constituency receives from the Government. That is far too little, and I implore the Minister to convey the message to the Department of Health that it should lobby heavily the strategic health authority and the primary care trust that provide the hospice with its funds, to ensure that it receives at least the average received by other children's hospices.

Chris Bryant *rose—*

Bob Spink: Before I give way to the hon. Gentleman, I should point out that in his speech he forgot to mention the great contribution to Welsh culture made by Max Boyce through Treorchy working men's club at the top of his valley. I hope that he will redress that oversight.

I congratulate all who work in the hospice movement, particularly the volunteers who do so much to raise funds across the country. Those in Castle Point have to work harder than volunteers in any other constituency, because they have to raise 98.5 per cent. of the funds for their hospice.

Chris Bryant: I entirely agree with the hon. Gentleman about the hospice movement, but he seemed rather nervous about the possibility that, come the general election, his Front Benchers would change their policy. Is that because he is not sure whether the spending cuts might fall on hospices?

Bob Spink: I am not at all nervous about the level of spending that we shall see in the NHS. I think that after the Conservatives have won the next election we shall see a more focused and efficient approach to health provision, particularly in the hospice movement.

Mrs. Angela Browning (Tiverton and Honiton) (Con): I agree with my hon. Friend about children's hospices. He will recall that in the last Conservative manifesto we pledged to increase funds for them, and we will do so again.

Bob Spink: That is one of my reasons for being a Conservative.

The issue of post offices has been covered extensively today, and I shall not repeat the arguments. I presented two petitions last night opposing the closure of two post offices in my constituency, and—with your permission, Mr. Deputy Speaker—I shall present another opposing the closure of a third. I congratulate Castle Point councillors on doing such good community work in fighting for their post offices.

This morning I received a letter dated 25 May from Rev. Michael Galloway, vicar of St. Mary's church. He begins:

"Not an Epistle from one of your usual nutters".

I part company with him there, because I do not have any nutters in Castle Point. I have only courteous, kind people who, admittedly, write to me in great volume. That, however, is the only aspect of his letter on which I part company with him. Let me proceed to the serious point that he makes:

"I am most concerned over the proposed closure of our local Post Office situated at 18A High Road, South Benfleet. To give an example of just one hardship among very many, one of my elderly parishioners with a limited income, and one who has recently had both hips replaced, collects her pension from the above branch. If she were forced to go to Hope's Green, this would entail a bus journey with all its attendant difficulties, or the expense of a taxi. Will you please make every effort to help the community to keep these operating?"

That puts it more eloquently than I could, so I will leave it at that.

I am sure that the Government are getting the message. The closure of 3,000 post offices is the result of Government policies on the payment of benefits and pensions and their decision to prevent the Post Office from running full bank accounts. They are financially supporting the closure of post offices, but not the post offices remaining open. Those policies are not being well received in our communities, and post offices are very much part of the fabric of our communities.

[Bob Spink]

It is important to fight the modernisation philistines who threaten to make changes in the Palace without proper consultation, particularly in Westminster Hall, where the proposal is to introduce a glass compartment and to change lighting levels. Those changes will affect our heritage negatively. The modernisation philistines say that the proposals may cost £5 million or a bit more. I do not know of any other organisation that would be allowed to go ahead with multi-million pound proposals without properly and rigorously costing them.

There are many reasons why I resist those proposals—in particular, the fact that they have not been subject to proper consultation, not least through the House, although I have spoken twice in the House on the issue, as the Minister knows.

I represent a wonderful area in south Essex. Castle Point has some remarkable heritage. We have Hadleigh castle, the St. Mary's conservation area, the Canvey Island Dutch cottages and the beautiful ancient church of St. James in Hadleigh. One of the buildings in Castle Point that is well worth preserving is the much loved Canvey Island heritage centre, a key landmark building in my constituency. Sadly, its outside structure needs significant work to ensure its preservation.

I shamelessly congratulate the excellent Heritage Lottery Fund on its work. Its employees are all dedicated and I hope that they will continue to receive good support from the Government, which they are receiving now—I congratulate the Government on that—so that they can continue their excellent work, not least by supporting the Canvey Island heritage centre, which is well worth preserving. I will meet representatives of the Heritage Lottery Fund there in a few days. I hope that it will help to preserve that important building.

I congratulate the Heritage Lottery Fund on preserving more than just buildings—it is aiming to preserve memories and culture. The way to preserve culture is to preserve memories and local knowledge. I am delighted with the Heritage Lottery Fund's involvement in a project to preserve the memories and history of the 1953 flood that swept across the south-east coastline, costing many lives, not least on Canvey Island in my constituency, where more than 50 lives were lost. I congratulate the Heritage Lottery Fund on preserving the history and memory of that event.

The Health and Safety Executive also does excellent work. It seeks to reduce accidents and is currently targeting major causes of accidents, including falls from height. New regulations on working at height that flow from EU directives will be coming through.

Where access is needed via an opening at height—for example, on a building site where lift shafts are being provided—the openings are a source of risk. Sadly, they have been a source of many accidents, including some fatal accidents; there was one this year. Traditionally, Heath Robinson lash-ups have been used to protect these accesses and block them off. Those have obvious disadvantages. For example, they do not allow access to be gained and resealed professionally. What is needed is a safe, professional, reliable, flexible and low-cost means of making the openings at height safe while retaining controlled access where necessary.

I am pleased to congratulate a company in my constituency that has now developed such a contraption, the Fallgate system. Obviously, I have no pecuniary interest in that whatever. My only interest is in giving our dangerous building industry a reliable system that safely secures openings at height, thereby stopping unnecessary serious accidents—and, by the way, promoting employment in my constituency in the process.

I turn to c2c, which runs trains from Southend to Fenchurch Street that serve Benfleet in my constituency. It plans to remove from service five four-coach 357 train sets in September. That will move us down from 12-carriage to eight-carriage trains. When those trains arrive at Benfleet station, they are often full, and my constituents get a poor deal because they have to stand. There is overcrowding, which leads to a lack of safety. If those trains are moved in September, there will be less flexibility to replace a train set that is broken down, so train sets will have to be used more. Therefore, there will be less reliability and less flexibility, and cancellations will probably increase. The long-suffering passengers, who often even today, with the 12-carriage trains, have to stand and endure overcrowding for the 40-minute journey into London, will suffer even more.

That is happening at a time when the Government's policy, absolutely rightly, is to attract more people on to the trains and off the road. I therefore do not see the sense in the move. I know that the Government are not making the decision, but I hope that they will speak to the various authorities and put pressure on c2c to ensure that those trains continue to run on the Fenchurch Street line. We should not be cutting capacity on that line but increasing it by extending the use of longer trains and by extending train platforms. That would make environmental and economic sense for our country.

I turn to a more happy subject, because I do not want my speech to sound like a bit of a rant. I want to be balanced and reasonable, because there is far too much yah-boo in politics today. Let me offer a word of praise and thanks to our excellent, dedicated and often undervalued teachers and school staff and to national health service staff at all levels, whether nurses, cleaners, doctors or even managers—they, too, deserve this praise. I also praise police officers, who are often under-resourced and hard-worked, and who are suffering from more and more bureaucracy, and the hard-pressed council workers and the councillors themselves. Those people often work for lower pay than they could command elsewhere, and do so from a sense of vocation. They deserve more help and support from us politicians. They deserve more understanding of their lot, and they need us to get off their backs and let them do their jobs without the dead hand of bureaucracy and regulation that is being pressed on them more and more by this control-freakish, centralising Labour Government.

Now back to the yah-boo. My next section is extremely justified in the circumstances. I want to address the scourge of street crime and yob culture, which now seems to be a growing plague in society. I was astounded by the bare-faced audacity of the Prime Minister. His brass neck beggars belief. The *Daily Mirror*—yes, I still read the *Daily Mirror*—last Friday reported the Prime Minister's speech to the drinks industry in London. He said:

"There's a clear and growing problem on our town and city centre streets on Friday and Saturday nights—and other nights too."

The Prime Minister, of course, wants the police to make full use of their new powers, and said so. He went on to say:

"New powers are there—they need to be used. As a society we have to make sure this form of what we often call binge drinking doesn't become a new sort of British disease."

I spoke of the Prime Minister's "audacity" because it was he who, through the Criminal Justice and Police Act 2001, removed from the police the power to confiscate unopened cans and bottles of alcohol from the kids on our streets, who were consuming it and causing this nuisance. He seems to have a very scanty memory. I acknowledge that, following my private Member's Bill of last year, which drew attention to this issue and forced the Government into another embarrassing U-turn, they gave those powers back to the police through the Licensing Act 2003. They did so as a result of pressure from Conservatives—and, admittedly, from the Liberal Democrats—and from the police themselves.

The Deputy Leader of the House of Commons (Mr. Phil Woolas): I cannot allow my Prime Minister to be attacked in that way without leaping to his defence. The hon. Gentleman makes a valid point and we all share the objective of stopping binge drinking. I acknowledge his efforts in that regard, but it was a court judgment on the interpretation of the power to confiscate alcohol on the streets that exposed the loophole, which we were then happy to close.

Bob Spink: I am grateful for that explanation but, whatever explanation the hon. Gentleman gives, it was this Government who had removed from the police the power to control underage drinking on the streets.

John Cryer (Hornchurch) (Lab) *rose—*

Mr. Paul Burstow (Sutton and Cheam) (LD) *rose—*

Mr. Heald *rose—*

Bob Spink: I give way to my hon. Friend the Member for North-East Hertfordshire (Mr. Heald).

Mr. Heald: In fact, we pointed out in Committee on the Criminal Justice and Police Bill—on which I led for the Opposition—what the effect would be at the time when the power was changed. The Minister in question disagreed, but the Government were forced into a subsequent retreat.

Bob Spink: I think that I have made my point, so I shall move on to overdevelopment, which is another scourge and a real issue in the south-east. Our green and pleasant constituencies are being ever more threatened and concreted over. Such overdevelopment is particularly damaging when it is linked, as it always seems to be, to a total lack of provision of suitable supporting infrastructure. That puts the existing infrastructure, which is already under stress, under even greater stress, and it damages our constituents' quality of life.

I continue to resist all major new development proposals for Castle Point because that is the rational and correct thing to do, given the circumstances. Castle Point has a target of building another 2,400 homes in the next few years. The planning period is more than half way through, yet only 700 to 900 homes—not even half—have been identified and built. But in recent weeks, the Office of the Deputy Prime Minister has forced the target up from 2,400 to 4,000. That is simply not sustainable, and there is not even a hint of any new supporting infrastructure.

Canvey Island must get its additional access route and the A13 congestion problems must be solved before we go down this route, which would devastate our communities. The East of England Development Agency and those in charge of the Thames gateway are part of the problem. They could and should be good for our communities, but they seem intent on pushing for more and more development without the necessary infrastructure. However, it is not too late. I call on the Government to change the emphasis and to make sure that we establish the infrastructure before, or at least at the same time as, such development takes place. This is an extremely important issue for our constituents' quality of life.

I end on a very happy note. I want to put on the record the tremendous civic pride that the people of Castle Point rightly have in the achievement of Canvey Island FC, who this year gained promotion to the Conference and who reached last Sunday's final of the FA trophy. We lost to Hednesford Town, and to put it in colloquial terms, "We was robbed and the referee was blind." In fact, the referee was quite good.

We still had a most wonderful season. The club has strong community links and supports its youth teams well on Canvey Island. It is a source of great pride and joy to the whole community. The club has brought the community together, and I congratulate the players, the staff and the manager, Jeff King. Most of all, I congratulate the supporters who, along with me, Saturday after cold, wet Saturday afternoon go to all the ordinary games as well as the cup final.

3.55 pm

John Cryer (Hornchurch) (Lab): Following on from earlier speeches about post office closures, I want to mention—as I have mentioned on two previous occasions—that in my constituency four post offices face the threat of closure. The argument that is being used, as it probably is with regard to post offices in all constituencies, is that the business levels have fallen to such a point that the post office is no longer sustainable. That is in many cases an accurate argument, although not in all cases. The Government have to bear responsibility for the fact that the reason why business levels have fallen so low is that there has been a massive shift to direct payments into bank accounts. That has happened because of encouragement by the Govt.

Senior post office managers have told me that it has been made clear to them that when three options for the payment of benefits or pensions are publicised, the post office option always has to be No. 3. It is usually put in pretty obscure terms at the bottom or the back of the publication. Hence the levels of business drop and for obvious reasons post office closures come along. It is

[John Cryer]

often pensioners who are at the receiving end of that, certainly in my constituency. I have a high proportion of pensioners in my constituency—they are the ones who use post offices and who tend to suffer when they close.

It is not good enough for Ministers to say that this is an operational matter for the board of Royal Mail or for regional Post Office managers. The Government are the 100 per cent. shareholder in the Post Office and Royal Mail, and they bear responsibility, at least to some extent, for what has happened.

I wish to raise a couple of other issues. The first is steel prices, which have received a lot of attention, especially in the financial pages of the press, during the past few weeks. The rise in steel prices is clearly causing problems for many businesses. In Rainham, in the south of my constituency by the river Thames, there are a lot of small firms, particularly engineering, light engineering and building firms. The rise in steel prices is starting to have a serious impact on their effectiveness and ability to compete and continue to do business. That comes after enormous rises, especially in professional indemnity insurance premiums. Often 9/11 is used as an excuse. In the past couple of years, we have seen premiums for small and medium businesses go through the roof. However, 9/11 is not a reason. It is an excuse for an insurance industry that is engaging in profiteering. Some small and medium businesses have gone under because the insurance industry has decided to take advantage of the general insurance and economic climate to increase premiums.

Next door to my constituency, in the constituency of my hon. Friend the Member for Dagenham (Jon Cruddas), is the massive Ford plant, which is still a considerable works and employs about 5,000 people. It surely has to be a matter of time before the rise in steel prices starts to have an effect on even the big trans-national companies such as Ford, which operate on a massive global scale. I probably have about 400 or 500 constituents who work at Ford Dagenham even today.

The hon. Member for Castle Point (Bob Spink) mentioned antisocial behaviour issues. Such issues have probably started to face all of us in our constituencies during the past few years. It certainly has in my constituency. The hon. Gentleman did not mention the Anti-social Behaviour Act 2003, which is providing the police with some of the tools that they need to tackle the problem.

In particular, I have seen recently that the British Transport police—along with my local authority, Havering, and the local police force—is applying for a dispersal order for the eastern end of the District line, which runs up to Upminister and goes through three stations in my constituency. That line has been the victim of antisocial behaviour, some of which verges on criminal damage. That behaviour is obviously frightening for a lot of passengers travelling home late at night, and I have regularly seen it, too. There have been previous attempts to tackle the problem, and although the phrase "dispersal notice" has an unfortunate ring, as it sounds like something that would be used during wartime, the application of those notices should have the kind of effect that we all want—I certainly do, as I often travel back late at night.

The final local issue that I want to raise relates to St. George's hospital in my constituency. It was the hospital that served RAF Hornchurch, which has now gone, although it covered a large area of my constituency until 1963 and was part of the ring of steel during the second world war. Probably all the greatest fighter aces of the second world war flew from RAF Hornchurch at one time or another, and a lot of injured pilots ended up being treated at St. George's hospital.

St. George's hospital comes under the aegis of the local primary care trust. There are several options for its future because it requires a lot of investment. Unfortunately, one of the options is closure, which is unacceptable to me—and I know that it is unacceptable to the vast majority of my constituents, as I have talked to and communicated with a large number of them. If the hospital closed, the facilities would be moved to Harold Wood hospital, which is a long way from my constituency, especially the southern part around Rainham and Elm Park. A lot of elderly people, who have similarly elderly relatives in St. George's hospital, particularly recovering from strokes and other illnesses, would have to travel, perhaps using two or three buses, to Harold Wood hospital and back again. That journey would take all day and it would be impractical for elderly people who live in Rainham and similar areas. Some sort of health facility must be maintained on the St. George's site, partly for historical reasons, but principally because we need a health facility for the elderly people who live in the south of the borough.

Lastly, I want to touch on an issue that hon. Members raised earlier: voter participation in the democratic process. The idea seems to be put around these days that if we modernise Parliament—I put that phrase in quotation marks—somehow voter turnout would magically rocket. The Liberal Democrats, in particular, latch on to that idea. We could change the language and procedures used in the House. We could even flatten it and build some modernist structure in steel and glass.

Chris Bryant: That is a good idea.

John Cryer: I thank my hon. Friend.

If we were to do all that, it would not affect voter turnout one iota. That is not what affects people's voting intentions and patterns. Two factors among many have affected voter turnout, causing it to drop through the floor in the past 20 years, particularly at general elections. I get the impression that people have a feeling that they no longer have the power to shape their own destiny. There is an inaccurate but widespread feeling that they no longer have the power to shape the future. That is part of a process that has led to the alienation of the democratic process from the voters. Without any shadow of a doubt, one key factor in that is the European Union's role, and supporters of the euro and the European constitution, such as my hon. Friend the Member for Rhondda (Chris Bryant), have to face up to that.

The idea that power will not leach away to Brussels if we adopt the euro and sign up to the European constitution is nonsensical. The argument is whether we agree to power being handed over to undemocratic institutions. The reason why I oppose the euro and everything that goes with it, such as the growth and

stability pact, is that it is about taking power from democratic, elected institutions and handing it over to institutions that are unelected, unaccountable and undemocratic. We have no control over those institutions.

Chris Bryant: My hon. Friend will be surprised to know that I do not think that he is quite right. What makes people wonder whether our parliamentary system is right is when five votes in this Chamber provide enormous majorities in favour of a complete ban on fox hunting while the Chamber at the other end of the Corridor fails to go through the proper processes, or actively obstructs the processes, and overturns that decision. In those circumstances people think, "Hang on; who's in charge?"

John Cryer: That is a fair comment, which is surprising because I thought that I was going to get a load of drivel about the European Union. I congratulate my hon. Friend on that.

On my rather more important point, if we enter the euro, we transfer power over interest rates to an unelected group of people who sit around in a boardroom in Frankfurt. If we go further down that path, we will have to hand over some of our power to set the rate of taxation. That would be inevitable for two reasons. First, a common currency cannot exist, and has never existed, without a central tax-gathering mechanism. Secondly, it is necessary to have the economic clout that goes with a single currency. That was highlighted by the MacDougall report in 1974, which predicted everything that is happening, such as cuts in regional funding. In addition, the Maastricht treaty, the basis for the single currency, makes it clear that the European Central Bank will have power over taxation.

If we go down that path, in 10 or 15 years time—perhaps longer—all parties, whether Labour, Conservative or the Liberal Democrats, will be in the position of saying to people, "We want your vote not because we can change things fundamentally, because we can't; we've handed over all the power to Brussels and the European Central Bank. We can't do anything about the public spending crisis or the economic crisis because we can only fiddle about at the margins." People's reaction to that will be, "Well, stuff the mainstream. We'll move to the fringes—the British National party and the extremists." That will be the consequence of going down the path for which many argue.

I will always resist that. I am not a nationalist or a flag-waving little Englander, but I oppose the euro and the constitution because we must keep decision-making powers in democratic hands and make decisions for ourselves.

4.7 pm

Mr. Alan Reid (Argyll and Bute) (LD): I am grateful for the opportunity to raise several issues that concern my constituents.

I have received a large postbag on Iraq. I voted against going to war. However, since Britain and America took part in the invasion, we have a legal and moral responsibility to keep the peace and maintain law and order until we hand over power to an elected Iraqi Government. We must also assist in Iraq's reconstruction.

I was pleased to hear the Secretary of State for Defence say in his statement that the extra troops for the British-controlled zone will not be sent to the American-controlled area. If British commanders on the ground say, as they have done, that extra troops are needed to carry out our existing legal obligations in our sector, the Government should accede to the request, as they have done, and send more troops. However, I should not like British troops to be under the control of American commanders and used to further the American strategy in the American zone because their strategy is totally wrong. It is far too heavy-handed and therefore counterproductive.

I am also worried about the apparent contradiction between the views of the British and American Governments on the situation after 30 June. Our Government's position appears to be that the final political control of coalition forces after the power transfer will rest with the new Iraqi Government. The American Government seem to take a different view, however. Colin Powell, the US Secretary of State, said that US forces will only take account of what the Iraqi Government say at a political level.

The anomaly between the British and American views on the control of coalition forces after the handover has to be cleared up. If we have British and American forces operating under different conditions that could be a recipe for disaster, and the practical consequences on the ground could lead to a great many operational difficulties.

I come now to Europe. Having voted twice in the Division Lobbies in favour of a referendum on the proposed European constitution, and having been on the losing side on both occasions, I was delighted by the Government's U-turn and to hear that, after all, there will be a referendum. That is, of course, provided that agreement is reached on the constitution and that it is not derailed by other countries voting no before we have the referendum in Britain. I believe that a constitution is necessary to enable a Europe of 26 countries to function, but it is important that it is endorsed by the British people in a referendum. However, I would like to see a greater commitment to subsidiarity in the constitution. Europe, while needing a constitution, is certainly far too centralised, which is why people in Britain are turning more and more against it, and there is a risk that the referendum will be lost. I hope that the final draft of the constitution will contain a greater commitment to subsidiarity.

I want to refer to areas where I believe that subsidiarity is important. The first is fishing, an industry of great importance in my constituency. It is clear that the European common fisheries policy has failed, but we need such a policy because fish swim across the boundaries of countries' territorial waters. It would clearly be ridiculous if, as soon as fish swam outside the territorial waters of a country with a policy of conservation, they swam into those of a country with a policy of scooping up everything in sight—the first

[Mr. Alan Reid]

country's conservation policy would be pointless. We need a common fisheries policy, but not one that is run by national Governments.

Mr. John Wilkinson (Ruislip-Northwood) (Con): Why is the hon. Gentleman against the United Kingdom asserting control over its own fisheries up to a 200-mile limit or, where there are nearby EU states, up to the median line? Is it not the case that Norway and Iceland have conserved their fish stocks exceedingly well, and that has been to the benefit of all concerned in the north-west Atlantic?

Mr. Reid: I simply say that there is little point in one country having control up to the median line if the country on the other side of the line has a totally different policy. Fish swim the seas; they do not stick to one country's territorial waters.

John Cryer: The hon. Gentleman will be aware that in 1972, when Britain applied to join what was then the common market, Norway also applied. Norway withdrew its application because the CFP was rushed through at the last minute, and Norway still has a powerful fishing fleet, whereas we have a fleet that has been decimated because of the CFP.

Mr. Reid: Norway enters into negotiations with the EU for agreements on fishing because even the Norwegians recognise that what the EU does in its own sector impacts on the Norwegian sector.

Bob Spink: Is it not a fact that while conservation of fish under Norway's national control has been pretty good, conservation of fish under the CFP has been absolutely disastrous? Would it not be better to level up by taking our own national control, rather than staying levelled down under the CFP?

Mr. Reid: I agree with part of what the hon. Gentleman said: the present fisheries policy has failed, as I said. We need a policy that is managed by regional management committees, composed of fishermen, scientists and Government representatives, which would have control over a particular zone of the sea. The zones in which fish swim do not conform to national territorial boundaries.

The European Union has already divided the seas around Europe into different zones. Subsidiarity should not just mean giving power to nation states or devolved Governments within those states. In fishing, for example, it could be best implemented by giving power to organisations based on zones of the sea. Some zones may be under the control of one country, but others such as the North sea would need to be under the control of a management committee consisting of representatives of countries with historic fishing rights in the North sea. The annual last-minute Council of Ministers compromise, however, is not working, as landlocked countries have exactly the same voting rights as countries with a large fishing industry. Subsidiarity in fishing should mean devolving power to regional management committees so that they can manage zones of the sea.

The European working time directive is clearly causing problems for the health service in rural areas, including the ambulance service in my constituency. We would all support the principle that workers should not be forced to work excessive hours, but the directive has resulted in a court ruling that time spent on call counts towards the 48 hours. It is perfectly reasonable in private industry to create fair competition between all European countries by introducing common rules, but in the health service, which is clearly not in competition with other countries, there is no need for European-imposed rules. The NHS in rural areas will get worse if the Government do not seek a change in the European working time directive so that health service on-call work does not count towards the 48-hour total.

We need to keep animal diseases out of Britain. The foot and mouth epidemic three years ago cost the country billions of pounds. In view of the huge amount of money that another epidemic would cost the country, the Government should do more to prevent meat from being smuggled into the country illegally. The Department for Environment, Food and Rural Affairs estimates that the total amount of illegal meat entering the country every year is 7,431 tonnes. However, in its annual review, the Department notes that in 2002–03, the last year for which figures are available, only 31,000 kg of illegally imported meat were detected. Customs is detecting only a fraction of the meat smuggled into the country. I am sure that the figures for 2003–04 will show an increase in the amounts detected because more resources have been devoted to the problem, but that will only be a fraction of the total.

In its report, DEFRA notes that the Government are making £6 million available in the financial year 2003–04 to tackle illegal imports, but that is only a fraction of the billions of pounds that another epidemic would cost, so far more resources are required. Customs and Excise has only six sniffer dogs to detect smuggled meat, although four more are being trained. Ten dogs, however, are not enough to cover all the ports and airports in Britain. Insufficient use is being made of X-ray technology, which was trialled last summer. However, when I raised those trials and their results with the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Exeter (Mr. Bradshaw), who is responsible for animal welfare, in a debate on illegally imported meat at the end of April, he was not aware of the results.

I tabled a written question to the Treasury about the problem, and I am pleased that the Government are now using X-ray technology. However, in response to my question about assessment of its effectiveness, I received an unhelpful non-answer:

"The effectiveness of current equipment is continually assessed."—[*Official Report*, 25 May 2004; Vol. 421, c. 1510W.]

There is therefore little information about the use of X-ray technology, which is designed to stop criminal activity.

One of the most important factors in preventing criminal activity is the fear of capture. Criminals will not have much fear of getting caught when there are only 10 sniffer dogs, there is only limited use of X-ray technology and, according to official figures, only a fraction of illegal imports are detected. The Government have to do much more and must publicise

more the efforts that they will make to deter illegal imports because that will act as a deterrent to criminals.

The hon. Member for Castle Point (Bob Spink) referred to the working at height proposals. Whereas I support what he said about the need for improved regulations for buildings, I am concerned, as is the outdoor activity industry in my constituency, about the way in which the Health and Safety Executive has framed the draft regulations. Any court will interpret them as applying not only to building sites, but to hill climbing and mountaineering. If the draft regulations become law, they would eliminate paid guides working on mountains and hills. Insurance would become impossible because they would have to comply with regulations that in the original European directive were clearly meant for buildings, but which the HSE wording could apply also to mountains.

One of the most ridiculous proposals is that all edges require edge protection. Under the current wording that would apply to the crags on mountain tops. I have had several letters from the outdoor activity industry in my constituency, which I have submitted, with my support, to the HSE as part of the consultation process. When the draft regulations are reworded after the consultation exercise, I hope that it will be perfectly clear that they apply only to buildings, not to mountains. Otherwise, paid mountain guides will cease to be a viable profession and people will go out on to the hills without paid guides.

Finally, I come to post offices, an issue which has been raised often enough before. Members have spoken about the effect of Government policy on urban post offices. I am concerned about the impact on rural post offices. The Government propaganda is persuading pensioners to opt for a bank rather than a post office. Clearly, a great deal of business will be lost to post offices, which will inevitably mean rural post office closures in years to come. I urge the Government, even at this late stage, to change their written leaflets and the script of the Government call centre to give an unbiased description of the various payment methods available, so that people can make a fair choice between a post office card account and a bank account.

I am pleased to have had this opportunity to raise these issues on behalf of my constituents.

4.23 pm

Mr. Alan Hurst (Braintree) (Lab): It is always a pleasure to speak in these debates and not only put forward the views of one's own constituents, but learn so much about other constituencies.

Today I want to discuss the provision of maternity services in Braintree town, particularly those based at the William Julian Courtauld hospital. The name Courtauld may well be familiar to hon. Members. Braintree was once a mill town of East Anglia and one of the mills belonged to Courtauld's, together with Warners and other manufacturers.

They were great benefactors, and one of their gifts to the town was a community hospital named the William Julian Courtauld hospital, which the working people of the town supported by subscription and which has served the town since just after the first world war.

For 80 years or so, the women of Braintree town had been able to give birth in the maternity unit at the William Julian Courtauld hospital. I thought the matter had been secured some seven years ago, when the then health authority, the North Essex health authority, undertook an ironically entitled consultation called "Taking the Initiative". The consultation's aim was simply to close down community hospitals across the part of Essex that I have the privilege to represent. Unsurprisingly, there was a public outcry not only in Braintree, but in other towns that would be affected. Ultimately, the health authority recanted on those proposals and the hospital was secured, along with the maternity unit. That was much to the credit of the people of Braintree, who marched, petitioned and harangued until that was achieved.

There was good reason why that should have remained the case. In the period after the second world war almost up to the early 1990s, orthodoxy in the health profession stated that, in the main, babies should be born in large general hospitals, and the element of choice for the mother went out of the equation. Hon. Members will be familiar with the work of the Select Committee on Health chaired by the hon. Member for Macclesfield (Sir Nicholas Winterton) in the early 1990s, and thereafter the inquiry under Lady Cumberlege, leading to the report, "Changing Childbirth". To summarise, that recommended that the mother should have a choice about where the baby was to be born—in a specialist unit, at home, in a small community hospital or in a more general hospital. William Julian Courtauld hospital is a community hospital with all the friendly backing and support that such a hospital can provide.

I have often thought about the words of T. S. Eliot, who said that

"the same time never comes twice in the life of one man".

Those were wise words, but unfortunately they do not seem to apply entirely to what is happening in Braintree at present. The maternity unit at the Courtauld hospital was temporarily closed last October. The health officials assured me that the closure was due to illness and maternity leave among the midwives and other staff at the hospital. I accepted that, and being a chap who wants to believe everything he is told, I went on local radio to try and assuage any fears that people might have that the closure was a result of a long-term policy.

Indeed, the hospital has re-opened for maternity services, but it has not re-opened on what is usually called the status quo ante. Before October, the service was midwife-led and the hospital was open 24 hours a day, seven days a week. A mother could go in, stay a whole day or two or three days, and accustom herself and her baby to the situation. As it is now being operated, the maternity hospital is open only five days a week, Monday to Friday, between 9 am and 5 pm.

Of course, babies are not so well planned, and they sometimes give an indication that they may wish to be born outside the prescribed hours. It is fair to say that provision is made for that, provided the midwife knows that she can go and get a key, open up the hospital and let the mother in so that the baby can be born out of hours. But there is a strict proviso that they must be out of the premises six hours after the birth. Two hours is encouraged, but six hours is the limit of the stay. Perhaps I am a little old-fashioned, but I think that may be taking efficiency and speed of operations a bit too far. The people of Braintree want a proper maternity service provided for the town again, as we had before October last year and for the 80 years preceding that.

[Mr. Alan Hurst]

As you will know, Mr. Deputy Speaker, the people of Braintree are very reasonable, and they are not given to making harsh judgments if harsh judgments are not required. We have two hospitals in the town: I have mentioned the Courtauld hospital; the other is St. Michael's hospital, which was formerly the workhouse and is now predominantly for older people and for out-patient appointments.

The proposal, which Braintree people do not oppose, is that the two hospitals should be combined and a new community hospital built. Of the two sites—the Courtauld, which was founded by a benefactor and public subscription, and St. Michael's, which was the workhouse—one would have thought that the public affection would be for the Courtauld hospital, which is true. When the logical case was put to the people of Braintree on the best site for the new community hospital, however, after reflection the overwhelming majority of them, including some of the most active health campaigners, said that they saw the logic of putting it on the less attractive site in terms of human history, but the more realistic site in terms of location. Braintree people are reasonable, and they will listen to a case and accept it, if it is good.

However, we cannot expect the young mothers of Braintree to accept a nine-to-five hospital with the door on the latch. As the service has been scaled down, numbers have fallen. So far, 24 babies have been delivered at the Courtauld hospital in this calendar year. Last year, 122 babies were delivered, but if one goes back seven years, 350 babies were delivered. One fears that the service is, to use a cliché, withering on the vine, and local people are concerned that, if that process continues, the service will eventually cease to exist.

Both now and previously, I have heard health officials in Essex say that Braintree has a "Rolls-Royce service", which is a rather heartless phrase, because the ratio of midwives to births is favourable in Braintree and unfavourable in Chelmsford, which is a large town in the centre of Essex a number of miles away from us. If mothers are always encouraged to go to the large hospital with the large unit in Chelmsford, the ratio is bound to become unfavourable. I do not know what kind of Rolls-Royce health officials in Essex have in mind with regard to the service provided at the Courtauld hospital, but it is not what Mr. Rolls or Mr. Royce had in mind when they designed the ultimate luxury vehicle.

The current service is basic, and I ask my hon. Friend the Deputy Leader of the House to convey to his colleagues in the Department of Health the need for them to indicate to local health officials that that state of affairs should not continue. My hon. Friend knows that health officials will blame the Government and say, "The Government do not give us enough money to employ the midwives." If health officials want more money for midwives—there must be a case for it because the local population is growing apace—they should make determined representations to the Department of Health, which others and I would support.

If policy has been changed in order to centralise all maternity services in a town a considerable number of miles away from us, however, the matter has nothing to do with finance and concerns social engineering, which is contrary to all thinking about childbirth in the past decade or more. I implore the Government to seek to persuade those in charge of maternity services in my area to think again.

4.34 pm

Mrs. Angela Browning (Tiverton and Honiton) (Con): The hon. Member for Hornchurch (John Cryer) touched on the difficulties encountered by small and medium-sized businesses in obtaining public liability insurance, and the punitive costs that they face when they want to renew their policies. We have discussed that matter in the House. Indeed, the Chancellor made a commitment that the Treasury would examine how other countries deal with similar problems.

The hon. Gentleman mentioned the fact that insurers cite the aftermath of 9/11 as a reason why premiums are increasing. A range of other arguments is also given, including the state of the UK and global stock markets. However, it is clear that when such policies come up for renewal, many people across the spectrum of small businesses find it difficult to obtain cover, which often licenses them to do the trade that they are registered to carry out.

A further sector of small businesses that is having difficulty because of a sudden and dramatic increase in insurance cover is small independent financial services that require professional indemnity insurance. I have received a lot of correspondence on that from independent financial services providers in my constituency. One provider wrote to me to say that in the past it paid a premium of between £2,000 and £3,000 per annum with a £1,000 claim excess, but that it is now faced with a premium of £100,000 with an excess of £50,000. That represents a huge increase for small businesses, and it is likely to put some out of business and to mean that people will practice without such cover. The problem is hitting a further sector of small businesses on our high streets. The sector includes financial planners and independent financial advisers and, as we know, it has been through a difficult time for a variety of reasons. The situation is likely to affect such businesses' ability to continue to practice, and, of course, Financial Services Authority rules insist on them having professional indemnity insurance.

Only two insurers in the whole of the UK provide cover for existing IFAs, plus one or two Lloyd's syndicates. New IFAs have no problem getting cover because they have no past book of business, so they can get much more attractive and favourable terms and obtain cover at a reasonable price. It is bizarre and quite wrong that although well-established practices are almost being put out of business, people with no track record who set up new businesses can get cover.

One of my constituents, Mr. Colin Langton, has practised in the sector for many years. He is well known in the west country and runs practices in both Devon and Cornwall. Indeed, he often writes for our regional newspapers to advise people on financial problems. He has put forward a suggestion that might help the industry. He says that the

"Industry Compensation Scheme—the FSCS—should be adapted to be the first line of cover for all"

independent financial advisers. At the moment, the scheme covers those that go into liquidation, which is a good thing, but he believes that it should be enhanced so

that IFAs may obtain cover from it. He says that that would mean that small independent financial adviser companies would no longer be held to ransom by the few insurance providers. Given the increasing likelihood of companies operating with no cover or stupid excesses that they could not meet if challenged, they run the risk of going into liquidation or being stopped from trading altogether by the FSA. In either case, the financial services compensation scheme would ultimately pick up the bill, so giving companies the ability to access cover through the scheme would not only help to protect independent financial advisers, but offer greater protection to the general public who use their services. At the moment, businesses might not be covered and their customers would not know it.

Mr. Tyler: I entirely endorse the hon. Lady's point, which has been put very seriously by the gentleman to whom she refers. Does she agree that were this to come about, it would provide a form of prevention that is preferable to the inevitable post-something going wrong cure?

Mrs. Browning: That is exactly right. New legislation is required to enable it to happen. My plea to the Minister, on behalf of small businesses in this sector in my constituency and around the country, is for a piece of legislation—it would surely be very short; a tidying-up exercise if ever there was one—to bring about this necessary protection. An EU directive is pending that might precede any such legislation in this House. It is possible that several of my constituents in this very important sector will go out of business, and I hope that the Government will do all that they can to deal with the problem as quickly as possible.

My second topic is colleges of further education. I am a great fan of FE colleges, but they are often seen as the Cinderella of the education sector in terms of the lack of recognition that they receive for the huge contribution that they make, and could potentially make, towards education, training and skills. We recently received a delegation to the House of Commons from heads of those colleges who are concerned about a whole range of issues, especially their budgets in the forthcoming year. One head told me that although his overall budget is being increased, because of the change in the formula he is likely to lose most of the part that is allocated to child care, which is very important for adult students wanting to come back into education or to increase their learning and skills.

Three FE colleges serve my constituency: East Devon college in Tiverton; the nearby college in Exeter, which some of my constituents attend; and Bicton college of agriculture, which is in the constituency of my neighbour, my hon. Friend the Member for East Devon (Mr. Swire). Although that is a traditional agricultural college, it has expanded its curriculum and remit to cover courses based on the leisure and catering industries, and it now has a whole range over and above the core agricultural syllabus. Those colleges have served my constituency very well.

I am aware, too, of the extremely valuable work done by FE colleges outside my constituency. Most colleges of an average size have links with some 500 firms in their locality. That demonstrates the importance of such links in relation to the skills that are needed by local businesses and industry. On a more basic level, last year colleges helped about 0.3 million adults to improve their basic literacy and numeracy skills. The viability of our FE colleges, particularly those in my constituency, is a matter of great importance and interest to me. I have the privilege of being a patron of an FE college foundation—Bournemouth and Poole, which I attended many years ago.

It is worth remembering that, nationally, colleges award more than half of all vocational qualifications to some 500,000 individuals a year. An independent mass survey conducted by the Learning and Skills Council found that 93 per cent. of learners were satisfied with their learning experience in an FE college. It is only in recent years that the LSC has had responsibility for funding, inspection and standards in those colleges. I have recently seen its annual report and accounts for the year 2002–03, which produced some rather interesting figures.

The learning and skills council reported a surplus for 2002–03 of £83 million, yet in the previous year—2001–02—£202 million was clawed back from FE colleges. The budget for FE participation for 16 to 18-year-olds and the 19-plus age group increased by 3.3 per cent., yet the output in colleges greatly exceeded that.

The FE sector delivers growth of some 4.6 per cent. in the number of students that it teaches and trains, but with a 4.5 per cent. cash increase. Given inflation at 2.5 per cent. and a public sector pay settlement, with inflation of some 4 per cent., colleges have a difficult balancing act to perform. They have grown and committed to increase salaries on a real-terms decrease in their budget. They ask me, not unreasonably, why, when money has been clawed back from them and they have had to manage tight budgets, the LSC-reported surplus of £83 million has to revert to the Treasury. Why cannot they reinvest it in post-16 learning, bearing in mind that much money was clawed back from that sector? They feel sore about that.

FE colleges have a track record of managing on tight budgets, without real-terms increases. That has continued year after year, yet the way in which the LSC is managed means that the surplus cannot be ploughed back into FE colleges but must be returned to the Treasury. Given the way in which the LSC manages its budget, it is clear that its increase in spending on 16 to 18-year-olds and those who are 19 and older is only 3.3 per cent. However, it increased its budget for capital standards and other similar responsibilities by 38 per cent. One part of the LSC remit has an increased budget of 38 per cent., whereas the sharp-end money for FE colleges increases by only 3.3 per cent. Colleges have done a good job in achieving growth when they have effectively suffered a cut in their budget.

I draw the matter to the Minister's attention because, now that the LSCs have been in place for a few years, it is time to take another look at the way in which they apportion their budget. They appear to have a lot of money and to have increased their budget not for people learning but for checking up on people learning. That is wrong. I appreciate that LSCs are fairly new and have had to find their way for a year or two, but we should take a closer look at the disparity between the different parts of their budget.

[Mrs. Browning]

We should also consider what we want from the FE sector, which can address many problems that we regularly debate in the House. There is no traditional, classroom setting in FE colleges. Courses are relevant to people's everyday lives, whether they are basic numeracy and literacy for adults or specific skills learning for young people who perhaps cannot be contained in a traditional classroom setting. We often debate what we should do with stroppy 14 and 15-year-olds, whom people find difficult to manage in traditional schools.

The FE sector has quite a lot to offer in that regard. In my constituency, the East Devon college is doing an awful lot with children who have been excluded from the traditional classroom setting.

Somehow, however, we treat FE as the poor relation when it comes to education budgets and resources. My plea to the Minister, therefore, is that he ask his colleagues at the Department for Education and Skills to take another look at what the head teachers from FE colleges have been saying to them in the last week or two. It is clear that those head teachers have not been listened to in the past, but they should be listened to. We have not yet maximised the FE sector in this country, and a lot more could be done that we, as Members of Parliament, would find made a great difference to the education of our constituents and to the viability of many of the businesses in our constituencies.

4.50 pm

Ross Cranston (Dudley, North) (Lab): I shall begin with a specific point concerning Iraq and the operation of our forces there. Although we are what the law regards as an occupying power, our presence there is governed in the main by United Nations Security Council resolutions, notably resolution 1511 of October last year. That situation will change in the near future, but the basic principles involved will remain the same. Paragraph 13 of that resolution determines

"that the provision of stability and security is essential to the successful completion of the political process as outlined"

earlier in the resolution. The paragraph goes on to state that the resolution

"authorizes a multinational force under unified command to take all necessary measures to contribute to the maintenance of security and stability in Iraq, including... the security of the United Nations Assistance Mission for Iraq, the Governing Council of Iraq and other institutions of the Iraqi interim administration, and key humanitarian and economic infrastructure".

Paragraph 14 goes on to urge member states to contribute to the multinational force, and paragraph 16 emphasises the importance of establishing an effective Iraqi police and security force. In fact, some 30 countries have contributed to the multinational force, although the unified command mentioned in paragraph 13 is provided by the United States.

I want to draw the attention of the House to two aspects of the security provisions. First, it is obviously contrary to resolution 1511 for any group to threaten

"the successful completion of the political process"

set out in the resolution, or to threaten security, particularly that of the United Nations, the governing council and other aspects of the Iraqi interim Administration or of the country's infrastructure. It is therefore unsurprising that when the president of the Iraq governing council was assassinated in Baghdad 10 days ago, Kofi Annan, the Secretary-General of the United Nations, strongly condemned the action as a tragic and criminal act. He went on to say that it was

"a bad day for the people of Iraq and all those striving to help them. In the critical days leading up to the restoration of Iraq's sovereignty on June 30th, it is all the more important for the Iraqi people to resolve peacefully their differences and rally together in a spirit of unity and dialogue to build the foundations of a new Iraq."

Let us be clear about this. It is lawful for the multinational force and the new Iraqi police and security forces to enforce security. They can take, in the words of the resolution, "all necessary measures" to do so. Conversely, those carrying out attacks on the political institutions recognised in the resolution, on the country's infrastructure and, implicitly, on the multinational force itself are acting unlawfully, whether they are remnants of the previous regime, members of al-Qaeda, other foreign fighters or Iraqis acting from political or religious motives. As Kofi Annan said, they have to resolve their disputes peacefully.

My second point is that both the multinational force and the Iraqi police and security forces must act in accordance with the law when taking "all necessary measures" to enforce security. For example, the Chair Rapporteur of the Working Group on Arbitrary Detention of the UN Commission on Human Rights has raised the issue of detentions in Iraq, saying:

"According to the information received by the Working Group, the majority of persons in detention in Iraq have been arrested during public demonstrations, at checkpoints and in house raids."

She went on to say that she was

"seriously disturbed by the fact that these persons had not been granted access to a court to be able to challenge the lawfulness of their detention, as required by the International Covenant on Civil and Political Rights (Article 9)."

Although the UK is a party to that covenant, there is an issue as to its direct applicability to this situation. The sentiment that she expressed, however, is surely right: when people are detained their legal status must be clarified quickly, and ultimately they must be able to challenge it.

The second implication is that the ill treatment and torture of detainees is clearly unlawful, quite apart from the fact that it is both morally repulsive and politically counter-productive. The law here derives from the principles and norms of international human rights law, and in the case of persons entitled to prisoner of war status, the norms and principles of international humanitarian law as enshrined in the Geneva conventions. Yesterday, Amnesty International released its annual report. It detailed specific allegations of torture by British troops of nine men arrested working at a hotel in Basra, where weapons had reportedly been found. According to Amnesty, one of the men died in custody, and a second was admitted to hospital in a critical condition, suffering renal failure and severe bruising.

My right hon. and hon. Friends on the Front Bench have given assurances that all allegations of mistreatment of Iraqi prisoners are taken extremely seriously, and that all allegations are investigated thoroughly. I accept those assurances. I am also

comforted by the fact that last Friday, the Attorney-General released a statement. He announced his referral to the Crown Prosecution Service of a case of what could be unlawful killing by a soldier in the course of an arrest in Iraq. Charges had been dismissed by the soldier's commanding officer, so there could not be a court martial. The CPS is investigating whether there should be a prosecution under the ordinary criminal law. That demonstrates the integrity of the process. The Army prosecuting authority is independent of the military chain of command, and the Attorney-General is exercising his prosecutorial functions independently of Government. But the integrity of the process still depends on proper procedures and proper investigation by the military police. We still need a clear statement by the Government of what has happened in relation to those cases raised by Amnesty.

On the media, I do not wish to discuss fake photographs showing abuse by soldiers in Iraq, or fake stories more generally. Distinguished journalists across the ideological spectrum, from Michael Gove to Ian Hargreaves to John Lloyd, are on that case. It is better that journalists attempt Alpheus's work than politicians, especially those like me who are lawyers to boot. I do not wish to discuss privacy, although that is also in the news as a result of the Naomi Campbell case.

I was struck, however, by an article that appeared earlier this month in *The Guardian*. It was a report of the Wincott Foundation awards for City journalism, at which Paul Myners, who now chairs the Guardian Media Group, delivered the keynote address. He used it to make a strong attack on the Financial Services Authority. He referred to the Interbrew affair, in which he said that the use of the courts had a "chilling effect" on the press. He went on to say that if newspapers were forced to hand over information that might help to identify whistleblowers and the like, as he said had happened in that case, media organisations risked being perceived as agents of the state. He went on to say:

> "The press has an important role to play in a democracy and it must be seen to be independent of the state and the law enforcement authorities so that it can fulfil the vital role of investigative watchdog".

The *Financial Times* report of that event on the same day said that Mr. Myners's speech was applauded by journalists attending the awards, including the editor of the *Financial Times*, Andrew Gowers, and the editor of the *The Times*, Robert Thomson.

The implication of course was that they supported Mr. Myners's remarks.

In my view, those very distinguished people are misguided on the Interbrew case. Interbrew is a well-known multinational brewer producing well-known brands. The case involved a survey of the market by Interbrew's financial advisers. All multinationals survey the market in the context of possible acquisitions. Interbrew commissioned a report on South African Breweries, which would obviously contain market-sensitive information. An unknown person obtained a copy and doctored it, inserting false information about the time and pricing of a takeover, and passed it to various newspapers.

When Interbrew was contacted about the report by the media, it denied that there was any specific planned takeover. Interestingly, the French newspaper *Le Figaro* did not publish in the light of that denial. Our press did—the *Financial Times*, *The Times* and *The Guardian*. A report also appeared on Reuters.

As would be expected, there was a significant impact on the share price of both Interbrew and South African Breweries. Anyone with any familiarity with the financial markets would have smelt a rat—possibly an unlawful attempt to manipulate the market, or an attempt to harm Interbrew.

Interbrew applied for disclosure of the documents from the various media outlets, using two legal doctrines: breach of confidence, and something called the Norwich Pharmacal principle, which requires an otherwise innocent party to disclose the identity of a wrongdoer when that information is essential to the commencement of proceedings—in this instance, proceedings against the person who had leaked the doctored report.

Interbrew was able to show that inspection of the original leaked documents was likely to assist in tracing the leak, and that it had made all reasonable efforts to trace the leak itself. In the first instance, Mr. Justice Lightman ordered the media to hand over the material. The Court of Appeal agreed, and the House of Lords refused to interfere.

In his leading judgment in the Court of Appeal, Lord Justice Sedley held that despite the protection for the media in both section 10 of the Contempt of Court Act 1981 and article 10 of the European convention on human rights, the public interest in protecting the source of the leak was not sufficient to withstand the countervailing public interest in the claimant's seeking justice in the courts against the person who had leaked the documents. That was a very limited decision. Lord Justice Sedley did not pretend to extend the right to the detection of crime. He set out clear principles protective of the media in his judgment. He said that, by virtue of section 10 of the 1981 Act, the press enjoy a high level of protection, not in their own right but in the public interest. In order to redress the balance, the court must find it necessary to do so to meet a pressing social need, not an individual one. He also said that there must be no less invasive alternative, and that production must be a proportionate response.

The upshot was that despite the court order that the documents should be revealed, the newspapers refused to act. After some time Interbrew, no doubt fed up with the whole matter, walked away. The Financial Services Authority then investigated, and after obstruction it too walked away.

As I have said, the court took what in my view was a principled and moderate approach, protective of the freedom of the press. This was not a leak motivated by conscience. The source was anonymous. The report was false. It was not an instance of whistleblowing. This was done for profit, or with intention to harm. There was no public interest in the disclosure of these false documents. It was not a case of protecting a source—a source that would dry up. In fact, the source was not legitimate.

In short, as Will Hutton wrote in *The Observer* at the time, there was no public interest in the disclosure of the information. The press should have been more careful, as *Le Figaro* was, in assessing the authenticity of the documents. I quoted Mr. Myners's remarks about the important role of the press in a democratic society and

[Ross Cranston]

I wholeheartedly endorse those remarks, but I find it impossible to endorse his analysis of the Interbrew case as an example of that particular principle.

Like many hon. Members, I have constituents who have contributed to occupational pension funds all their working life and have found that, because of the collapse of the sponsoring company, they have nothing. I was comforted by the announcement by my right hon. Friend the Secretary of State for Work and Pensions that people in that situation would be assisted. Of course, the Pensions Bill will provide protection in future. A lot of the devil is in the detail, but I want to raise a more general point.

There has been discussion in recent times of how pension funds should perform their functions as owners. It is a trite point that, these days, pension funds own large parts of British industry. My right hon. Friend the Secretary of State for Trade and Industry has said that good business needs activist owners, and that includes pension funds, fund managers and the trustees of those funds. Why is that? Because it will contribute to shareholder value. The notion is that, if one is a good activist owner of companies, over the long term, one is more likely to achieve shareholder value. There are also ethical considerations. If one has activist owners and activist shareholders, the boards will be kept in line, for example, in respect of exorbitant payments to directors.

So there is evidence that activist owners contribute to shareholder value and to good corporate governance. How is that to be attained? In relation to the relationship between fund managers and companies, one possibility is codes. A number of years ago, Mr. Myners prepared a report for the Government that suggested that the principles of activism should be a legal duty on fund managers. There have been other suggestions that there be a legal obligation on fund managers to vote. No one needs to vote their shares, and it may be a bit difficult to impose a particular legal obligation on fund managers as opposed to other shareholders, but the notion of a code whereby fund managers would become more activist has its attractions. That is recognised, for example, in the Hermes principles.

In theory, the trustees of the pension fund, who give instructions to fund managers, need to be more vigorous themselves. Mr. Myners developed the Myners principles. Unfortunately, trustees have not signed up to them. Trustees need to be familiar with the issues so that they can give proper instructions to fund managers. Most important, the beneficiaries and fund members themselves—the pensioners or prospective pensioners—need to be more involved in the process. At paragraph 86, the Myners report suggested annual reporting by all funds of compliance with the principles. In other jurisdictions such as Australia, half the trustees have to be elected by members of the fund themselves. Recently, the Securities and Exchange Commission in the United States has issued a rule whereby there would be public disclosure to fund members of the voting record.

Another suggestion, by Elaine Sternberg, is that the role of trustees ought to be recast to give them more involvement.

In all those ways, we could contribute to what American academic Dr. Steve Davis has described as a new civil economy, based on a fundamental change in the behaviour of institutional investors. Trustees have to be on top of the job, and both they and the fund managers have to be more accountable to the beneficiaries—in other words, the fund members or pensioners.

5.10 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I, too, rise to raise several matters on this Adjournment motion that I hope the Government might be able to address before the Whitsun recess. I start by referring to a matter that the hon. Member for Southend, West (Mr. Amess) touched on earlier when he referred to the publication today of the Health Committee's report on obesity, and the very compelling nature of that report. It provides a thorough critique of Government policy and a detailed analysis of the scale of the problem, and sets out 69 recommendations for action that should form the basis of the Government's programme for dealing with it. In the past 25 years, we have seen a 400 per cent. increase in obesity rates in this country. As we have found from the inquiry, we as a nation face huge health, care and cost consequences from obesity. We face the prospect of a generation of people, growing up today, whose life expectancies will be reduced to the point that they could predecease their parents. We have a growing number of people with type 2 diabetes and various other conditions of that sort.

I hope that the Government will come forward at an early stage with their response to the Select Committee inquiry, not least because it makes important recommendations on one of the key battlefields in dealing with obesity: our schools, including canteens, playgrounds and classrooms. We must do more to educate our children on good diet and food preparation, and ensure that nutrition is central to the standards for the food served up in our canteens.

Mr. Tyler: Is my hon. Friend aware that until quite recently the Cornwall school governors council conference was sponsored by McDonalds? Fortunately, I was able to assist it, and this year it has been sponsored by a local food manufacturer that I hope is more to my hon. Friend's taste. It is certainly much more to the taste of the school governors. Is he aware that such entryism is quite damaging to the good sense and judgment of governors on this matter?

Mr. Burstow: The Committee recommended in its report that school governors and schools should develop nutrition polices, which would address issues of sponsorship as well as such issues as the encroachment of vending machines that purvey high-sugar fizzy drinks and crisps rather than good-quality food. A grazing culture and a fast-food culture have developed in this country, which have undoubtedly done much to fuel its obesity problems. I hope that we will soon have the opportunity to debate the report further, but it is clear that there will be huge costs as a result of doing nothing to tackle this country's obesity crisis. The Select Committee has offered a range of measures and options that could make a significant difference to the problem.

I want to touch on two or three issues that are of serious concern to my constituents. The first, which five or six other hon. Gentlemen have mentioned in this debate, is postal services. I want to deal with specific issues concerning my constituency and the programme of closures rolling across urban Britain. I raised some of these concerns in an Adjournment debate in March 2003, and I am dismayed and concerned that we still have a programme that is shrouded in mystery and far too secretive in how it is going forward.

Back in March 2003, I raised in an Adjournment debate my concern at the proposed closure, on a piecemeal basis, of Oldfields road post office.

That news came as a real blow to my constituents, because just six months before its proposed closure, it had been nominated as one of the post offices that would remain open when Collingwood road post office was closed. So it came as a bit of a surprise to my constituents and me to discover that Oldfields road was next for the chop.

My criticism then was of the piecemeal nature of the closure programme, so I asked the Government to discuss with the Post Office the possibility of adopting a more strategic approach that would allow us to see the totality of plans on the basis of constituency by constituency or local authority by local authority. I was delighted when that began to happen in September of last year, and I am very keen that, as Postwatch said, local authorities should be able to engage at the earliest opportunity with the Post Office in the development of area plans for closing local post offices.

Despite Postwatch's recommending early discussions—even before the Post Office itself gets out into the field and considers which post offices might be candidates for closure—when my hon. Friend the Member for Carshalton and Wallington (Tom Brake) and I wrote to the Post Office asking that it arrange such a meeting, we were told that it was too busy and on a tight timetable. Apparently, it could not spare the time to talk to local elected representatives about their view of the way in which postal services and communities could be affected by closures.

The Post Office is now working through its proposals. It did the fieldwork in March and April, and it expects to publish its plans in July. Because the plans will be published then, they will be subject to consultation during the summer recess and throughout the summer, when many people will be unable to offer their comments on, and express their concerns about, the closure proposals. I hope that the Post Office will think again about the unfortunate timing of its consultation on proposed closures in my constituency and throughout the borough of Sutton.

It has also been suggested that we need to consider the impact of the proposals on the local community, particularly in terms of levels of deprivation and access to public transportation to alternative venues. It is not clear that the Post Office is going to do sufficiently thorough work to reassure us that post offices will be closed in a manner that will minimise impact on the local community. I therefore suggested to my local authority that it undertake its own work, using geographic information mapping systems, local knowledge and a local audit, to draw up our own local authority view of which post offices are under threat of closure. That will be a very powerful tool in the consultation exercise.

As other Members have said—it is true of my constituency and throughout the country—post offices in urban areas are often the linchpin of the economic viability of district shopping centres. If one pulls out that pin, many other businesses begin to tumble, and as a result district shopping centres lose their viability and vitality and close, to the detriment of the local community. I hope that we can persuade the Post Office, even at this late stage, to enter into meaningful dialogue with local authorities and Members of Parliament before its consultation proposals are published.

I want to talk about two other issues, the first of which is the Post Office's extinguishing of a number of postal towns, some of which are exceptionally historic. One that should be resurrected is Cheam, which is in my constituency. Cheam is an historic parish that has a very well known connection with the Tudor period; indeed, Nonsuch palace is very nearby. Those of my constituents who live in that part of the constituency identify very strongly with Cheam, and they resent the fact that the Post Office has ceased to recognise Cheam as a postal town for the purposes of sorting and delivering the mail.

The issue has provoked a very strong campaign in the *Sutton Guardian*, which ran a "Proud to be Cheam" campaign and generated a massive response to a petition that I undertook in Cheam village a few months ago. I received many letters on the subject—probably many more than I receive on most issues.

The Post Office says that recognising Cheam would not be a good thing, because it would cause problems for the sorters and delay the delivery of letters. Many of my constituents already feel that they are suffering delays as a result of some of the reorganisations that have been going on of late.

The Post Office went on to contradict itself in the letter that it wrote to me. It said that the inclusion of Cheam would help to avoid confusion where, for example, the address was High street, Cheam, or Broadway, Cheam or London road, Cheam. I think that we can avoid the confusion simply by recognising Cheam as a postal town, and that certainly seems to be the view of most of my constituents.

When I was challenged by the Post Office to come up with a viable boundary for Cheam, I consulted my constituents on one that would use both the historic Cheam parish boundary and the electoral ward of Cheam. That seemed to carry favour with the vast majority of my constituents. I hope that, having put the proposal to the Post Office, it will not feel obliged to go through a labyrinthine process of balloting residents to get yet further confirmation that that is what is necessary. I hope that it will listen to the public and act and, as a result, deliver Cheam back to Cheam residents.

I have a constituency case that I would like to draw to the attention of the Deputy Leader of the House, which I have the permission of the constituent to raise. Mr. Timothy North has been experiencing some difficulties with the Child Support Agency. He is in dispute with it about the amount that he has been assessed to pay. The matter has been before the courts, but it is not at the moment. He has had a liability order served against him, and in honouring and discharging it he recently paid a substantial sum of money. He then discovered that the money was not used to discharge the liability order, but

[Mr. Burstow]

was instead used to pay off an unrecoverable debt to the CSA. It surprised the courts no end when they learned about it, but nevertheless, according to due process, his liability order was increased because he had apparently not paid.

On his departure from the court, my constituent was told by the barrister to the CSA not to pay the increased liability order until he received confirmation from the CSA that it would not use the money other than to discharge the order. My constituent has been pursuing the CSA since that date—well past the seven days that he was given to pay the money—to get that confirmation. Despite his best endeavours, he still has no such confirmation. He then contacted me. I had been dealing with the case for some time before this particular matter arose.

My office contacted the CSA MPs' hotline on 6, 12 and 20 May and was reassured on each occasion that the matter was in hand. We were told that the letter had been written on 7 May, and that it had been posted second class on 10 May. It has still not arrived with my constituent. My constituent is at his wits' end over the matter. He has acted in good faith with the CSA. He has been left in an increasingly indebted situation. I hope that, after my raising the issue on the Floor of the House, the Minister might be able to kick the CSA into life and get the letter to my constituent. He does not live in Cheam, I hasten to add.

My final two points relate to some stories in the local press in my constituency. One is about £600,000 that was spent on what has been described as a bus shelter, but is otherwise described as a covered walkway and bus shelter in St. Nicholas Way in Sutton. It has caused great agitation and anger among many of my constituents that such a large sum of money appears to have been spent on a bus shelter.

The bus shelter comes from the transport strategy of the Mayor of London. It is part of phase 1 of the London bus initiative that the Mayor is keen to roll out across London. The scheme is intended to improve the quality of bus shelters around London. Many of my constituents think that the £600,000 has come out of their council tax, or that Sutton council has been responsible for raising and spending the money in what they consider a less than judicious way. I want to make it clear that £530,000 of the £600,000 bill came from Transport for London, the balancing figure of £70,000 came from a private developer, and Sutton council did not contribute any money directly to the project.

I cannot begin to say how shocked I am that £600,000 is small change to Transport for London. It has failed properly to manage the project in a way that gives good value for taxpayers. It has failed to deliver the project on time and on budget. The project took longer to complete than it took to build a new supermarket in the same town—quite extraordinary, but nevertheless the case.

The final point that I want to raise relates to health care issues, which are raised regularly in these debates. The proposal for the reorganisation of health care in my constituency is currently at the outline, business case stage. It involves bringing health care closer to home to ensure that more treatment is provided in local community hospitals—a very good and appropriate notion. A lot of day surgery, diagnostic and other procedures can be carried out that way.

My concern, however, is that part of the package involves a move from two general hospitals to one critical care hospital, which raises the vexed question of where that critical care hospital might go. Four sites are being offered as possible candidates, obviously including the two existing general hospital sites. There is a great deal of competition, and Members of Parliament and constituents are demonstrating fierce loyalty to their respective local hospitals.

I am anxious to put on record my concern about the threat hanging over St. Helier hospital, which serves my constituents, although it is not in my constituency but in that of my hon. Friend the Member for Carshalton and Wallington (Tom Brake). St. Helier may well be downgraded to a local hospital and not become a critical care centre. Given its location near some of the most vulnerable, elderly and deprived people in the community that it serves, St. Helier is the most sensible option, in terms of transport and access, to provide a new critical care hospital fit for the 21st century. I hope that that will be the final outcome, and obviously plenty of lobbying on that will take place during the next few months.

In conclusion, I hope that the Minister can give my constituents some comfort about post office closures in my constituency, that he can spark the CSA into action on behalf of my constituent, and that my constituents will be reassured that Sutton council is not the source of their complaints about bus shelters and covered walkways but that the Mayor of London and Transport for London ought to be in the firing line.

5.27 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): As usual with these debates, we have had an excellent opportunity to hear Members of Parliament take up issues on behalf of their constituents. We have heard some philosophical discussions about the role of Members of Parliament in connecting with the community outside. We have heard a range of national issues raised in the constructive way that often applies in these debates.

I hope that the House will not mind if I congratulate my constituent, Viscount Trenchard, on taking up his seat in the House of Lords today. I am particularly pleased that my constituent was able to win the by-election that was necessary to achieve that result—happily, not by postal ballot.

There has been great testimony to the work done in constituencies. The hon. Member for Ogmore (Huw Irranca-Davies) spoke of some of the valuable work that can be done by Members of Parliament and said that they can be a force for good, to use his words. He mentioned the miners' compensation scheme and a number of other aspects. I felt that his view and philosophy were optimistic and constructive, and the House generally warmed to his theme.

I am not sure whether the same can be said of the hon. Member for North Cornwall (Mr. Tyler), who took the opportunity to make a bid for more money for the Liberal Democrats. I am not sure whether that went down quite as well as the remarks of the hon. Member for Ogmore.

Many Members mentioned post office closures. The hon. Member for Hammersmith and Fulham (Mr. Coleman) raised something of particular concern in his constituency. My hon. Friend the Member for Castle Point (Bob Spink) mentioned his concern about post office closures and referred to a letter that he had received from Rev. Galloway.

I think that my hon. Friend the Member for Southend, West (Mr. Amess) and the hon. Members for Argyll and Bute (Mr. Reid), for Hornchurch (John Cryer) and for Sutton and Cheam (Mr. Burstow) also mentioned post offices.

The hon. Member for Hornchurch was right to say that the Government cannot escape the blame for the situation. Coupled with the Government's decision to scrap the order book and move elderly pensioners into the modern age of the personal identification number and the card, the urban reinvention programme, which provides Government money to encourage the closure of post offices, has undoubtedly made many post offices far less financially viable.

Mr. Burstow: The hon. Gentleman mentioned scrapping the order book. Will he confirm that the decisions that set that in train were taken when the Conservatives were in office?

Mr. Heald: That is absolutely the opposite of the truth. I was a junior Minister in the Department for Social Security when we decided not to scrap the order book because we thought that chaos would follow. I am surprised that the hon. Gentleman, who is usually fairly knowledgeable on welfare matters, has been so misled.

Continuing the theme of public services, colleagues on both sides of the House mentioned a number of issues. The Health Committee report on obesity is certainly important and should be debated. Mobile phone masts were also mentioned by my hon. Friend the Member for Southend, West. There is no doubt that there has been considerable concern in the House in recent weeks and months about the impact of those masts. My hon. Friend introduced a ten-minute Bill on mobile phone masts, and my hon. Friend the Member for West Suffolk (Mr. Spring) and the hon. Member for Lewisham, West (Jim Dowd) have promoted private Members' Bills on the subject. I have tabled an early-day motion on the ntl mast in Stamford avenue, Royston, which greatly concerns my constituents. I presented a petition against that mast and met representatives of ntl this week. It is time that the Government looked again at the siting of masts and whether it is possible to give councillors more control so that they can take account both of a mast's proximity to schools and of concerns about the associated health risks.

My hon. Friend the Member for Southend, West also mentioned abortion, an important issue that perhaps should be discussed more often. The hon. Member for Rhondda (Chris Bryant) spoke about media matters. There was an element of motherhood and apple pie about his remarks on the importance of the BBC and its independence. Most of us would agree with him, but he also commented on the Spanish Government bullying Spain's public service broadcasters, which made me recall some of the evidence from the Hutton inquiry on the way in which Mr. Alastair Campbell operated. I noticed that the hon. Gentleman did not mention that inquiry.

The hon. Gentleman also congratulated Channel 4 on its efforts to make its services available in Wales, although he thought that it should have better facilities for interviews. He did not like Sky and wanted more cable. He was particularly unfair on Ivor the Engine, and I hope he will withdraw those comments.

Chris Bryant: The hon. Gentleman failed to understand any of my points, which must be my fault, not his lack of intelligence. There is an important distinction between the Spanish public service broadcaster and the British public service broadcaster. Up until now, every new Government in Spain have sacked all senior staff of the public service broadcaster. In Britain, the director general and chairman of the BBC resigned, but the Government have no power to sack anyone in the public service broadcaster.

Mr. Heald: The hon. Gentleman makes his points in his own inimitable way.

My hon. Friend the Member for Castle Point made the important comment that the hon. Member for Rhondda had forgotten Max Boyce. That is another charge to lay at his door.

My hon. Friend went on to make a point about yob culture and the importance of the police having adequate powers to take drink from young people in the street. He rightly highlighted the Government's failure to realise the importance of those powers as they relate to sealed containers. There is some dispute about the matter. I refer the House to the report of the proceedings on the Criminal Justice and Police Bill in Standing Committee F on 15 February 2001. In a debate on an amendment tabled by my hon. Friend the Member for Surrey Heath (Mr. Hawkins) and me, the right hon. Member for Norwich, South (Mr. Clarke), the then Minister responsible for the police, said:

"We are worried that the power proposed in the amendment"—

which would have removed the exemption from seizure of sealed or unopened containers—

"would go too far; power to seize sealed containers would bite on supplies purchased to drink at home. The power is designed to prevent drinking in public, hence the power to seize alcohol in open containers. It is open containers, glasses and bottles that are important to us here".—[*Official Report, Standing Committee F*, 15 February 2001; c. 227.]

We said at the time that that was nonsense, and so it proved. I thought that it was useful to give that reference, and I am very happy to have done so.

My hon. Friend the Member for Castle Point mentioned the joys of Hadleigh castle and the Dutch cottages on Canvey Island. I wish him luck with his lottery bid for the Canvey Island heritage centre and I hope that the reductions on c2c trains can be reversed. He congratulated civil servants, which is an important thing to do, particularly now that there are so many of them. I noticed this week that the public sector employment figures showed an annual increase of 150,000. I do not know whether the Minister has any more information about that, but I know that employment in the education sector went up by 88,000, yet the Department for Education and Skills is absolutely sure that there are only 4,000 extra teachers, so who are the other 84,000? If the Minister has found out, perhaps he will tell us.

[Mr. Heald]

I join in the congratulations to Canvey Island FC on their triumphs.

Mr. Hurst: They lost.

Mr. Heald: I am told that they lost the final, but they did get promoted, so we are entitled to say that they did pretty well.

The hon. Member for Hornchurch made an important point about hospital closures, and I should be interested to hear the Minister's reply. He said that he is strongly opposed to the European constitution. He feels that it is an important factor in the public's disengagement from politics. That may be true in part, but the bigger problem is that in 1997 there was enthusiasm in politics. We were told that things could only get better, and the public bought into the Labour party's proposal. Things have, of course, got worse rather than better. There has been a failure of delivery throughout the country, and people now feel let down by Labour. That is the background to their disengagement from politics. *[Interruption.]* I do not think that even the hon. Member for Rhondda would agree with the hon. Member for North Cornwall that the public are disengaged because the Liberal Democrats do not get enough Short money. National political issues are the reason for the public being disengaged, particularly from the Government, who have let them down.

Many of the points made in this debate, such as those on hospital closures and the problem of the European constitution, relate to the failures of the Government. Almost every issue that we have heard about is a Government failure of one sort or another. The hon. Member for Braintree said that his hospital is now nine-to-five. It is not a Rolls-Royce service; one is almost tempted to say that it is more of a Lada under Labour.

My hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) made an important point about insurance, and explained that the cost of insurance for small businesses has risen sharply. She highlighted the position of independent financial advisers, and we need to know exactly what the Government are going to do about the financial services compensation scheme. Perhaps the Deputy Leader of the House can tell us about the review of insurance that is being conducted by the Department for Work and Pensions. He will know that at the moment the Government are supporting a private Member's Bill that would greatly increase the penalties for not having public liability insurance, so how does he square that with the difficulties that small businesses experience in getting cover? Can he point to anything that the Government have done successfully to address the problem? My hon. Friend also mentioned further education colleges. There has been a huge increase in the number of students attending North Hertfordshire college, but it has not had a concomitant increase in funding—my hon. Friend outlined exactly the same problem.

The hon. and learned Member for Dudley, North (Ross Cranston) expressed concerns about Iraq, and I agree with the need to follow legal procedures and respect human rights in providing justice. He rightly welcomed the decision to refer a particular case to the Crown Prosecution Service. He gave an interesting interpretation of the Interbrew case, and concluded by talking about activism and pension funds. The National Association of Pension Funds, under Christine Farnish, has taken a robust line with companies, has argued strongly for good governance, has tried to press the case on rewards for directors and has demonstrated other examples of activism. I agree that trustees need better training, especially those nominated by members, and the Government should seek to address that issue.

The hon. Member for Sutton and Cheam (Mr. Burstow) raised a number of issues. The campaign for the postal town of Cheam is a good one, and the *Sutton Guardian* is right to be proud of the town. Good luck to Cheam, and let us hope that the campaign is successful. Last year, we had a popular campaign for Letchworth to be named Letchworth Garden City, and we succeeded, in the town's centenary year, in getting the name changed. We will have to hear what the relevant Minister says about the case that he mentioned involving the Child Support Agency, but there is a more general point to be made about the CSA. The Government have introduced simpler rules for the CSA, which have been applied to cases that are being processed now. However, a great number of existing cases have not been transferred to the new system. The Government are quite unable to say when that will take place, because their computer does not work. It would be helpful if the Deputy Leader of the House could tell us when "C day", as it is known, will finally come. Many of us would like to know that the new simpler rules that the Government boast about will apply to a large part of the case load.

We have had a marvellous debate, which is typical of the occasion. In conclusion, we are lucky to have the staff of the Serjeant at Arms Department, who do so much to keep us safe and who recently have been criticised, very unfairly. We should pay tribute to them and their work, as well as to all the other staff of the House of Commons, the Doorkeepers and the Badge Messengers. I congratulate all of them on what they do for us, and wish everybody a happy Whitsun.

5.44 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): May I begin on a consensual note and endorse the remarks of the hon. Member for North-East Hertfordshire (Mr. Heald)? It is a tribute to the nature of this place that even in the middle of a robust election campaign Members can come to the House and raise constituency matters. A few hon. Members were tempted to cross the threshold and made unfair criticism of the Government and their success—none of them, I add, on our side. The link between the electorate and the single Member constituency, however, was shown to be very important indeed.

We had early contributions about the reconnection of the public with Parliament. This debate is a good example of that. I endorse, too, the thanks to all the staff of the House for the important work that they do. Last Wednesday, when the incident took place, it struck me that we take it for granted that the Doorkeepers and police will eject such people. In doing so they are putting

their lives in danger. For all they know they could be subject to an attack of the worst kind. That bravery should be recognised.

I shall try to respond to all of the points made. Where I cannot I will indicate what I intend to do. Post offices came up at the last recess Adjournment debate. Five or six Members mentioned post offices today and two themes have come through. First, Members have legitimate worries about the process of consultation and their ability to get information. That is of concern. The second issue is whether the Government's overall policy is correct. It falls to me to put the other side of the argument which constituency Members are often unwilling to put forward or perhaps disagree with.

Post offices have been closing for many decades. It is not a new political phenomenon; it is a response to changes in how business is done. I well remember campaigning on rural bank branches and being told that their closure programme would destroy the fabric of Britain—that the sky would fall in. In fact, where banks stayed open in unviable economic circumstances, the public stopped going into them. Instead of being centres of community activity, they became dinosaurs. The new technology of cash machines mean that more often than not people do not go into their local bank. Small businesses need banks for services, but on the whole some of the nice wine bars and bistros that have opened in old bank buildings do more to serve the community than an empty bank would. That is also the case with post offices.

We can talk about whether the movement over to banking services provides adequate provision for the post office network to compete with the clearing banks, but if we had an absolutely level playing field of the Post Office subsidised and owned by the Government in competition with the high street banks, Members, particularly those on Opposition Benches, would be crying foul about unfair competition against the banks.

We are trying to provide a strategy that ensures that we have a post office network. Perhaps hon. Members need to remember that most post offices are small independent businesses that franchise with the Post Office. If they decide in the best interests of their family and future well-being to change the nature of their business or close it, their contractual arrangements with the Post Office become very complicated. Surely it is better to have a strategy to maintain our post office network on a viable basis. People are increasingly drawing the benefits to which they are entitled electronically. We have to live with that fact.

Three or four Members on both sides of the House made the proper point about concern for the elderly.

Elderly people who have been going to their local post office, urban or rural, for years and feel secure there may be fearful of change being forced upon them. Of course we understand that. I would urge, as I am sure would my hon. Friend the Minister for Energy, E-Commerce and Postal Services, that that be given greater significance in the consultations than may have been the case in some of the examples put before the House.

I come to some of the themes raised by the hon. Member for North Cornwall (Mr. Tyler). I was grateful to him for his thanks. I try to follow up the points that hon. Members make. Perhaps we can stray over the line into party politics for a moment. The House may find it useful to know that in the past year the Conservatives received a grant of £3.5 million in Short money, trebling the amount to which they were entitled in 1997.

Mr. Heald: Does the hon. Gentleman want to scrap the grant? He might need it soon.

Mr. Woolas: The hon. Gentleman, as ever, demonstrates the triumph of optimism over reality. We shall see what the British people decide.

The Liberal Democrats received a grant of £1.2 million, which is about a third of what the Conservative party achieved. In proportion to the numbers in the House, that seems a pretty fair allocation of Short money. Right hon. and hon. Members will ask on what the money has been spent. The idea is to improve policies and thus politics in this country. If I were Her Majesty looking at her loyal Opposition and the other Opposition party, I would ask myself whether the quality of the Opposition gave best value, which is the criterion we use for public expenditure, and whether the performance targets that are set for Short money were met. Perhaps my right hon. Friend the Leader of the House might like to consider introducing targets for the spending of Short money. That might lead to some exposure.

The hon. Member for North Cornwall spoke about the rise of the third party. It reminded me of the 1981 speech telling party members to go back to their constituencies and prepare for government. The hon. Gentleman came up with a wonderful quote, which he should have saved for his party conference, when there would have been applause rather than incredulity, as there was in the House. He said that in 1997 the Liberal Democrats had buried the two-party system and danced on its grave in 2001—a remarkably lovely quote and, like most Liberal virtual reality sloganising, I think we should put it down as the subject of an Adjournment debate in 20 years, like the David Steel speech from 1981.

To be fair, the hon. Gentleman made some serious points about the changing nature of politics. The sands are shifting. The public are less tribal than in the past, and whatever our political ideologies and philosophies, it behoves all of us to show the value of politics to the public.

My hon. Friend the Member for Ogmore (Huw Irranca-Davies) made a thoughtful and intelligent speech and managed to weave a serious consensual point into some valid remarks about the successes of Labour politics and his point of view. We should all thank him for that speech.

The hon. Member for Southend, West (Mr. Amess) is a regular attender at these debates. On this occasion he raised seven issues. Last time it was nine. On the last occasion he mentioned his local paper three times. Today, he did not mention it once—*[Interruption.]* I apologise. I must not have been paying full attention. I shall respond briefly to his points.

He raised the case of TOAST, a support group, and its funding problems, which I noted. I do not know whether police stations are closing or whether he is worried that they might close, but I am told that no plans exist to close any police stations in the Southend area. If that is not the case, I am sure that he will write to the Minister concerned.

[Mr. Woolas]

The hon. Gentleman raised general points about phone masts, which I shall try to cover. He also asked a specific question on behalf of a constituent, Mr. Frank Waters, about the Osteopaths Act 1993, which I will, of course, pass on to the Minister concerned and try to get a reply. He made some points about the implementation of the law on abortion in this country—he has his point of view, which he holds strongly. As he has done before, he raised the case of his constituent, Mr. Nawaz. I have been told that the information on that case must not be put into the public domain, but I will ensure that he receives it, because the matter is important.

My hon. Friend the Member for Rhondda (Chris Bryant) made a comprehensive and intelligent speech showing his knowledge of the broadcasting industry and his commitment to public service broadcasting, which is a strength for this country. He is a member of the Culture, Media and Sport Committee, and I know that the broadcasting organisations, which he listed, will note his remarks. It strikes me that if the Spanish situation had occurred here, Alistair Campbell would not have needed to write to Andrew Gilligan, because he could have picked up the phone and got him sacked. *[Interruption.]* He certainly did not try to do that.

In the short time available, I shall try to cover as many of the other points as possible. The hon. Member for Castle Point (Bob Spink) again raised the issue of hospices. On that issue, he may know that each primary care trust receives an average of some £42 million. There are examples of extra money going into hospices, but his general point, which he made on behalf of Little Havens children's hospice, is well made. He discussed a number of issues, some of which were consensual and some of which were constituency points. On his particular point about c2c, I understand that changes have been made following discussions between the three railway companies operating in those regions. Again, I will make the Minister concerned aware of his points.

My hon. Friend the Member for Hornchurch (John Cryer) regularly attends these debates, and he made a number of important points about the impact of steel prices and insurance premiums on his constituency, and also welcomed the Anti-social Behaviour Act 2003. He discussed his concerns about St. George's hospital, and put it on the record that the situation is unacceptable to him and his constituents, and Department of Health Ministers must take that point into account, which is something that they will want to do.

In general, the changes to hospitals discussed in this debate are the problems of success. The changes are the consequences of an expanding hospital programme—10 or 20 years ago, there was a hospital closure programme. *[Interruption.]* The changes have occurred because new hospitals are being built and older hospitals on different sites have become redundant, so we are discussing the organisation of improvement. *[Interruption.]* Those are facts, which are stubborn things.

The hon. Member for Argyll and Bute (Mr. Reid) made a number of points about fishing policy and raised his concern about the proposed work at height legislation in relation to mountaineers. His remarks are common sense, and I shall pass them on to the Minister concerned.

I cannot answer every point, but I shall pick up on those that I have not covered. I wish every hon. Member and you, Mr. Deputy Speaker, a successful Whitsun recess.

Jim Fitzpatrick (Poplar and Canning Town) (Lab): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

PETITIONS

Luncheon Clubs

5.59 pm

Mr. Tony Colman (Putney) (Lab): My constituents have suffered from cuts imposed by Wandsworth council to the funding of voluntary organisations, particularly luncheon clubs. Key within that is the work of Regenerate.com in Roehampton. I wish to present a petition signed by more than 4,000 residents, which reads:

To the House of Commons,

The petition of supporters of the Regenerate.com lunch club in Roehampton, London SW15

Declares that Wandsworth Borough Council has said that lunch clubs are "a low priority in that they provide activities which do not provide a significant contribution" and have "a limited role"; that the Regenerate.com lunch club at Roehampton Methodist Church is a lifeline to many of its users, both enabling people to share their lives and build community, and helping to combat isolation in older age; that the closing of all lunch clubs in the Wandsworth area would be catastrophic.

The petitioners therefore request that the House of Commons ask the Office of the Deputy Prime Minister to exert pressure on Wandsworth Borough Council not to withdraw funding and other support for lunch clubs in the area.

And the petitioners remain, etc.

To lie upon the Table.

Post Office Closures

6.1 pm

Bob Spink (Castle Point) (Con): I refer hon. Members to the comments that I made on this subject yesterday and in the main debate today. The petition, which I totally support, states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament Assembled.

The Humble Petition of Councillor Enid Isaacs and Cllr Norman Ladzrie and others of like disposition sheweth

That there is great public concern caused by the proposal to close yet another local post office in Woodfield Road, Hadleigh which will damage our shopping areas and threatens the very fabric of our community, hurting vulnerable people the most and that this closure, coming after so many other Post Office closures, is insensitive.

Wherefore your Petitioners pray that your Honourable House shall urge the Government to change its policies on Post Office closures and the provision of banking services and payment of benefits and pensions so that Post Offices are able to remain open in our community.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Maajid Nawaz

6.2 pm

Mr. David Amess (Southend, West) (Con): I have the honour to present a petition that has been signed by a large number of my constituents, including church leaders, in support of a plea for clemency to President Mubarak. The petition states:

The petition of Mrs. Abi Nawaz and others

Declares that Maajid Nawaz travelled to Egypt on a compulsory exchange course from his university and was subsequently detained along with two other British boys—on groundless charges—by the State Security Services; that he has been tried and sentenced; and that Amnesty International and other organisations are investigating practices undertaken by the Egyptian authorities which, it is alleged, violate human rights standards.

The petitioners therefore request that the House of Commons urge the Government to do all in its power to secure the early release of Maajid and his friends.

And the petitioners remain, etc.

To lie upon the Table.

Housing Market Renewal

Motion made, and Question proposed, That this House do now adjourn.—*[Charlotte Atkins.]*

6.3 pm

David Wright (Telford): I am pleased to be able to raise the important issue of housing market renewal. Before I begin, I should declare that I am a member of the Chartered Institute of Housing. As I have told the House on several occasions, I pay it money rather than receiving any financial benefit myself, but as I will be commenting on some of its work, I should place that on the record.

Before I develop the theme of the debate, I should like to mention that my good friend Councillor Jim Hicks is at this very moment being made mayor of Telford and Wrekin council. I wish him all the best for the coming year.

Councillor Hicks is interested in housing market renewal and he was pleased to know that I had secured an Adjournment debate.

Thankfully, the renewal of housing markets and the development of sustainable communities is moving up the political agenda. To put it simply, sustainable communities are the bedrock of a decent, tolerant and inclusive society and the stability of housing markets is central to that. I want to concentrate on five key themes: the complexity of housing markets; the importance of investment in neighbourhoods; the role of the housing market renewal pathfinders; the opportunities to learn from the new towns experience—that is especially important to me, given that I represent Telford; and the need for a national strategy for housing market restructuring and the subsequent creation in short order of a "midlands way."

Housing markets are complex and need a range of interventions by the public and private sectors and local residents to make them balanced and sustainable. Housing markets change because of several factors that affect the desirability of neighbourhoods. Market decline can occur in small pockets and/or in swathes of a town or city. It is not limited to large metropolitan areas; it can happen anywhere.

Areas where the housing market is generally dysfunctional exhibit several characteristics. There will be obsolete housing stock, which does not meet the needs of the local community. The design of the stock and the surrounding environment will be failing. The private rented sector will be in decline or badly managed and regulated. There will often be a mismatch between the supply and demand of house types—for example, too many high-rise flats or systems-built dwellings and not enough large family homes. Often, significant change will be taking place in the local economy. There will be poor quality mixed-tenure stock and, in many areas, a desire among residents to leave, with consequent problems of population churning and the associated impact on other services such as schools and social services.

The scale of the problem can be as small as a collection of streets or encompass whole wards or larger areas in a town or city. We need to tackle those problems by talking to people about their neighbourhood and confronting the key characteristics that I outlined.

[David Wright]

My second point is about investing in neighbourhoods, which is crucial if we are to create communities that are economically, socially and environmentally successful. Investment in housing and the urban forum will be central to that approach. Regenerating communities and providing housing market stability is also a route through which we can engage local people and, having listened to the previous debate, hopefully reconnect them to civic life and structures. Much of the casework that comes through my surgery is linked to housing market change, whether it is people who need housing or those who are coping with the environmental problems of neighbourhoods in decline.

We need to break the cycle of decline through comprehensive market renewal linked to wider regeneration programmes and restructuring local economies. There is undoubtedly a need to develop more quality homes for rent and sale in this country. The Barker review indicates that we need to build significant numbers of new dwellings each year to tackle change in the UK housing market—120,000 private sector homes per year and 21,000 social housing units per year for several years. That is not, as some have tried to portray, an issue between north and south. Poor housing needs to be cleared and estates redesigned across the country. Redevelopment is also needed, with high-quality new homes for rent and sale. The National Housing Federation, the Chartered Institute of Housing and the Local Government Association have proposed a building programme of 140,000 extra homes by 2007–08, costing some £8.4 billion. I hope that that will be considered carefully as part of the spending review process. The proposal forms part of their submission.

Thirdly, the creation of the nine housing market renewal pathfinders was a major statement of intent by the Government that they take housing investment and policy development seriously. Tackling problems in these areas will need major, long-term engagement by the private sector, and local people will need to invest in their homes and communities. The £500 million allocated will significantly pump prime the process.

However, each area will need continuing investment in order to deliver, because they are at different stages of development and they need time to become self-sufficient. So we need to focus on those areas extremely carefully and to learn from their experience in delivering housing market renewal. We also need to integrate their approach into our wider policy understanding of housing.

My fourth point is that we have a lot to learn from the new town experience in regard to the development of sustainable communities. Telford had a massive programme of new building based on the neighbourhood unit theory formulated by US planners in the 1920s. The problem that we are confronting now is that the investment in the infrastructure of many of the areas that were built over a short period of time has not been sustained for some years. Several estates in south Telford, including Sutton Hill, Woodside, Brookside and Malinslee, were built using the 1920s model, in which the estate was surrounded by a circular road network and local facilities were provided at the centre of the estate. That design layout has come to be known as a Radburn estate.

Those estates were excellent, and they provided superb accommodation for many people, including the large numbers moving out of the black country whom Telford was designed to take as overspill population. However, there was a lack of sustained investment in those estates throughout the 1970s and 1980s. Most of those housing areas are now between 30 and 40 years old and they are all falling into decline at the same time. I shall go on to talk about some of the positive things that we are doing to arrest that decline, and I hope that lessons can be learned for other areas.

The new town experience shows us that we need to take a comprehensive approach to infrastructure provision and to sustain investment in housing stock and public amenities over time. We are now starting to get that right in Telford through a partnership between the council, English Partnerships, the Housing Corporation, the private sector and, most importantly, local communities. This involves an understanding of local estates and their market dynamic, and we need to ensure that regeneration initiatives are comprehensive and that they incorporate investment in the social and economic infrastructure of communities.

In Woodside, for example, we are changing the structure of a large Radburn estate through a unique approach which I hope can be replicated elsewhere, and investing in a major new multi-use community facility in the centre of the estate funded via a partnership with Advantage West Midlands. That community centre will, I hope, bring a range of services—including NHS dentistry, about which we have heard a lot recently—into a new centre for residents of that community. Our approach also involves reconnecting the estate to the older centre of Madeley, and regenerating that town to ensure that it can provide shopping and community facilities for the wider south Telford area.

We now need to use the experiences developed in Woodside and to transfer them to other estates in Telford, and other estates across the UK, from which we can also learn, but we need resources from the regional housing board and a recognition that pockets of deprivation that do not show up on larger deprivation indices also need investment. Telford will be central to the development of a regional housing market renewal strategy. We are delivering more than 6,000 new mixed-tenure units through the work of English Partnerships and the local authority, along with clearance and estate remodelling in older housing areas. This is allied to proposals comprehensively to remodel Telford town centre so that it can build on its reputation as a regional shopping centre. We hope to make it a focal point for cultural activity and evening entertainment with new living environments of the highest quality. It is in towns such as Telford that we will meet the housing targets for the west midlands. We are about to embark on the second phase of the comprehensive renewal and redevelopment of Telford. At 40 years old, Telford is middle aged, but I hope that it is fighting fit.

My final point is that the nine pathfinders are very important because, as I have said, they provide a route through which we can mainstream market renewal. They do not, however, constitute a comprehensive national strategy for housing market restructuring that

would enable the Government to meet their own policy targets by providing a funding and policy framework in mixed-tenure areas, promoting community cohesion, sustainability and regeneration in areas of privately owned and rented homes, and ensuring that links are made with wider regeneration initiatives.

There are many areas not covered by the pathfinders, which are now being identified by the regional housing boards. The communities plan acknowledged that the nine pathfinders cover half the dwellings identified as at risk of market dysfunction and community abandonment. The remaining dwellings are not covered by any specific national strategy or funding mechanism, which clearly needs to be addressed. The problems are at their worst in the midlands and the north, but there are dysfunctional markets across the whole country. As one goes around London, one sees pockets of housing market dysfunction next to areas of very high-cost housing. It is not a north-south issue; there are dysfunctional housing markets across the board, although the pressure is most significant in the midlands and the north.

In advance of this work, a national strategy perspective has been developed by the National Housing Federation and the Chartered Institute of Housing, with support from the Centre for Urban and Regional Studies, and a number of case study areas, including Telford and the black country, Tees valley, West Yorkshire and Furness and west Cumbria. The NHF and CIH envisage that a national strategy would be built on the following main principles: to create sustainable communities in areas of actual or potential market collapse; to manage planned interventions over a number of years; to lever in as much private funding as possible; to maximise housing money by matched funding from other related pots; to create and/or support effective and efficient delivery vehicles and mechanisms; to enable public sector programmes to be delivered in areas of housing market stability; and to link housing activity with complementary physical and social regeneration initiatives.

We need to produce a national strategy for housing market restructuring that is led by the regional housing boards. I am not suggesting that we need a top-down approach. We need national leadership, but we need regional housing boards to identify areas where housing markets are dysfunctional and to put forward proposals and co-ordinate activity to make significant change. They will marshal the resources from the public and private sector. Delivery on the ground needs to be via a range of partnership vehicles that fit the needs of individual areas. There will be no one-size-fits-all approach in relation to this debate; it will depend on what local people want, and what can be delivered in local areas.

The NHF, the CIH and the Local Government Association suggest a £350 million pot of public resources over the lifetime of the spending review period, as an addition to, and a ring-fenced element of, the single housing pot. That approach recognises the regional perspective in understanding complex housing markets. I welcome the proposals to merge regional planning and housing boards, which emanate from the debate around the Barker review. That is a major step forward in terms of our housing and planning policy. It always seemed nonsensical that a series of housing professionals were meeting separately from their planning colleagues, discussing an approach to regenerating communities and dealing with dysfunctional housing markets, so I welcome the Minister's recent comments in that regard. Each region needs to develop its own approach to delivering national objectives, and we may need to create building blocks across the regions. I should like to see the development of a midlands way, to mirror the excellent northern way proposals produced by the Office of the Deputy Prime Minister.

I look forward to the Minister's response. I know that she is extremely interested in and committed to this area, and that she wants to deliver change for communities. Her own area suffers from some of the problems that I have been talking about, and we need a comprehensive national strategy to tackle market instability and the dysfunctional nature of many housing markets. There is a real prize, however, if we get it right. Not only can we regenerate communities and invest heavily in them, but we can reconnect those communities with the wider civic process and wider civic life. Nothing engages communities more than talking about their neighbourhood, the streets in which they live, and how they interact with their neighbours. This is a much wider agenda than just investing in infrastructure and fabric; it is a mechanism through which we can also make communities more sustainable, and reinvigorate the political process that takes place within communities.

6.29 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): I congratulate my hon. Friend on securing this important debate. I know that he has long experience and expertise in housing, as was evident in what he said not just about low demand but about wider issues. I agree with much of what he said, particularly on the importance of sustainable communities and the need to treat housing issues as part of broader concerns for communities rather than thinking only of the physical structure of housing stock.

As my hon. Friend says, the signs of low demand can be very obvious and can cause considerable problems for communities. They include boarded-up houses and abandoned streets, and they are magnets for petty crime and vandalism. There are also less visible problems for those who cannot afford to leave such areas. Children's education suffers, for instance. School rolls fall. It can be hard to find work, there is poorer health, and local services decline.

My hon. Friend is also right in suggesting that areas of low demand have often been the subject of regeneration approaches that have not been effective for a number of reasons, even when they have been well intentioned. Those examples are worth learning from, and both the pathfinder programmes and our broader approach across the country should take account of them.

I do not think that those earlier approaches provided the right links between economic and housing issues. A regeneration programme might look at housing stock but ignore the fact that as there were no jobs in areas of low demand people would inevitably want to move away to find work, or suffer a series of social problems

[Yvette Cooper]

that would be concentrated on the area as a result of high unemployment. Alternatively, the approach would focus on economic regeneration and help people to find jobs. They would then leave, because they did not wish to live in an area where housing stock problems were not addressed. Then again, the approach might concentrate too much on social housing without taking account of the private rented sector and the private housing market; or it might fail to see housing as part of a wider market and a wider sub-regional issue. People's decisions about whether to stay in an area might depend on what alternatives there were, not in the next street but perhaps across district boundaries.

We have tried to incorporate all those aspects in our current approach to the housing market. The nine market renewal pathfinders are intended to tackle the low-demand problems of the most acutely affected areas. They bring together local authorities and stakeholders with the aim of developing long-term holistic solutions linking wider economic issues with issues of housing infrastructure. Six of the nine have been awarded grant of nearly half a billion pounds; £48 million has already been spent, and is starting to bring benefits to the communities involved.

The programmes concentrate on sustainable housing, the refurbishment of poor housing, the demolition of obsolete property and better management of estates. They take account of the nature of housing stock and housing supply and of the nature of demand—not just the level of demand, but the types of home that people want. They may want flats, or they may want family houses. The programmes also take account of the nature of the local economy and the community pressures that may exist. We are beginning to share the lessons that pathfinders have given us with areas affected by low demand and abandonment.

My hon. Friend rightly pointed out that low demand mainly affects small pockets of areas—even areas with a thriving housing market. There may be problems involving specific houses in a street or on an estate. A spiral of decline may be linked with antisocial behaviour or poor housing management in the private or the social housing sector. In larger areas, there may be wider problems caused by broader economic factors.

The pathfinders have concentrated on the widest areas of low demand and the most intense problems, but my hon. Friend is right that the lessons of the pathfinders need to be applied not simply to those areas, but to the small pockets of low demand.

I was interested in my hon. Friend's points about the new towns experience, which can be relevant in two ways: first, in terms of the lessons of the new towns and their success in building sustainable communities from a standing start in many cases; and secondly, in terms of the problems that they can face with housing stock. They may face similar problems at a similar period and that brings pressures.

We are putting a package of measures in place to equip local authorities with the powers to tackle low demand, including in smaller pockets, whether they are in a pathfinder area or not. Those include the provisions in the Housing Bill for selective landlord licensing to improve management in the private rented sector and to deal with bad landlords in that sector. The Housing Corporation is helping housing associations working in partnership with local authorities to improve and to stabilise local housing markets. The new tools approach is in place. New compulsory purchase measures in the Planning and Compulsory Purchase Act 2004 should assist authorities to deliver the step change that is needed in some areas.

We have published a housing market assessment manual that provides a framework for the analysis of local housing markets, and we want such tools to be used by local authorities in addressing particular low-demand problems in particular areas.

My hon. Friend talked about the progress that was being made in Telford. I welcome the work that he and local partners, including the borough council, have done to regenerate the south Telford estates, particularly in the housing strategy, and the progress that the local partnership has made in the Woodside estate. I was interested in his point about community facilities being a key part of regenerating the area. It is important that other areas should be able to learn the lessons from areas where innovative approaches are being taken, such as Telford.

The West Midlands regional housing board has provided funding for a housing market renewal study covering that area. A total of £1 million has been invested to research the areas where there is potential for housing market failure. We should also look at the issues that link different areas of low demand. We are looking more widely at the problem of low demand. We have the pathfinders and individual tools in place for smaller pockets of low demand.

I was interested in the submission from the National Housing Federation and the Chartered Institute of Housing about how it may be possible to go further and to put together a national low-demand strategy. Many aspects of their submission and many points that my hon. Friend raised reflect many aspects of Government thinking. We recognise that there are areas that are not currently included in the pathfinders where problems of low demand may emerge in future. The right response can deal with problems at an early stage, rather than leaving areas to face a spiral of decline.

Many of the points that my hon. Friend has made and that were made in the submission are already being taken up by English Partnerships, the Housing Corporation or the Government offices to support strategic approaches in different areas. While many of the principles that he raised are important in terms of the approach that needs to be taken in different areas, we need to maintain the strongly regional and sub-regional approach to these issues.

I do not think that there is a uniform national approach that can be applied to that kind of problem. It is exactly those local factors that need to be picked up if we are to address the specific problems that areas face. The issues that are faced in the east Lancashire programme, for example, will be different from those faced in Merseyside. There are different pressures in different places, caused by the nature of the housing stock and by local economic pressures.

Wider lessons need to be learned and we are looking closely at how to take the issue forward. We are considering, as part of the spending review discussions, a future programme of resources. We also need to ensure the regional elements, and to empower regional bodies to consider the issue and address it effectively. That is why I was interested in my hon. Friend's points about the Midlands Way, which he has raised before. We are interested in that sort of scheme. The more we have a strong regional identity, with each region driving forward its own proposals, working with the regional housing and planning structures as well as the regional development agency, the more chance we have of getting effective local solutions. Perhaps it is through future partnerships between the regional development agencies and the housing and planning sides that we have the greatest potential to address the issue in the right way, instead of repeating our mistake of concentrating either on the economic side or on the housing infrastructure side, and never the twain shall meet.

We already have a framework in place and we have made considerable progress, although there are further lessons to be learned. There are certainly lessons to be learned as the pathfinders begin their work, and there are lessons to be applied to other fields, too. We are now considering what the approach should be in some of the areas outside the pathfinder areas, and I am happy to discuss that further with my hon. Friend as we have further discussions in the Department and across Government. My hon. Friend has important expertise and experience on this matter, and I welcome the points that he has made this evening. It is welcome that Telford is leading the way and coming forward with different innovative ideas to address these issues. We need to ensure that we learn from that in future.

I congratulate my hon. Friend again on securing the debate.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes to Seven o'clock.

Westminster Hall

Tuesday 11 May 2004

[SIR NICHOLAS WINTERTON *in the Chair*]

Dental Provision (Devon)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Ms Bridget Prentice.]*

9.30 am

Richard Younger-Ross (Teignbridge) (LD): Mr. Deputy Speaker, today's debate revolves around the words of my constituent, Mrs. Thresher from Teignmouth, who said:

"Why should I have to give up my heating to get my teeth fixed?"

She was interviewed in the *Sunday Express* on 8 February, following a survey by my hon. Friend the Member for Sutton and Cheam (Mr. Burstow), who is with us today. She also said:

"There are no NHS dentists where I live that are taking new patients. I've been told to go to one in Torquay, which is 14 miles away, but I don't see why I should be expected to travel miles. I've paid my tax and my national insurance all my life and I'm entitled to free dental care but I can't get it."

She went on to say that the Government had generously given her £200 to pay her heating bill. If she has to go to a dentist in Torquay or to a private dentist with Denplan, however, that £200 will go towards dental care not heating.

Mr. Anthony Steen (Totnes) (Con): Will the hon. Gentleman give way on that point?

Richard Younger-Ross: It is very early to be giving way, but I shall do so.

Mr. Steen: I congratulate the hon. Gentleman on securing the debate, but I must tell him something that I am sure he will find interesting. National health service dentists in Torquay are not taking patients either. If his constituent had gone there, she would have wandered around and seen that wonderful resort, but she would not have found a dentist.

Richard Younger-Ross: The hon. Gentleman is ahead of me. If he is patient, I will come to the fact that there are no dentists in Torquay or Paignton. Over the past year, people have been directed to those towns, and they are now being directed to places such as Barnstaple, Plymouth and further afield. I shall come to that later.

The essential question is why my constituent, who has been given extra money for heating to ensure that she does not suffer hypothermia, should be expected to put her health at risk by cutting her heating bills to pay for her dental treatment. The Government talk of giving people choices, but that is not the sort of choice that they should be encouraging.

This is not a new problem; we had a similar one in the early 1990s, when no NHS dentists were taking on new patients in Teignbridge. As hon. Members may remember, we had a Conservative Government in those days. The crisis continued for some time, and the health authority told my predecessor that it would deal with the matter. It made provision for an emergency dentist in Newton Abbot hospital, and the arrangement was heralded as a success at the time. However, as most people will know, emergency dentists do not provide ordinary dental care but deal only with emergencies and patients in pain. Furthermore, although the hospital still has an emergency dentist as a consequence of the authority's decision, people in wheelchairs cannot gain access to the hospital and must still go all the way to Torquay for emergency dental treatment.

Relief did come when new dentists decided to set up practices in Teignbridge. For a short while, it was fairly easy to register with a new dentist. There is a certain bitter irony for local people in that many of those new dentists who set up have now de-registered as NHS dentists. That is part of the reason for the current crisis in the south-west, Teignmouth, and especially Teignbridge. The Minister will no doubt tell us about the action plan for the south-west peninsula—we have an action area because we have a crisis area. I hope that the Minister's response will take into account my comment, which I am sure will be echoed by other hon. Members from Devon, that we have a crisis that needs urgent and rapid action.

I shall concentrate for a moment on my area, which is primarily covered by the Teignbridge primary care trust. In June last year, 46 per cent. of the population of 109,000 were registered with national health service dentists. The Minister and hon. Members will know that that is below the national average of 48.6 per cent.; we were already doing badly last June. The crisis began in February last year and has continued, with the figure for April this year falling to only 42.12 per cent. That is a disgrace and a sad reflection on the state of the Government's policy on dental care in the south-west. For those who are statistically minded, that is a decrease of 8 per cent. The figure for under-18s is better—56 per cent.—but the figure for the over-18s, which is a true reflection of the situation of the elderly in my constituency, is 39.49 per cent.

The national figures often quoted in newspapers are for the number of dentists per thousand of the population, and I am horrified at how few dentists there are in some areas. However, that figure does not tell the whole story. In Teignbridge we have 44 dentists; there are 56 NHS contracts in 20 practices. However, we must consider how many patients they take on. Of those 44 dentists, only three have more than 2,000 NHS patients, which is the UK average. Fifteen of the 44 dentists have fewer than 500 NHS patients, and five have fewer than 50. The number of dentists per thousand of the population is a meaningless statistic. We must consider the number of people who can register with an NHS dentist.

We started writing to the Minister at the beginning of last year, saying that we again had a growing crisis. The Minister helpfully wrote a letter to one of my constituents on 21 December last year. In it she said:

"On 18 September I announced additional funding of £65.2 million to support change and help improve access, quality and choice for patients. The funding will be targeted at those PCTs where access is a real problem. There is also a further £1 million now to help PCTs, local dental committees and dentists to prepare for the change in the way dental services are commissioned. In 2004–5 an additional £15 million revenue funding will be made available to PCTs."

[Richard Younger-Ross]

Those are fine words, and I would hate to accuse the Minister of spin because I suspect that it is not, but since the Minister said that that money was being made available, 7,000 more patients in Teignbridge have been de-registered as five dentists have retired or gone private and have not been replaced.

Dentists are entitled to retire—we all reach that stage at some point, or at least most of us hope to do so—but they are fed up with the current contract. Peter Zeltmann, of Salisbury Villa dental surgery, is one of the dentists who moved into the area in the mid-1990s and was a saviour. In a letter to his patients, he says:

"For several years now we have postponed making any changes in the hope that the situation would improve but unfortunately there is little sign that it will. Consequently I have concluded that it is no longer feasible to continue seeing adult fee paying patients under the NHS."

Mr. Zeltmann concluded that he could no longer continue, and recommended that his patients go to Denplan. As the Minister knows, many people cannot afford to do so. Mrs. Thresher, whom I mentioned, is on income support and cannot afford it. She cannot afford many luxuries, and dental treatment has become a luxury to her.

Mr. Hugo Swire (East Devon) (Con): In Brent, East the Liberal Democrats produced £100 vouchers to give back to everyone in council tax. Having heard their leader on the "Today" programme this morning, I believe that that is no longer their policy. If the Liberal Democrats had stuck to that pledge, however, the hon. Gentleman's constituents would be £100 better off. Would not that have put Mrs. Thresher in a better position to afford dental treatment?

Richard Younger-Ross: I am not sure whether the hon. Gentleman is actually following the debate. I thought that we were talking about dental provision in Devon. He wants me to go down a route that I am sure you would not wish me to follow, Mr. Deputy Speaker.

Mr. Deputy Speaker: You are quite right.

Richard Younger-Ross: I am grateful for your guidance, Mr. Deputy Speaker.

When the PCT considered the community consultation, which was conducted by the district council in 2002, it found that dentistry was the first health priority for local people. Currently there are no NHS dentists in Teignbridge. I do not think that there are any in Exeter. I note that the hon. Member for Exeter (Mr. Bradshaw) is not here. Nor are there any in Torquay, South Hams or south-west Devon. People are still being told to go to Plymouth. The hon. Member for South-West Devon (Mr. Streeter) is indicating from a sedentary position that there is no NHS dentist in Plymouth.

Mr. Gary Streeter (South-West Devon) (Con): I shall enlighten the hon. Gentleman later.

Richard Younger-Ross: The hon. Gentleman will enlighten us later should he catch your eye, Mr. Deputy Speaker.

People are being advised to go to Barnstaple. It is easy enough for people to say, "Why not Barnstaple? It's in the same county. It's not far, is it?" Those who suggest such things know very little of Devon's geography. Barnstaple is 50 miles away from Teignmouth. It takes two train journeys to get there, and one would have to take a taxi at the other end to find the dentist's, having taken a taxi to the railway station in Teignmouth in the first place. The cost of such a journey is high and unacceptable. It is not a journey that an elderly or frail person should be expected to take. Surely, the elderly, the infirm and those on income support or on low incomes—in fact, everyone—deserve to have a dentist within fairly easy reach.

Another constituent wrote to me to say that he had two children. His dentist had gone over to Denplan. He was told that he could go on to Denplan and that if he did, the dentist would continue to treat his two children, who were aged 10 and 12, on the national health service. Clearly, that is a form of blackmail. It was made clear to my constituent that if he did not sign up to Denplan, his children would no longer be accepted for NHS treatment at that practice.

That put my constituent in a difficult spot—an unacceptable spot, some may say. He was given a hard choice: should he take up Denplan at £17 a month or leave that dentist and take his children out of school to travel to Torquay, where a dental practice was then available? The hon. Member for Totnes (Mr. Steen) should note the time span. Today, my constituent would have to take his children to Barnstaple, and how long would that journey take? A visit to the dentist which would take most of us out of work or school for an hour or two would have taken a whole day by the time he had got to Torquay and back again.

I hope that the Minister will not say that everything is rosy in the garden—I am sorry; that was an unintended pun. I hope that she will not say that everything is well and that the world will be all right because the Government understand the problem. There is a crisis, and action is required now. One dentist in my constituency has made a planning application to expand a practice and bring in some foreign NHS dentists. What can the Minister do to help dentists to do that?

I hope that the Minister will tell us not just that money is available, but that it is available now to aid the bringing in of dentists from abroad. The national papers yesterday were saying that Britain was well down on the dental league table and that we needed about 5,000 new dentists. Will she tell us what she can do to provide dental hygienists and nurses, because there is also a shortage of those? Will she address the concerns of those in the industry who are worried about the new contract? I have been told that there is inadequate information about it. Can she shed some light on that? In particular, will she address the rumour that the start date of April next year will be put back?

Teignbridge district council, which is not statutorily required to assist, carried out a survey that showed that, given the opportunity, 10,000 constituents in its area would go back to a national health service dentist. That would mean that we were close to the average figure of

those registered with NHS dentists rather than being dramatically below it. I commend the district council for its work in highlighting a concern outside its responsibility and for its work in partnership with the primary care trust. I also commend the fact that it has made available funds to help to establish some dental practices in Teignbridge. I hope that its generosity and quick action and reaction is matched by that of the Minister.

I could go on at length quoting my constituents, who feel bitter about the situation. However, I shall finish with a quote from a doctor. When doctors start writing to MPs regarding lack of provision, we know that something is seriously wrong. He wrote:

"I write to express my worry that several of my vulnerable, low-income patients, including one with cystic fibrosis, have had problems with securing national health service dental services".

When doctors worry, we should all worry, as we should when constituents such as Mr. Brookes have to make 340-mile round trips to Bridgend, because that is where they used to go to the dentist, and they have continued to do so. Similarly, last Saturday, when canvassing, I met a constituent who had moved to Teignbridge three years ago and was still going back to Berkshire for dental treatment. There is a crisis in dental provision in Devon. I hope that the Minister will tell us how she intends to address that crisis now—not in six months or a year or two years' time. What can she do in the next month to help to provide dental services in Devon?

Several hon. Members *rose—*

Mr. Deputy Speaker: I want to help the Chamber. I intend to start the winding-up speeches by calling the Liberal Democrat spokesman at 10.30 am. I hope that the four Back-Bench Members seeking to catch my eye will bear that in mind.

9.51 am

Mr. Anthony Steen (Totnes) (Con): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on being such a model of a modern Liberal Democrat MP. Jumping on bandwagons is one of their specialities, and sitting on them so comfortably is another. More seriously, this is a problem for the whole of Devon, and I pay tribute to him for taking the trouble to raise the matter, as do south Devon colleagues who are concerned about it.

Richard Younger-Ross: I thank the hon. Gentleman for his kind words. I carried out my first dental survey in Teignbridge in 1992. I do not think that that constitutes a bandwagon—there was not one rolling at the time.

Mr. Steen: If the hon. Gentleman is not aware, I was in touch with both the Torbay and the South Hams and West Devon primary care trusts about the matter last August, and my hon. Friend the Member for East Devon (Mr. Swire) raised the matter in this Chamber some months ago. I am not trying to gain brownie points, but the Liberal Democrats do not, thank goodness, have a monopoly on dentists.

On 11 November last year, I received a letter from the chief executive of Torbay primary care trust, who said:

"From April 2005 the PCT will be responsible for commissioning and contracting with dentists. In developing our approach, we will be consulting with the profession and public as to the best approach to ensure improved access. This may result in us recruiting dentists to work in a salaried post, or directly contracting with dentists for NHS sessions. This should enable us to secure a more consistent level of provision than at present—"

you can say that again—

"where with three months notice large numbers of patients can be disenfranchised."

The situation has been well rehearsed by the hon. Member for Teignbridge. In a letter dated 17 February, the chief executive of South Hams and West Devon primary care trust—not Torbay; I have two or three PCTs in my area—wrote:

"South Hams & West Devon Primary Care Trust (PCT) has been struggling with dental access for a number of years. During the past months the situation has worsened with practices in the area de-registering large numbers of NHS patients. The fact that South Hams & West Devon PCT is very rural means that every time an NHS practice decides to de-register a patient, if they are able to find a practice accepting NHS patients they must travel a considerable distance to access the service."

It is rather like the middle ages, when people travelled by horse and cart throughout the county to find a dentist. The only practice that currently accepts NHS patients in South Hams and West Devon is in South Brent on the edge of Dartmoor, which has a bus service once a day and which no one can reach conveniently. Incidentally, South Brent has the highest levels of radon gas in Devon. I am not sure whether that is a relevant factor—it is just an aside.

The chief executive goes on to say that dentists are independent contractors—we know all about that. He then wrote:

"The PCT has very limited influence",

which worried me a bit,

"on NHS dental practices operating under the NHS contract".

He goes on to say:

"There is a national shortage of UK qualified dentists who wish to work within the NHS. Increasingly established dentists are moving into private practice. Although in past years Dentists have been attracted to the UK from Scandinavia and Denmark, this supply now seems to have halted. I am told that qualified dentists from outside Europe are put-off by the amount of bureaucracy they have to go through to enter the UK to work."

Well, who is responsible for that? Is it the EU, the Government or the dental practice? The Minister needs to deal with the matter. I have a letter from the chief executive saying that

"dentists from outside Europe are put-off by the amount of bureaucracy."

Having dealt with the numbers, let me help the Minister and the Chamber. In the past three years, 4,000 full-time students have been on undergraduate courses in dentistry in Great Britain. That is a large number. However, in 2000–01 only 618 graduated. In 2001–02, 591 graduated and in 2002–03, 549; those figures are for England only. The figures that I was given show that in Great Britain there are 4,000 full-time students but roughly only 600 or fewer graduate in England alone. I do not know quite why that is, and I do not know why they are not interested in staying in the national health service. However, dentists are clearly not taking any notice of the Government. I am amazed by the numbers.

[Mr. Steen]

Do the Government wish us to believe that the answer is outside the EU? I remember a market in Marrakech in Morocco, where there is a stall that boasts a man with assorted pliers, who will pull out teeth for a modest fee. Is that what we want here? Is that what the Minister is going for: not a farmers market every Saturday, but a local artisans market where our teeth are wrenched out with pliers?

The Minister of State, Department of Health (Ms Rosie Winterton) *indicated dissent.*

Mr. Steen: The Minister shakes her head, but I would like to know what my constituents are supposed to do if they do not and cannot find an NHS dentist.

We know that dentists are leaving the NHS in droves. There is now a stampede. They are abandoning the NHS ship, which has been scuppered by the Government and is going nowhere but the seabed. The Government have an interesting answer to that, and I want to read it out. The Minister herself gave me the following answer, which is full of wonderful words:

"On 18 September 2003 we announced new investment totalling £65.2 million for dentistry."

Well done! It continued:

"This consisted of £35 million capital for dental access and quality, £30 million for dental information technology"—

I am not sure that we want information; we merely want dentists—

"and £200,000 for developing dental leadership."

I wonder what dental leadership is? Is it the molars? There has been £200,000 given to that. She goes on to say:

"This was on top of revenue funding we announced in August of £9 million for targeted support on dental access and £1 million for organisation development."

That is wonderful bureaucracy, but the proof of the pudding is that we have no dentists in south Devon. None of that money is going to south Devon.

The Minister adds:

"The £30 million investment in IT will facilitate integration of dental practices with wider NHS information technology systems and will support local contracting."

However, we do not have any local contracting. She continues:

"The IT investment and solutions for dentistry consistent with other NHS information technology initiatives are being taken forward within the national programme for IT."—[*Official Report*, 23 February 2004; Vol. 418, c. 274W.]

She then goes on to talk about the balance of £59 million, and this and that—but it is a lot of garbage. It is hogwash. These are enormous sums but, as far as we can see, none of it is coming to our area. That money is available for a wonderful list of things, but not for dentists in south Devon.

You rightly pointed out, Mr. Deputy Speaker, that many of my colleagues wish to speak about such problems in their constituencies. I shall therefore touch on only two cases. The first is a single mother who lives in East Prawle, a wonderful but God-forsaken place that is difficult to get to. It is in the middle of nowhere; it is one of those remote villages that people aspire to go to until they find that there is no means of transport other than the car.

The single mother has two children, aged five and seven. They are patients of a dental surgery in Kingsbridge. In February, the mother arranged the six-monthly appointment for the family, but she was telephoned on the day of the appointment to be told that it would have to be rescheduled. She then received a letter from the owner of the surgery advising patients that a new dentist would be taking it over.

No one telephoned the mother to rearrange the appointment, and although she had contacted the surgery a couple of times to get a new date, it was in vain. However, she received a letter from the primary care trust on 7 April advising her that a new dentist, Mrs. Stembridge, wished to give notice that she was ending the arrangement for providing dental care on the NHS from 28 June. What that single mother was told is simple: unless she registered with the dentist privately, her two children would not receive treatment. That is a form of dental blackmail. As a result, she can get dental treatment for her children only if she, a single parent of restricted means with no means of transport, can get to Kingsbridge and have private treatment for herself. That is not acceptable.

The next case is equally unacceptable. Another constituent of mine has a 90-year-old father and a 92-year-old mother living in Brixham. However, there are no dentists in Brixham, Paignton or Torquay—nor, as the hon. Member for Teignbridge said, in that town. My question to the Minister is, what are those people supposed to do if they do not have the money? We do not choose to have teeth. Some of us think that it is rather bad planning that we should have teeth, but we all have them and we all need to have them seen to.

Are the Government suggesting that we should go to the dentist rather as we take the motor car to the garage, and that just as we pay for our MOT certificates and car repairs, so we should pay for repairs to our teeth? I would have nothing against that if it were the Government's policy, but the Government say that it is not their policy. They say that their policy is to provide free dental services, but the policy is failing.

What the Chamber wants to hear is not how much money the Government are putting into the dental service nor how many people are being trained, but why dentists in the entire swathe of south Devon—probably in the whole of Devon—are not prepared to work for the NHS. We want to know why hundreds of thousands or even millions of people are going around with substandard teeth and suffering pain and discomfort. It affects their work, their jobs and their relationships, and it is inexcusable. I hope that the Minister will not give a trite response but will say how to deal with that serious problem.

10.4 am

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): The hon. Member for Totnes (Mr. Steen) entered into the debate with characteristic gusto, but I think that he had a degree of selective amnesia. The roots of the problem go way back to the early 1990s when there was a contract that resulted in a very unsatisfactory position that has undermined dentists' confidence in providing care under the NHS. I will return to that in a moment.

The hon. Gentleman also accused the hon. Member for Teignbridge (Richard Younger-Ross), whom I congratulate on securing this debate, of jumping on a bandwagon. None of us is jumping on a bandwagon. We are all seeking to represent the interests of our constituents and to raise a serious issue with the Minister. I hope that her response will show that we are at long last pointed in the right direction in terms of how we provide for NHS dental care in the 21st century.

Like other hon. Members, I have found that the problems are reflected in my casework at both ends of the age scale. Just yesterday a mother with four children aged two to 14 came to me. She was desperate for care for the two-year-old. She has had to turn to Derriford hospital for help. She moved to Plymouth two years ago. The person I most recently saw at the other end of the age scale, whom I met when I was out and about in Efford, also moved to Plymouth recently. Like many people, she has experienced problems with her dentures, which are probably past their sell-by date and need attention. She cannot find an NHS dentist who is willing to take her on that side of town. Like many older people, as the hon. Member for Teignbridge pointed out, she would have difficulty in travelling any great distance even within Plymouth, let alone facing the challenges that some people in rural constituencies face.

Richard Younger-Ross: Will the hon. Lady give way?

Linda Gilroy: I am sorry, but I will not give way. I have a lot to say and I want to stick within the time limit.

Those are two of the many problems that have been brought to me. It may have come a little later to Plymouth than to some of the rural areas, but there are other ways in which I have a sense of the problem escalating in Plymouth. I see it in the number of people who seek my help as their Member of Parliament; GPs report increased numbers of patients turning to them for help with pain and gum disease; the primary care trust reports increased numbers of calls on dental matters and, whereas the evening paper would cover the occasional story, there is now regular coverage of problems with dental services. Most recently, in a particularly alarming case a dentist dumped 7,000 NHS patients. That was one of the more recently qualified dentists. There is still a strong commitment among longer qualified dentists to try to engage with the NHS. We need to find a way forward with the Minister's help today.

The first sign that there might be light at the end of the tunnel is the work, to which the hon. Member for Teignbridge did not refer, which is going on across the local authorities in the area. As I understand it, each local authority scrutiny committee is bringing together and taking evidence from the players in dental care about the way forward. There was a joint conference at St. Mellion in February bringing dentists and others together with people from the primary care trust to explore the problems and the options for dealing with them. It is always a good sign when people recognise that the way forward is not one to which anyone has the sole or monopoly answer. The Government cannot have that: it will take everyone getting together to resolve the problem.

The problem goes a long way back. One of the big hurdles that we have to overcome is that dentists distrust the present set-up. They distrust the NHS and the new proposals as well as the new money that is on the table. A lot of confidence-building is needed. Dental schools have been closed. There is a lack of understanding about how the new contract will work. There may be a lack of information from the Department of Health on that or it may not be getting through. I understand that there has been a delay in the time taken for funding streams to reach the PCTs from the NHS. The incentive scheme money that was promised last year has yet to reach Plymouth, and I ask my hon. Friend to look into the matter.

There are proposals for the new contract and there is new money, which was announced in the debate secured by the hon. Member for East Devon (Mr. Swire) in Westminster Hall on 11 February. In Plymouth, there is an oral health programme. The board was set up under the first wave of health action zones, and it has been running for five of the seven years for which money is committed to it. It is a catalyst that has led to several schemes being set up, including free tooth brushes in some of the poorest communities, and, importantly, the programme for vocational dental training in Plymouth. There is a dental access centre in Plymouth and in Cornwall, but other PCTs have not set them up and as hon. Members have said, there is considerable pressure from elsewhere on the dental access centre in Plymouth.

Plymouth is an "Options for change" field site; it is a testing ground for the new way forward on contracting locally with dentists. I understand from the primary care trust dental lead that two practices are moving to the new service agreement this month and several more will follow shortly, which will have advantages for dentists. It will bring them a steady and predictable income throughout the year, and because it is based more on patients than treatments it will reduce the bureaucracy that was built into the disastrous contract developed in the early 1990s. It has the potential to enable the PCTs, which will take responsibility throughout the country from March next year, to focus support on preventive health care, which will be a considerable help to certain communities. At present, any dentist, anywhere, who is willing to do NHS work is very welcome.

In Plymouth, there are 41 dental practices, with 86 general practitioners working as NHS dentists, carrying between 50 and 1,500 patients each; that is the scale of the challenge. In Devon, the average list size has decreased by 31 per cent. since the disastrous 1992 contract. Some people who have lost their dentist have gone private, a few happily but most reluctantly. The chair of the Plymouth health scrutiny panel, Councillor Mary Aspinall, told me that a recent survey in Plymouth suggested that between 6 and 10 per cent. of adults were not registered with a dentist. Some of them are just allergic to dentists, but some are the sort of people I described earlier. About 20,000 people in Plymouth are not registered, which is a matter of considerable concern. If 2,000 patients per dentist is the right figure, it means that about 10 dentists are needed in Plymouth alone.

[Linda Gilroy]

What is being done to get the dentists we need? As my hon. Friend the Member for Falmouth and Camborne (Ms Atherton) argued in the previous debate, we urgently need to consider setting up training in the far south-west of the peninsula, as an outpost of the nearest dental school at Bristol, or as part of the new peninsula medical school. When people are trained in an area, at least 25 per cent. stay there. That would help to increase the number of dentists, just as it helped to increase the number of doctors. We knew that we were under-doctored when we argued for the peninsula medical school, because, per thousand young people, there were not enough to come forward as doctors. I suspect that the same is probably true in respect of dentists.

In the mean time we need to try to attract dentists from abroad. I understand that there are people in Poland in particular who are keen to come and work here under the accession agreement. Is that true? What is the Minister doing to encourage that? Does she agree that that would have a particular relevance for Plymouth, which has a strong historical link with Poland, through the population that came over in the second world war?

What can we do to secure the position of those who are fortunate enough to have an NHS dentist? What is the way forward for the vocational dental service? It is funded until 2005 through the workforce development confederation and is an essential tool to encourage people to train and work in the area. Its continuance beyond 2005 is essential. We need to ensure that primary care trusts have the resources and back-up to give current NHS dental practitioners the confidence to continue.

The good will of dentists is strained to the limit and they lack confidence. I believe that most want to ensure that those who need NHS dentistry can have it, and that they are willing to play their part. Localising the commissioning of NHS dentistry and engaging dentists through membership of the executive committee of the primary care trust will enable local stakeholders to play their part. I look forward to hearing what the Minister has to say about what the Government will do to assist them in returning confidence to a vital part of the health care system.

10.16 am

Mr. Hugo Swire (East Devon) (Con): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on being lucky enough to secure this debate. It follows on from a debate that I instigated on 11 February, so I am not quite sure why the debate is taking place. Perhaps in the intervening period the Minister will have come up with some answers. I am sure that she will do better than her colleague, the Under-Secretary of State for Health, the hon. Member for Welwyn Hatfield (Miss Johnson), did in February.

The issue is the stuff of headlines. It is a problem not only for Devon or East Devon. The headline in the *Daily Express* of 18 February was "Government must act as dentist crisis begins to bite." This crisis is a byliner's dream. Under the headline, "A kick in the teeth", the *Daily Mail* of 10 May reported:

"The critical shortage of NHS dentists has been dramatically exposed by an international study.

Research ranks Britain last in terms of dentists per head of population. Greece has nearly three times as many, while in France and Germany it is almost double."

The *Express and Echo*, a local newspaper reporting on another local problem, used the headline, "Chloe told to wait as dentist crisis rages". In Torquay, the *Herald Express* announced:

"Experts get teeth into dentist crisis"

when it reported in February that an estimated 700,000 people in Devon and Cornwall do not have access to any dental services and that local councils have decided to join forces to tackle the problem.

We know what the problems are. These reports come on the back of pledges made time and again; for example by the Prime Minister at the Labour party conference in September 1999. *The Times* reported on 29 September that he pleased activists with a pledge that everyone would have access to an NHS dentist within two years. *The Independent on Sunday* reported on 13 August 2000:

"In stating that Blair's pledge on dentists was impossible to meet the Chairman of the British Dental Association Dr. John Renshaw stated: 'The Prime Minister went and shot his mouth off without speaking to us. He didn't ask us whether we could deliver on the promise he was making. The target is very, very difficult but with the timescale it makes it impossible'".

The article continues:

"'The BDA believes that all the dentists who have left the NHS, or have only tiny numbers of non-paying patients, need to be attracted back to the public sector'"

and adds:

"Dr. Renshaw on outlining this requirement commented: 'I don't believe that the Government has any intention of even trying.'

He went on to conclude: 'We have had enough of talk. We are sick of it. We are fed up with listening to the talk. We need some action'."

What did we get? More talk and no action. On 17 May 2000 at Prime Minister's questions, the Prime Minister said:

"We have set the date for the end of next year to make sure that everyone who wants access to NHS dentistry can have it."—[*Official Report*, 17 May 2000; Vol. 350, c. 331.]

On 19 June 2002 he said:

"The changes that we have made mean that anyone who wishes to do so can contact NHS Direct or other NHS services and get the name of an NHS dentist whom they can visit."—[*Official Report*, 19 June 2002; Vol. 387, c. 276.]

On 26 February 2003 at Prime Minister's questions, the right hon. Gentleman said:

"The reason we are putting so many additional resources into the national health service is precisely in order to ensure that people get proper access to it."—[*Official Report*, 26 February 2003; Vol. 400, c. 257.]

On 15 October 2003 he said:

"We have made huge attempts to make sure that people can get access to NHS dentistry."—[*Official Report*, 15 October 2003; Vol. 411, c. 106.]

Mr. Deputy Speaker, you may think that I attempted a trivial diversion earlier when I intervened on the hon. Member for Teignbridge to talk about pledges, but I believe that the collapse in people's support for the political parties and interest in politics has something to

do with broken pledges. Despite all the pledges made, by people from the Prime Minister down, my constituents and others in our part of the world are fed up. It is another case of being let down by Labour.

I alluded to the Liberal Democrats doing a complete volte-face on their promise to give everyone £100 back on their council tax; they are now changing their policy on that. It is about time that we were more honest. Perhaps the Minister will admit this morning that the Government are unable to deliver on the Prime Minister's pledges, and we can consider together a way of dealing with the problem. Little has changed since my debate in Westminster Hall on 11 February. If anything, the situation in East Devon has got worse since Bernard Jones retired last week: an additional 2,500 patients are now looking for an NHS dentist. There is a continuing problem since Mr. Alistair Danby's attempt to secure premises on Rolle road was rejected by East Devon district council because of a highways problem.

The situation is bad and was highlighted excellently by my local newspaper the *Exmouth Journal*. I congratulate it on its "plug the cavity" campaign, which seeks to attract more dentists to east Devon and which has attracted 1,044 signatures. I have nothing further to add, although I am surprised that we are having this debate. There is an element of the Liberal Democrats jumping on the bandwagon, but I want to leave the maximum time for the Minister to answer some of the questions that have been raised, both in this debate and that in February.

10.22 am

Mr. Gary Streeter (South-West Devon) (Con): I can be blisteringly brief, because much of what I wanted to say has been covered. I pay tribute to the hon. Member for Teignbridge (Richard Younger-Ross) for securing the debate, which is important and timely and builds on the debate inspired by my hon. Friend the Member for East Devon (Mr. Swire) earlier this year.

Whether it is the right policy that every person who wants access to an NHS dentist should have it is a matter that we can debate. However, as has already been said, it is this Government's policy. It was spelled out by the Prime Minister in his party conference speech in 1999 and put into the NHS plan in 2000; it is a clear Government pledge and commitment that anyone who wishes to have access to NHS dentistry can have it. As hon. Members have heard, in our part of the world, as in other parts of the country, that is not the case. I am the first to admit that the problem pre-dates 1997 and has been an issue for a number of years. However, the Prime Minister made his commitment in 1999—five years ago—and the Labour party has been in government for seven years. As I shall demonstrate with some correspondence, the situation is not getting better in my part of the world: it is getting worse, week by week and month by month. The Government have made a firm policy commitment and promise, and are failing to deliver. Many people are suffering and are becoming distressed as a result, and I look forward to the Minister dealing with that important point.

It has not been said yet, but I pay tribute to the many NHS dentists in Devon who are continuing with NHS dentistry, often at personal expense to themselves, working under extreme pressure and not enjoying the same rewards as those taking the independent route. From time to time we should say, "Thank you and well done" to them. My concern about the matter has been rumbling on for a number of months. It has been exacerbated, as the hon. Member for Plymouth, Sutton (Linda Gilroy) mentioned, and as the local newspaper reported, by a practice crashing recently and 7,000 people being told that that they could no longer have NHS dentistry. That was in my constituency in Plympton, and the situation has caused major concerns.

I shall quote from a letter from the South-West Peninsula strategic health authority. I often write my initial inquiries not to Ministers—they have plenty on their plates—but to the chief executives of the SHAs who are administering the primary care trusts. I received a letter quite recently, on 28 April, from the chair of the local SHA, who said:

"With the exception of one surgery in Tavistock which was registering NHS charge exempt patients all the others shown on the list"—

she had previously sent me a list—

"were only registering children as NHS patients. Unfortunately there were, and are,"—

here is the killer phrase—

"no dental practices in the Plymouth area registering charge paying adults for NHS treatment."

I do not want an NHS dentist myself. For many years I have, rightly or wrongly, been on a Denplan arrangement, which has cost an arm and a leg. My wife and I pay about £50 or £60 a month for cover, which is a lot. My wife has very bad teeth—I should not have said that, but now it is on the record. If anyone sends her a copy of the *Hansard* report, they will be in big trouble with me. Paying between £50 and £60 a month, or even £20 and £30, is simply not within the reach of some of the people on low incomes whom we have heard about today. That is why the issue is so important to such people. There are people who, on a point of principle, insist on NHS dentistry. That is what they have always had, what they have paid into over the years—they think—and what they still want. We should meet that demand, and the Government have promised to do so. Many others simply cannot afford any alternative treatment.

It is not only in the Plymouth area and in the city where there is a massive and growing problem and where constituents are distressed. A constituent came to my surgery about three weeks ago. She was a single parent. She brought along her three lively and lovely children to explain that she, too, had received a letter about a practice in Kingsbridge, which my hon. Friend the Member for Totnes (Mr. Steen) mentioned, and a Mrs. Stembridge, who is no longer taking on NHS patients. The letter reads:

"However, after that date you will no longer be entitled to emergency cover, or treatment provided by your current dentist under the NHS.

Unfortunately at the time of writing this letter there are no NHS Dentists accepting new patients in the South and West Devon area."

That is a pretty big area, but there are no dentists accepting new NHS patients there. My constituent asked me, "What can I do when the time comes for my children to receive their regular check-up? I can't afford to go private and they won't be accepted under the

[Mr. Gary Streeter]

NHS." I suspect that there have been many children over the past two or three years who have not received their regular dental check-ups, and that many will miss them in years to come. We are storing up a health hazard for the future.

The problem is hugely important. The Government have had long enough to put in place changes that should by now have worked through on the ground. I recognise and accept that we are talking about the individual choices of dentists about how they wish to organise their practices. However, the Government must also accept that they have made promises. They have had long enough to introduce arrangements that can work on the ground. If the Minister cannot satisfy us that patients in our part of the world will soon have access to NHS dentistry, we shall have yet another example of failure to deliver by a Government who have promised so much.

10.28 am

Mr. Paul Burstow (Sutton and Cheam) (LD) *rose—*

Mr. Deputy Speaker: Order. May I make a plea to the Liberal Democrat spokesman and to the spokesman from Her Majesty's Opposition to allow adequate time for the Minister to reply?

Mr. Burstow: Thank you, Mr. Deputy Speaker. I thank the hon. Member for South-West Devon (Mr. Streeter) for keeping his remarks brief and to the point. I congratulate my hon. Friend the Member for Teignbridge (Richard Younger-Ross) on securing a debate lasting an hour and a half on the important issue of the supply and availability of dentistry in Devon, because it enables us to explore the issues that have led to the crisis there, but which apply also to many other parts of the country.

It is to my hon. Friend's credit to have secured the presence of a Minister of State, because in the half-hour debate in February we had only an Under-Secretary. On that occasion, the hon. Member for East Devon (Mr. Swire) raised a number of important issues concerning East Devon's dental services and the difficulties that his constituents were experiencing. However, I fear that it is a little churlish to suggest that a Member who has persistently pursued dentistry issues and consistently surveyed the availability of dentistry in his constituency since at least 1992 is on a bandwagon. If he is on a bandwagon, it is one that he built and which he has been on for a long time.

The debate has demonstrated that there is a serious problem with the supply and provision of dentistry in Devon. There is a parlous state of supply in Teignbridge and in the constituencies of other hon. Members who have spoken today. I was interested to hear the remarks of the hon. Member for Totnes (Mr. Steen), particularly those about the availability of radon gas, although I am not certain that they play directly into today's debate.

Yesterday, we saw some interesting reports, which graphically demonstrate the shortage of dentists throughout the UK and tell us that Britain has fewer dentists than Poland. It is important to understand what has happened with dentistry in the past few years, and how we reached the current situation. It is worth bearing it in mind that, according to a parliamentary written answer that I received earlier this year, over half of the population in England are without an NHS dentist. I believe that the hon. Member for East Devon referred to an article in the *Daily Express* that published that parliamentary written answer to the world. It is essential that we reverse the trend of people being deregistered and losing access to dental services. South-west peninsula residents are undoubtedly among the least well served when it comes to dentistry services, but that problem is not confined to that part of the world.

Two key decisions had a serious impact on dentistry, and brought us to where we are today. The first was the decision to introduce the 1990 contract and, more importantly, the unilateral decision of the Department in 1992, to cut—first by 23 per cent., and then by 7 per cent.—the fees that it was paying to dentists. That unilateral decision, more than anything else, undermined the dental profession's confidence in what the Department was about and whether it was really committed to sustaining a universal service of free dental care. It accelerated dentists' disengagement into an exodus from NHS provision. Rather than delivering the hoped for focus on prevention, it sped up the treadmill that so many dentists talk about: the drill-and-fill state of affairs—no time to talk, no time to prevent dental decay. The second important decision was the closure of three dental schools, which undoubtedly had disastrous implications for the long-term viability of the work force.

My hon. Friend the Member for Teignbridge ably documented the impact of that mismanagement in the 1990s on the oral health of his constituents, as have other hon. Members. Is there any comfort on the horizon for our constituents? Will dental services improve? Since 1997, a host of initiatives has been introduced—I am sure that the Minister will rehearse them for us today—but in 2001, the Select Committee on Health recorded its view that the Government had a quick-fix approach, which did not go to the root of the problem.

What is next? We now have legislation that provides for primary care trusts to pick up responsibility for commissioning. That is the biggest shake-up for a quarter of a century. A new base contract is being developed and piloted, which will move dentistry away from drilling and filling and toward promoting prevention.

Access to NHS dentistry is a serious problem because dentists are doing less NHS work and we have poor work force planning. What assessment has the Minister made of the British Dental Association's estimate that the number of new dental students needs to increase by 25 per cent. to meet demand? Does she agree with John Renshaw, the chair of the BDA executive board, that we do not have enough dentists?

That brings me to what is, from my review of parliamentary answers and other literature of late on this issue, the key question: what do the Government mean by "shortly", as in, "We will publish a report shortly"? In 2001, the Department announced the first review of the dental work force since 1997, which was completed last autumn—another of those vague terms. In a written answer on 2 February, I was told that the report would be published "shortly". Will the Minister

tell us in which month the report was completed and, more importantly, when it will be published? That report must be the basis on which we will move forward the development of the work force.

With changes to the contract due in April 2005, clarity on work force issues and the direction of travel has to be essential to bolstering the confidence of which the hon. Member for Plymouth, Sutton (Linda Gilroy) spoke. We have 13 dental schools—this relates to a point that the hon. Member for Totnes made—and, UK-wide, 800 extra dentists coming in every year. We imported 456 dentists from overseas last year.

It will be difficult for the Government, if they intend to grow our own dental work force, to do so without knowing the current position of the work force. The report has not yet been published, and it is therefore difficult to ascertain whether there is the right mix of training places, and whether the training "pipeline" is adequate to produce not only dentists, but therapists, nurses and others complementary to dentistry. Those questions need to be answered now, because if those extra dentists and others do not come through the training system, we will not be able to deliver the quality service that we should all expect for our constituents, in Devon or anywhere else in the UK. Can the Minister therefore tell us what "shortly" means in this context, and when we will see that report and the necessary action to turn its recommendations into reality?

At the BDA's conference on 6 May the Minister made an important speech, and was asked a number of questions by members of the association, not least about the timing of the implementation of the new contracts. The Minister said that she would examine that matter in the weeks subsequent to the conference. Can she tell us whether the Government are minded to amend the timing and, if so, in what way? Will she also tell us whether there will be further announcements about additional funding to underpin the PCTs' capability to implement their new roles as commissioners? When will that money be announced, and when will it reach the front line, so that it can have an impact?

The dentistry sector has been neglected for so long that it has, in many areas, lacked the necessary investment in infrastructure. How will the infrastructure—premises and equipment—be improved for those who have slogged along and stayed with the NHS? What are the Government's plans in that area?

My hon. Friend the Member for Teignbridge has done the House a service by initiating this debate so that the Minister can respond to the concerns of hon. Members. NHS dentistry is in poor shape. There is a growing underclass of people who do not have access to NHS dentistry; for them it is a pipe dream. The scale of the task is clear, but the Government's response is still too vague. Can the Minister give us confidence that we will begin to see a dentistry service fit for the 21st century, fit for the people, and free on the basis of need?

10.37 am

Dr. Andrew Murrison (Westbury) (Con): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on introducing the debate, and also congratulate my hon. Friend the Member for East Devon (Mr. Swire) on initiating a similar debate in February. The debate today is an opportunity for the Minister to give us a progress report on the response made by the Under-Secretary of State for Health, the hon. Member for Welwyn Hatfield (Miss Johnson) in that earlier debate.

However, I believe that the glass is half full rather than half empty, and that many dentists would take exception to some of the remarks made by the hon. Member for Sutton and Cheam (Mr. Burstow). It is true that there are problems in accessing NHS dentistry—that is the subject of the debate, and rightly so. However, we should recognise the huge strides that have been made in dentistry over the past couple of decades. It is important to bear it in mind that part of the current problem of access to NHS dentistry is related to the standards that we expect today, which did not apply 20 or 30 years ago.

Nevertheless, we have seen what might be described as the decline and fall of NHS dentistry which, ironically, has occurred since the Prime Minister made a categorical statement at his party's conference in September 1999 on access to NHS dentistry for everyone. It was a brave thing to say but, in the fullness of time, that policy has been seen to be undeliverable. I hope that the Minister will respond to that point in her concluding remarks.

Some 1.5 million fewer people are now registered with NHS dentists than in 1998, which is a huge decline. There has also been a reduction—from 4.4 per cent. to 3.1 per cent.—in the proportion of the health budget devoted to dentistry. I fully accept that the NHS budget has expanded, but that proportional decline gives some indication of the priority given to dentistry within the NHS. Will the Minister comment on that matter? The BDA seems to think that the proportion of total NHS spending on dentistry is declining even further.

The analogy that my hon. Friend the Member for East Devon drew between the Liberal Democrats' pledge of £100 during the Brent, East by-election and the Prime Minister's remarks in 1998 was spot on. We need to restore trust in politics. The Prime Minister making promises in 1998 and failing to keep them, and other parties making wild pledges during by-elections and then rescinding them, does none of us any good.

The BDA is clearly concerned about "Options for change". We have great hopes for "Options for change", as I am sure the Minister does. The measure will apparently revolutionise dentistry. I think that the BDA started by being quite positive about "Options for change", but it appears that it changed its mind, as so often happens, when it read the small print. We have seen time and again that when organisations read the small print of things that Ministers say, they often have second thoughts. A recent MORI poll suggests that 57 per cent. of dentists now oppose "Options for change", 15 per cent. support the measure and the rest simply do not know. Perhaps they have not been sufficiently apprised of the implications of that revolutionary measure that will apparently change their lives. I find that deeply worrying.

I received a letter recently from a general dental practitioner who is deeply concerned about "Options for change". We heard that the Liberal Democrats view

[Dr. Andrew Murrison]

the contract that was introduced in the early 1990s as a disaster. Well, we all need a little humility in politics, and we have to accept that in retrospect that may have been the case, but I hope that Ministers will reflect on what is going on at the moment, so that they do not make the same mistakes. Clearly, the gentleman who wrote to me feels that they are about to make similar mistakes. His comments are well put. He says:

"Put bluntly, dentists can expect to do 50 per cent. less work and still expect to receive their previous gross. They will work fewer hours, take more holidays, attend more courses, spend more time with each patient and carry out minimum invasive treatment. They will not touch a patient whose treatment plan involves high laboratory costs. The losers will be social classes D & E whose dental needs are the highest. They will be confined in ever increasing numbers to access centres, community and hospital services ... The reform is guaranteed to exacerbate existing dental inequalities."

I find that particularly difficult, given that the Under-Secretary of State for Health, the hon. Member for Welwyn Hatfield, in her response to the remarks by my hon. Friend the Member for East Devon in February, made great play of addressing dental inequalities. I should be interested to hear from this Minister whether, in the months that have passed since, she has given further thought to how we might best do that. Indeed, I should be interested in her reflections on how dental inequalities may have been exacerbated since 1997.

This debate is about dentistry in Devon, but the problems that have been experienced there, which hon. Members have eloquently described, reflect problems in the country as a whole and particularly in areas where the population is relatively sparse. Devon has an elderly population. It is a rural area, with all that that implies for transport and access. The number of dentists in Devon seems to have declined significantly since 2000, and the dental work force is apparently quite elderly.

In that context, it is important to ask again, as several hon. Members have, when we will see the dental work force review that we have been promised for so long. It is important to know where we are going. I have said before in the House that many of the problems stem from the 1970s, and I believe that to be the case. We failed to predict adequately then what our dental needs would be now, and we are suffering the consequences. The review is welcome and we need to have it urgently, without any more delay. I hope that the Minister can shed some light on that. Given that we want her to have sufficient time to respond to the important questions that have been posed, I shall call it a day at this point.

10.44 am

The Minister of State, Department of Health (Ms Rosie Winterton): I congratulate the hon. Member for Teignbridge (Richard Younger-Ross) on securing this debate. I realise how important the subject is for his constituents. I certainly will not give the impression that everything in the garden is rosy, but I hope to show how we are tackling the long and short-term problems. My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) eloquently put her finger on the button in saying that we have inherited the problem from the previous Administration, who introduced a deeply unpopular contract, closed not three but two dental schools and cut dentists' fees. That was when dentists started walking away from the NHS and we are dealing with the consequences of that.

The hon. Member for Sutton and Cheam (Mr. Burstow) spoke about some of the difficulties, not just in Devon but across the country, and drew attention to the report published yesterday. I do not deny that there is a problem, but that report was misleading because it did not take into account the number of hospital or community dentists. The fact is that there are more dentists than ever before. The problem is that fewer of them do work for the NHS. To address that, we are negotiating with the British Dental Association over the introduction of a new contract. It has told us that dentists have difficulties with the treadmill effect of the current contract. They find it bureaucratic and say that it does not allow them clinical freedom to work with patients, so we are changing it. I take on board the comments of the hon. Member for Westbury (Dr. Murrison) about a particular dentist who feels that that is not the right way forward. However, a lot of effort has gone into negotiations with the BDA to try to find a different style of contract to suit dentists better.

Secondly, we are devolving the money that is currently held centrally. By next year, that will be about £1.5 billion. The hon. Member for Westbury asked about the proportion of NHS funding spent on dentistry. The difficulty is that if an NHS dentist withdraws from providing NHS treatment in an area, the money that they would be paid returns to the centre. Therefore, that money cannot be made available locally and offered to other dentists. We will devolve the money held centrally so that local commissioners can properly plan with local dentists for the provision of dentistry in the area. That is the way forward.

Many hon. Members asked about the start date for the new contract. The BDA has said that it needs more time to conclude negotiations. We have listened to the points made by the BDA and I will make decisions on that after further discussions.

My hon. Friend the Member for Plymouth, Sutton raised the issue of work force training and she is absolutely right. My hon. Friend the Member for Falmouth and Camborne (Ms Atherton) made the point in the previous debate about how we can get trainees into an area and keep them there. It is a point well made and something that I am examining. It can be difficult to force people to go to a particular area, as they take lots of things into account when they move somewhere. However, I want to see whether there are ways to persuade people, because many people tend to stay around the dental schools instead of moving elsewhere. It is an issue that we need to consider.

The hon. Member for Totnes (Mr. Steen) spoke about international recruitment and his experience in Marrakech. To a certain extent, he cannot have it all ways. We want to consider increased international recruitment, but it is also important to ensure that practising dentists are of a high standard. That is dealt with by the General Dental Council, which requires some candidates to take exams. I suspect that that is the bureaucracy that he mentioned, but those checks are important in ensuring that dentists are practising to the highest standard.

Dr. Murrison: The Minister needs to recognise that it is the European Commission that is holding up the registration of many professionals from the European Union accession states. Will she admit that, and not just blame the regulators of dentistry and other professions?

Ms Winterton: I will come on to some of our discussions about that point. While ensuring that we can recruit from other European countries, we must ensure that we are not denuding another country's health service. We are undertaking discussions on that.

I will turn to Devon, as I know that that is what hon. Members have come to debate, but before that, I want to touch on the dental work force review, as it was raised by several hon. Members. We will be publishing the review in the not-too-distant future, but I want to ensure that we not only analyse the problem but come up with the solutions. That is why I have been keen to have all the questions answered before we publish. It is true to say that several conclusions have emerged, but I want to ensure that we can also define the solutions.

The long-term work involves what we are doing with the new contract, commissioning locally, the dental work force review and increasing training. Some immediate access problems remain at a local level, to which many hon. Members have referred today. The PCTs throughout Devon have been working hard to develop a range of local solutions, and I shall run through some of them before I talk about what more can be done.

The north-east Devon dental access centre opened in 2001 and now has three centres fully operational in Exeter, Crediton and Barnstaple. That scheme has recently been extended to Exmouth, where a drop-in arrangement is now in place. There is a salaried community and emergency dental service based in Newton Abbot in Teignbridge. There is also one in Torquay, which is due to expand with additional central funding. For the past three years, a mini personal dental scheme has been running in Tavistock to treat unregistered patients who are in pain and need emergency treatment. In Plymouth, a walk-in dental access centre opened in December 2002 to offer a wide range of services and specialist support, including same-day treatment for patients in pain and emergency cover during weekends and bank holidays. Those are some of the schemes that are up and running to tackle the dental access issues that hon. Members mentioned.

The whole of Devon is part of the "Options for change" peninsula field site. Hon. Members have mentioned the fact that the BDA says that there is not enough information about how the new system will work. We have been setting up field sites and pilot sites for five years to ensure that the new system builds on the best practice that has been developed at such sites when it is introduced. It is important that Devon is part of that process, which will enable practices to move to the new system before next year, remove the uncertainty that some dentists face and provide an opportunity to influence the changes and achieve a secure income.

We have ensured that there is a project co-ordinator in Devon working for the Modernisation Agency. The co-ordinator, Andrew Harris, is based in a PCT in Devon and provides dedicated support to local dental practices and local PCTs to facilitate the move to the new system. Eighteen practices in Devon and Cornwall have adopted the new contracts under "Options for change", and we are looking to 20 more to move to do so in the next couple of months. That means that up to 45 dental practices and 100 dentists in the south-west peninsula will be part of the new system by July.

I have tried to make sure that the Department works closely with local NHS organisations to ensure that there is appropriate support.

Mr. Burstow: Will the Minister give way?

Ms Winterton: No, I cannot. Last week, officials from the new special health authority for dentistry met representatives of all the PCTs in Devon and Cornwall to discuss the progress that has been made in expanding the field site and to consider the PCTs' dental action plans. A specific meeting also took place with Teignbridge PCT, and the moves that are being made were discussed.

Additional funding has meant that PCTs are now in a position to develop plans for the future. Some £1 million of national access funding, which I announced last year, will be used in Devon to support capital developments to increase capacity. PCTs are developing dental action plans setting out how they will use that additional funding. I take on board the point made by my hon. Friend the Member for Plymouth, Sutton about whether the funding is getting through. The funding is there, and it has been confirmed that PCTs will have it. That is why the dental action plans are being developed.

On international recruitment, we have had discussions not only with Poland but with Spain, Denmark and Germany, where we are building on established links to recruit additional dentists to the NHS. We will be working with strategic health authorities to target international recruits at areas with the most acute access problems. I can confirm that Devon will be one of the first areas to receive new recruits when they start to arrive later this year.

So, there are some immediate problems, but I hope that hon. Members will accept that we are looking for a viable longer-term solution to the difficulties that we have inherited. We are also taking action to address the immediate, short-term problems that hon. Members have raised. The package that we have put together, which we have worked out with the profession, will lead to better working lives for dentists and improved services for patients.

International Air Transport Association

11 am

Andrew Selous (South-West Bedfordshire) (Con): It is a pleasure to raise this important matter on behalf of one of the major employers in my constituency. The debate is to do with competition policy and the International Air Transport Association, which is giving the company, the Official Airline Guide, great cause for concern. OAG Worldwide Group Limited is a private publishing and data business and the premier supplier of consolidated scheduled airline information to the airline and travel industry. It has been the international leader in its field for more than 70 years, and has 470 staff, some 300 of whom are based at its headquarters in Dunstable.

It is a high tech business, at the heart of airline schedules distribution in both the business-to-business and the business-to-consumer sectors. It is a core source of operational critical data for many airline reservation systems—the global distribution systems that feed the world's travel agents—and its direct consumer reach of more than 1 million people is growing rapidly as internet and mobile distribution grows.

OAG works independently, not beholden to any airline, travel company or other organisation. Its strength lies in the quality, depth and breadth of its regularly updated and meticulously checked global flight schedule database. It uses datasets, key raw data for industry capacity and route development analysis, with past and future data available. The data are distributed via data feeds, online, on CD-ROM, mobiles and personal data systems and in books of several sizes. It is an outstanding British company, investing heavily for the future. I recently had the pleasure of going round its offices. It has an outstanding staff with many years' experience, and it is investing significantly in the latest information technology. It is just the sort of company for which the country needs to guarantee a bright and prosperous future.

IATA is causing OAG serious concern, in that its officers claim that they have been given a brief by the airlines to destabilise OAG. OAG does not believe that that is the case so far as the airlines are concerned. It has evidence that IATA has sought to destabilise it by telling competitors that it is going bankrupt. I have, as evidence, a letter concerning disparaging remarks made by an employee of IATA to a representative of GoldenWare Travel Technologies. The letter, from Mr. Michael Feldman, IATA's director of passenger services, was faxed to Mr. Rory Veevers-Carter, vice-president of sales and marketing of GoldenWare. It begins:

"It has been brought to my attention that Mr Juan Catala recently made comments to representatives of GoldenWare Technologies ('GoldenWare') which have been misunderstood by GoldenWare as questioning OAG's financial standing. OAG has an excellent and long established reputation within the airline industry and IATA is not aware of any basis for questioning the company's financial or trading status. As such, on behalf of IATA, I wish to unequivocally and unconditionally correct any inference to the contrary which may have been derived from Mr Catala 's comments."

It continues:

"IATA sincerely regrets any adverse imputation concerning OAG which may have been drawn from Mr Catala's comments and apologises unreservedly to OAG for any such imputation."

IATA has tried to obtain OAG's pricing via IATA meetings, and has questioned OAG's customers about the value of its products. IATA has also asked airlines to commit to its service, which it calls the schedule reference service.

Individual airlines currently provide their flight schedules through various distribution channels to consolidators and intermediaries, such as OAG, who create their own data products and services and distribute them to airlines, businesses, passengers and the travel industry. As I said, however, IATA is establishing the schedule reference service—the SRS—which is an industry-wide consolidation service designed to provide, in IATA's words,

"a single, neutral industry schedule database for the collection, verification and onward distribution of schedule information for the whole air transport industry".

That simply proves that IATA wants to replace OAG as the industry's core schedules database. It wants not to provide an alternative data source, but to take sole control in an entirely unacceptable, monopolistic way. It is actively seeking to further its ambition by partnering, endorsing and entering into an exclusive marketing agreement with a small, historically loss-making US company, Innovata, to provide a competitive service and leverage IATA's industry status to help this player to take business from OAG. Innovata is the appointed operator of the SRS, while IATA claims that it is responsible only for marketing and promoting that service to the airlines. As the leading trade association for the airline industry, however, IATA's strong position unquestionably enables it to advance the interests of the Innovata-SRS service and to put direct and indirect pressure on its member airlines and, indeed, on other airlines in the industry.

OAG pointed out to me that this monopolistic channel of supply will have serious anti-competitive consequences, as IATA, through its member airlines, will be able to control the way in which the data is distributed. Inevitably, the loss of competition would increase prices, stifle technological innovation and reduce choice for users of airline information. Fundamentally, IATA is an association of competing airlines, and, as such, frequently can operate only on the basis of specific exemptions. To our knowledge, no such regulatory approval or exemptions have been granted to IATA for the SRS. Expecting IATA not to leverage its dominant status would not correspond with its ambition or track record. For example, IATA recently told OAG that it would take it out of the cargo business. Its tactics were successful in the cargo rates area, in which it dramatically increased OAG's data supply cost. It is currently trying similar tactics to suppress OAG's desire to distribute cargo rules.

There are clear analogies to be drawn between IATA's conduct in relation to cargo rates and its anticipated monopolistic behaviour in relation to flight schedule data through the SRS. As with cargo rates, IATA could simply impose unreasonable prices or terms for the supply of consolidated flight schedules.

There is no future for OAG if IATA achieves a monopoly in the flight schedule sector. Some 300 of my constituents' jobs could be lost. OAG's existence is therefore under direct threat from IATA. The knock-on effect would be the loss of jobs in Dunstable, about which I have already spoken. What is worse, however, is that this would seriously damage the UK's leading position in this sector.

IATA's aforementioned actions are questionable for the following reasons. In view of IATA's position as the airline industry's leading trade association, it is wholly inappropriate for IATA to align itself with particular suppliers to the airline industry. A trade association, which is a grouping of competitors in the industry, must remain neutral with respect to the products and services that its individual members buy in the marketplace. IATA holds huge sway in the airline industry and manages a breadth of committees that influence the way in which the industry operates and the standards that it adopts. Should IATA be allowed to masquerade as a trade association while furthering its own commercial interests?

As a result of IATA's actions, OAG made a formal complaint to the European Commission on 12 September 2003, a copy of which was registered with the United States Department of Justice. As I explained, the complaint details IATA's desire to establish a monopoly SRS. However, the complaint has so far not been progressed. OAG has corresponded with several MPs, but the British Government seem to have washed their hands of this complaint, stating that the complaint is an issue for the EC's competition directorate.

On 29 April 2004, I received a letter from Mr. Mario Monti, the European Commissioner, which states:

"This complaint is currently being examined by my services. Given the complexity of this case, it will take some more time before my services are able to come to a preliminary conclusion about the possible existence of an infringement of competition rules by IATA. I hope you will therefore understand that I am not able at this stage to take a position on the merits of this case."

Considering the prolonged delay in receiving a response from the European Commission, which lasted seven months from the date that the complaint was officially submitted, what can the Minister do to help the interests of a fine market-leading British company? If the complaint does not progress as soon as possible, OAG's ability to continue to provide an independent service to the industry will be irreparably damaged.

May I summarise the problem for the Minister? Essentially, the ramifications of IATA's actions are potentially immeasurable. The negative aspects of a monopolistic service will be felt by all players within the travel market including application service providers, global distribution systems and publishers, as well as the airlines that generate the data in question and the ultimate consumers of that information, namely the purchasers of airline and other integrated transport-related services and publications. No part of the schedules supply chain will be immune from the negative pressures that the SRS is expected to exert on it.

I hope that the Minister will declare that the arrangements are in breach of article 81 of the EC treaty and are not capable of individual exemption under that article. He should investigate the complaint, which covers the agreements, arrangements and practices within IATA and includes the marketing agreement with Innovata for the implementation of the SRS, and he should have that agreement with Innovata terminated. I hope that he will ensure that if the schedule reference service proceeds, it will not become an exclusive channel of supply. First, he should ensure that the airlines continue to provide raw flight schedules data to OAG on terms that do not discriminate in favour of the SRS; secondly, that the airlines and other users have an unrestricted right to source consolidated flight schedules data and other data products from competing consolidators such as OAG; thirdly, that IATA does not misuse its position as a trade association to favour the SRS.

In summary, I ask the Minister to champion the interests of a leading British company. All the issues that OAG has raised with me are highly worthy of debate as they seriously question both the role of IATA as a trade association and its future role as a competing commercial organisation. The Government, up until now, seem to have handed the buck to the European Union, but the complaint has been held up in the European Commission for nearly eight months. Surely the commercial interests of one of the UK's major employers should take priority? Can the Minister seriously let a trade association behave so anti-competitively? Should a trade association be allowed to undermine a company in such a blatant fashion?

OAG's criticism of IATA's anti-competitive behaviour is serious enough to merit an investigation, and I hope the Minister will investigate the matter further. I hope that he will in particular put pressure on the European Commission to take the action that I have outlined, in the interests of British business and British jobs as far as they affect my constituents.

11.14 am

The Parliamentary Under-Secretary of State for Trade and Industry (Nigel Griffiths): It is a pleasure to be here with you again, Mr. Deputy Speaker, and to congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing this debate on an important issue.

OAG has a proven track record of providing a first-class service to business and the Government take this issue seriously. I shall outline the steps that have been taken so far. I would like to reassure the hon. Gentleman that the Government have acted properly on the matter, and I will take him through the procedures.

Commissioner Monti, who is responsible for competition matters, has agreed to open a formal investigation of OAG's complaint concerning IATA, which will be carried out under article 81 of the treaty. The Commission must carry out a thorough investigation in accordance with competition-related criteria. The Enterprise Act 2002 took Ministers and politics out of competition decisions in the UK in the interests of producing a more transparent and predictable system for the consideration of competition cases. The decision to do so was based on three principles: that competition-related decisions are best

[Nigel Griffiths]

determined by the competition authorities according to competition-related criteria; that Ministers should avoid undermining the regulators or appearing to influence them in carrying out their independent functions; and that Ministers should seek to support competition regulators in their work. Although the policy was primarily developed for a domestic regime, it applies equally to competition investigations carried out by the European Commission.

Commission investigations are legal processes under article 81 of the treaty. The hon. Gentleman voiced his concern about the time that the investigation might take, and yesterday, at my instigation, officials at the Department of Trade and Industry checked with the Commission and made our view clear about the need to expedite proceedings. As it is a legal process, the Commission will give interested parties the opportunity to submit evidence, and the party under investigation—in this case IATA—will take every opportunity to defend itself as it sees fit.

I want the Commission to resolve the investigation as soon as it can. The Commission has recognised that there may be a case to answer and is formally investigating the complaint. I shall ensure that the hon. Gentleman's contribution to the debate, and my response, is forwarded to Commissioner Monti.

Andrew Selous: I am grateful to the Minister for giving way and for his Department's action on the matter yesterday.

On the time scale of proceedings, can the Government exercise any influence to ensure that this serious matter, which has been with the Commission for eight months, is expedited as quickly as possible?

Nigel Griffiths: We have left the Commission in no doubt that delays in handling competition matters can damage all the parties involved, and I am sure that the Commission has taken that message to heart.

Our position on competition policy is clear: we believe that strong competition benefits businesses and consumers. For business, it sets out a level playing field on which it can compete fairly; for consumers, strong, fair competition can set downward pressure on prices and upward pressure on quality. The overall aim of competition policy is to encourage and enhance the competitive process to bring wider benefits to the economy in increased productivity. In recent years, the Government have taken active steps to modernise and strengthen the UK's competition laws as part of our wider agenda of promoting competitiveness and growth. The stated cornerstones of that modernisation are choice and value for consumers and dynamic and innovative markets, such as the one that the company in question has created from its base in the hon. Gentleman's constituency.

The mainstay of our competition regime is the Competition Act 1998, which I had the honour of taking through the House of Commons as the competition Minister. That Act is closely modelled on the EC treaty, particularly articles 81 and 82, which it mirrors, and replaces earlier legislation, including that relating to restrictive trade practices. We have moved away from public interest tests by means of consolidation in the Enterprise Act 2002, in order to take the politics out of competition decisions in all but a narrow set of circumstances. It is important to stress that such decisions are now taken by the independent expert competition authorities, using competition-based tests.

The rigorous enforcement of rules by the relevant independent competition authorities is important—whether by the Office of Fair Trading, the Competition Commission or the sectoral regulators in the UK or, as in this case, the European Commission, where intra-Community and global trade are involved. The Commission is widely respected for its independence and its balanced and rigorous approach to enforcing EU competition rules in a number of landmark cases. I hope that that will reassure the hon. Gentleman and his constituents.

In the UK, the Competition Act, which mirrors articles 81 and 82 of the treaty, constitutes the basic EU competition rules. Under the treaty, the Commission—specifically, the director general for competition—has sole responsibility for enforcing the EU's competition rules and considering individual cases under the rules. Article 81 prohibits agreements between undertakings that prevent, restrict or distort competition in intra-Community trade. Article 82 prohibits the abuse of a dominant position with no exemption possible. Those areas were elaborated on by the hon. Gentleman.

Turning to the technicalities, exemption from the prohibition of article 81(1) is possible under article 81(3), which lists four conditions that must all be satisfied if an agreement is to be exempt from the general prohibition. The agreement must contribute

"to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and... not:

(a) impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives;

(b) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question."

In straightforward terms, those conditions are answered by one question: are the restrictive aspects of the arrangements in question indispensable to improving the product or benefiting consumers? If a case fails that test, any anti-competitive behaviour is prohibited and any anti-competitive agreements are declared void. In extreme cases, parties infringing the rules can be fined a maximum of 10 per cent. of their turnover, so the stakes in such an investigation are obviously very high. That is one of the reasons why the competition, following due legal process, must give any parties to an investigation every opportunity to submit their side of the story. Obviously, the Commission sets down a reasonable time scale for that, but I want the Commission to ensure that no parties take advantage of its procedures to delay and drag out the proceedings unnecessarily. As I said, I recognise the damage that that does to other parties and, quite often, to the party under investigation as well.

I know that the hon. Gentleman will continue to monitor the situation carefully, as will my hon. Friend the Minister for Employment Relations, Competition and Consumers, who is unable to be here. I shall ensure that he, too, is fully aware of the contribution that the hon. Gentleman has made and of the follow-up actions that I have given a commitment to undertake.

11.25 am

Sitting suspended until Two o'clock.

Mersey (Second Crossing)

2 pm

Mr. Mike Hall (Weaver Vale) (Lab): I hope that you, Mr. Deputy Speaker, pass on my thanks to the Speaker for granting this Adjournment debate on a subject that is of great importance to the economy of the north-west. I want to start by briefly examining the history of crossings over the River Mersey. There is some debate as to whether the Romans built a bridge over the Mersey between what is now Widnes and Runcorn, but there is no doubt that there was a fording place in the Warrington, South area in Roman times. In 1905, the transporter bridge was built. The current Silver Jubilee bridge—there is an argument over whether it should be called the Runcorn-Widnes bridge or the Widnes-Runcorn bridge; its nomenclature depends on which side of the river people live—was built in 1961, widened in 1977 and renamed the Silver Jubilee bridge.

For some time in our area we have struggled with extreme congestion on the Silver Jubilee bridge. In the early 1990s, the then hon. Member for Halton and I pursued the Transport Minister to see whether a new river crossing could be built, and a case study was commissioned in 1991 to determine whether that was possible. The resulting report confirmed that the bridge was congested, but argued that since it was of no strategic importance to the north-west, a second crossing should not be paid for out of public expenditure.

The Silver Jubilee bridge has a capacity of 65,000 cars a day. About 75,000 cars a day were using it in 1993 and the average is now more than 80,000 cars a day. Moreover, on some days last year, 92,000 vehicles used the bridge, so it is clear that it is severely congested. The Oscar Faber report, published in 1997, concluded that by 2016 between 115,000 and 150,000 vehicles might cross the bridge, which would be massively in excess of its current capacity. The report also concluded that that was a constraint, not only on the economy of Halton and north Cheshire, but of Merseyside and the greater north-west region.

When the then Secretary of State for Transport turned down our appeal on the basis that there was no strategic need for the bridge, he said that we might seek a local solution to the problem. We therefore set up a consortium of local authorities. Some 80 per cent. of the traffic that uses the bridge is not local; 40 per cent. goes straight through the borough and 40 per cent. ends or begins its journey in Halton. It is therefore clear that the congestion is not just related to the borough of Halton.

In 1995 Halton borough council became the lead member of a group of Merseyside authorities—Liverpool metropolitan borough council, as it then was, the councils of Wirral, St. Helens, Knowsley and Sefton, Warrington borough council, and Cheshire county council—which formed a consortium with Merseytravel, the local chambers of commerce, English Partnerships and Peel Holdings. The aim of the consortium was to devise a local solution to the problem. More recently, the North West regional assembly and the Northwest Development Agency have joined the consortium to give real impetus to the demand for a new crossing over the River Mersey.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I agree with the important points that my hon. Friend makes about this being a regional matter, reinforced by the involvement of the Northwest Development Agency. Does he agree that it is of specific interest to the development of Liverpool and particularly the port of Liverpool? The movement of traffic and the prevention of congestion are critical to developing the port's trade, and the building of a second crossing would be an essential factor in achieving that.

Mr. Hall: My hon. Friend makes a valid point. I was not going to cover it, but she draws attention to the fact that the port of Liverpool is very important to the economy of the north-west. If we are to have a new crossing over the River Mersey, it will enhance the port, the economy of Liverpool and the wider region.

There are two tunnels under the River Mersey directly in the Liverpool area. The first crossing over the river is the Silver Jubilee bridge. There is a very local crossing in Warrington, South—in the town centre in Warrington. Anyone who has needed to travel through Warrington or Runcorn when the Thelwall viaduct is closed will know just how unsatisfactory that is for any strategic access into the north-west. Then we have the Thelwall viaduct itself. A huge amount of money has been spent on dualling the viaduct, only for us to find out that the structures of one carriageway have been seriously corroded. Traffic is now restricted on the viaduct and will be for quite some time. For a 24-mile stretch of river, we have only three significant crossings. That is why another is essential.

In 1997, my hon. Friend the Member for Halton (Derek Twigg) and I continued to press the Government to consider the issue, so that we could take forward the ideas coming out of the new Mersey crossing consortium. We were able to persuade the Secretary of State for Transport to provide a £600,000 grant for a feasibility study of where the bridge might cross the River Mersey and what its impact would be in the local area and more widely in the north-west region. As a direct result of that money, we have a clear idea of where we want the bridge. Perhaps I can give a plug to Halton borough council. It has produced on a CD a powerful case for the new Mersey crossing. The CD is available free at the point of need. It explains in graphic detail the benefits of the crossing and shows in interesting diagrammatic form what the bridge will look like and where it will go.

The debate is about whether we should dual the Silver Jubilee bridge or go elsewhere. Clearly, the cheapest option would be to dual the existing structure, but that would have a severe environmental impact in the Dukesfield area of the constituency of my hon. Friend the Member for Halton, which covers Widnes. That option would not be acceptable. We want a better strategic route across the river. The local authority consortium has settled on a link from the Speke Road dual carriageway in south Widnes to the central expressway in Runcorn. That is a fascinating piece of the jigsaw puzzle, because it will provide a strategic link from the M56 to the M62, so creating another piece of improved infrastructure for our area as well as providing a significant crossing of the River Mersey.

The consortium did not stop at considering where the crossing should be. It decided that we needed a road bridge, but there was also the question of whether we could use the structure for something else. The structure is designed—I must read out this technical term—as a multiple cable-stayed bridge with a box structure providing the necessary stiffness. The structure will also provide the ability to use the lower deck for other modes of transport, such as a light railway. Merseytravel and Halton borough council are seriously considering that. They have declared that they are committed to extending Merseytram line 3 to Halton, and the bridge may be the way to enable that to go forward.

There are key benefits to providing a second crossing over the River Mersey. It will provide regional regeneration and better public transport. It will help business with better transport, and the links between Manchester and Liverpool and to Liverpool John Lennon airport will be greatly improved. It will also improve communications in the north-west. Traditionally, communications go east to west, but we want them to go north to south. It is very important for us to establish another strategic north-south communications route in the north-west.

Mr. David Watts (St. Helens, North) (Lab): My hon. Friend spoke about the benefits—for example, the links with Manchester—that can be derived from a second major river crossing for Liverpool. Does he agree that that is crucial for areas such as St. Helens because 90 per cent. of people who wish to cross the river from St. Helens use the Runcorn bridge?

Mr. Hall: Indeed, they do use the Silver Jubilee bridge. If the second bridge across the River Mersey is agreed, there will be implications beyond the road network for areas such as St. Helens. Both my hon. Friends the Members for St. Helens, North (Mr. Watts) and for St. Helens, South (Mr. Woodward) have rightly tabled questions on the issue. We must be alert to the possibilities for development north of the borough of Halton if the proposed crossing gets the go ahead.

The project will bring 3,350 permanent jobs and 1,600 temporary jobs to the area; it has a £15 million development value, and it will have a return of £666 million, which is a sound economic investment in the region. Last summer, we were given a good nod from the Department for Transport in relation to the benefits that the scheme will bring. The consultants submitted their views to the Secretary of State and just before Christmas he gave the project "super work-in-progress" status, which was extremely well received in the area. It indicated that at long last we had been able to persuade the Government that the second crossing was essential.

However, several matters are still outstanding. The Government asked for an assessment of the impact that the traffic will have on the major highway networks, including the M6, the M56 and the M62, which is now under way, as is work on the hydrodynamic impact of the bridge on the River Mersey. The best and most effective ways of procuring the bridge and the procedural routes that need to be followed are being considered, and also whether tolling should fund the project.

I understand that the Government want us to consider whether the new bridge could be a toll bridge because every avenue of finance must be explored, but

my view is that the bridge should be free to users. The Government are prepared to invest in crossings of the River Thames, of which there are 36—27 between Vauxhall and the M25 and nine between Tower bridge and Dartford—and they have just agreed to partly fund the new crossing over the Thames gateway. It is therefore not too much to ask them to fund the new crossing of the River Mersey. It has few strategic crossings, but the stretch of water is just as significant as the Thames.

My attention was brought to the significance of the river crossings when John Bell, a business development partner at Glenny, said:

"The question isn't so much 'should Thames Gateway Bridge be built?' but rather 'when?'. It will help to remove the physical barrier that the Thames creates for business investment and stimulate property development either side of the river, as well as easing congestion on the existing crossings which are at breaking point".

If the River Thames needs Government investment because bridges are congested in the London area and along the river, there is a strong case for Government funding towards a new crossing of the River Mersey.

The borough of Halton is listed at No. 14 in the 2004 deprivation index. It would boost the economy if we avoided imposing tolls for using the new bridge and ensured that there was no barrier to investment and economic development in the area.

Halton, as lead borough, and the consortium for the new crossing, will submit their plans to the Secretary of State for Transport in the autumn. I hope there will be a decision before the end of the year, giving the green light to go ahead with the project. Then the procurement procedures and the necessary legal processes to agree the line of the bridge, which includes holding a public inquiry, can be sorted out, and construction can begin in 2007. The sooner construction begins, the better. There are city of culture events in Liverpool in 2008 and it would be helpful if the infrastructure were in place by then. The area is of strategic importance in that respect. I know that that is a tall order, but we are looking forward to making real progress.

My hon. Friend the Member for Halton and I have worked extremely hard on the project. It is a tribute to the partnership of the new crossing consortium that we are now close to realising the dream of a new crossing over the River Mersey. Part of our contribution has been to invite successive Transport Ministers to Halton to see the problems. There have been a number of visits, including recently by the Under-Secretary of State for Transport, my hon. Friend the Member for Harrow, East (Mr. McNulty). That was a seminal visit in the campaign to establish the case for going ahead with the second crossing of the River Mersey. I congratulate the consortium on the work that it has done under the leadership of Halton borough council.

I finish by summarising the case that I have tried to set out. The Silver Jubilee bridge is seriously congested, a situation that will only continue to worsen. The lack of a new crossing over the River Mersey is a continuing constraint on the economic health of our region. There is a strong strategic case for the construction of a new crossing of the River Mersey, for the reasons highlighted this afternoon. The preference is for a bridge that is free to users. It would be a sound economic investment with a guaranteed good return. It would also be a positive demonstration of the Government's commitment to strengthening the economy of the north-west. I hope that the Minister will be able to reassure us that the project remains high on the Government's list of priorities and that we can be confident that the scheme will go ahead.

2.16 pm

Helen Southworth (Warrington, South) (Lab): I congratulate my constituency neighbour and hon. Friend the Member for Weaver Vale (Mr. Hall). He will be familiar with the issues that I will raise because he used to represent the southern part of my constituency before boundary changes, so he realises the local impact as well as the strategic significance across the region.

I know that you are well aware of the area, Mr. Deputy Speaker, but I wish to draw attention to some of the relevant geography. The Mersey is a big and strategically important river. It is very important to the north-west, which, as we both know, is the most important region in the United Kingdom. The first fordable point of the River Mersey was at Latchford in Warrington. It was identified by the Romans, as my hon. Friend pointed out, and is the reason for the name Latchford. That is also why Warrington, like London, has developed on either side of the river, with the river passing through the centre of the town. As my hon. Friend pointed out, the next two bridges along the river to the east are in my constituency, and one of them is directly in the town centre. There has been a bridge at that point since medieval times and the medieval market went along the same street as it does today to supply the sub-region, as Warrington still provides services for the local area.

For 2,000 years, Warrington has been a centre of north-west communications because it has been the point at which one can cross the Mersey most effectively. That has given us tremendous benefits over the years. During the industrial revolution, we had the first navigable waterway, the Sankey canal, which was constructed in Warrington. The Manchester ship canal passes through my constituency, as does the Bridgewater canal, the west coast main line and the Liverpool-Manchester railway. We have developed the M6 and M56, which go through the constituency, and the M62, which borders the constituency. They have brought tremendous benefits to Warrington and the sub-region over the years, but there have also been challenges.

Those challenges, particularly those relating to river crossings, have serious and significant local consequences. Local residents and businesses must cross the Mersey over the small bridge in the centre of town to get from one side of the town to the other. That bridge is considerably and detrimentally affected if there is any problem on the Thelwall viaduct or the Silver Jubilee bridge. Sadly, because it lies between those two points, the town centre is affected by both. As we all know, and as I have said in the Chamber, the impact of the Thelwall viaduct repairs has been significant. The fact that it is advertised throughout the north-west and, unfortunately, on traffic programmes on national radio, demonstrates the significance of the river crossing and very adequately supports the consortium's claim that we need another strategic bridge across the river.

[Helen Southworth]

Significant numbers of local people and organisations in Warrington support my hon. Friend in the debate. The leader of Warrington borough council sends the support of the council, which has been a supportive and enthusiastic part of the consortium and recognises the urgent need for the new river crossing and its strategic impact on Warrington, the north-west and its economy. The northern growth corridor in the north-west between Liverpool and Manchester will bring substantial opportunities for economic growth and development for the constituents of my hon. Friend and his neighbours who are in the Chamber, as well as those of hon. Members who could not get here today. My borough council wishes to express its support for those opportunities.

Warrington chamber of commerce totally supports the proposal. It is very concerned that the current bridge is supposed to carry 60,000 cars a day, but in fact carries 90,000 cars a day between Runcorn and Widnes. We recognise the local impact on congestion in the town centre, as well as on business costs incurred by people experiencing delays on the three bridges. The chamber of commerce recognises that a new bridge is essential for the economic development of Warrington and its sub-region. It pointed out the need to support the Omega site, to which I shall refer in a moment.

The small business service in Warrington also supports my hon. Friend's efforts. It believes that investment in the second bridge will greatly improve the efficiency of the sub-region and asks that the request for another bridge is supported. The regional development agency, which is based in my constituency on the edge of the river, also recognises the strategic impact on the sub-region and the region as a whole as well as for people moving in and out of Warrington.

In short, my constituency is at the centre of a thriving and growing economic sub-region. We are a hotbed of enterprise, technology, science and competitiveness, and the only town north of Birmingham with a top 25 location rating. Our unemployment rate is impressively low and our forecasts predict that the Warrington economy will outstrip national growth by more than 300 per cent. by 2015. We are not, however, complacent about such economic strength. We recognise that the sub-region is a significant centre of employment for parts of Halton, St. Helens and Wigan.

Many thousands of people come to Warrington for employment and service support, but we also want the sub-region to thrive so that unemployment in colleagues' constituencies, which has plummeted as a result of the Government's support, will continue to decrease. We want to continue to have considerable extra employment in the area. The business and academic networks in Manchester, Liverpool, Warrington and the areas in between are very significant. There is a tremendous development of skills in the area, and we want the infrastructure to support it.

We still face the challenge of tackling remaining areas of deprivation in our borough and the surrounding sub-regions. According to the index of multiple deprivation, two wards in my borough are still among the most deprived 10 per cent. nationally, and other wards in Warrington are among the worst 20 per cent. The council and its partners are keen that support for continued economic development should focus on providing opportunities for people in the borough who are suffering deprivation and not getting the full benefit of the employment possibilities that are opening up. We would also like to see significant developments in that respect in neighbouring constituencies and boroughs.

A significant part of Warrington's importance to the sub-region lies in the opportunities for further development and growth. We already have development plans, which are incredibly important for the sub-region. However, they depend on an effective transport infrastructure, and one is not currently fully in place. We must see movement on the issue.

Warrington is already the site for the global headquarters of United Utilities and the regional headquarters of companies such as Hewlett-Packard, AirMiles and O_2. However, we want more companies to be based there for the benefit of not only my constituents but the whole region. I am sure that that you, Mr. Deputy Speaker, will support that concept, as you so often do.

I referred to the northern growth corridor, but I want specifically to mention the Omega site, which is very important for the strategic sub-region. It is located in the west of Warrington, towards the area that is being considered for the river crossing. It is adjacent to and bisected by the M62 motorway, to which it has direct access via the new junction 8. We are thankful to the Government for making the necessary investment, and we are looking forward to further investment to ensure that we get the new river crossing. The Omega site is widely recognised as one of the largest and most important strategic development projects in Europe. It gives us an opportunity to bring many more jobs and considerable investment into the area.

I want to raise what is perhaps a side issue, but it is important. We are all looking with considerable interest to the Lyons review, in which we see opportunities for our region. There is the Omega site in my constituency and my neighbour's constituency. There are also further proposals for high-quality business developments at Centre Park, where the Northwest Development Agency has its headquarters, at Lingley Mere, where United Utilities has its global headquarters, and at several other sites. The neighbouring constituencies are also identifying excellent opportunities for civil servants to move into our region and pursue effective career development.

For those reasons, we deserve a better river crossing. The partnership has been very effective, and we have worked together well to ensure that we get the opportunities that we need. We deserve them because our region is effective and has the resources, and because our constituents are working to ensure that there is thriving economic growth in our region.

In the recent past, we have not had the opportunities that we should have had, but we are now being given them under this Government. We want more such opportunities, and I support my hon. Friend in asking the Government to invest in our region so that we can grow, thrive and contribute to the economy as we have always done and as we have every intention of continuing to do.

Mr. Deputy Speaker (Sir Nicholas Winterton): I want to help hon. Members. It would be appropriate for the winding-up speeches to start at about 3 o'clock. I spot at least three hon. Members trying to catch my eye, and there may be more. Hon. Members should bear that in mind in respect of the length of their speeches.

2.29 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): I, too, congratulate my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing the debate and on giving us the opportunity to record our support for the project. That support is very widespread. I also congratulate my hon. Friend the Member for Halton (Derek Twigg), who has been an enthusiastic advocate of the project. In some quarters, he has earned the appellation Turnpike Twigg, because he is so keen to push forward the idea of a second crossing, which we need.

My hon. Friend the Member for Weaver Vale mentioned the bridges in London and the preferential treatment that they are afforded. We should bear it in mind that the Mersey is a mighty river from Halton to its mouth. It is not a piddling little stream like the river here in London. Its geography, submarine morphology and hydrology mean that the only practical place to build a crossing is from Halton, going upstream. The need for an extra crossing is without question.

I am probably one of the few people here who recalls travelling across what we called the old transporter bridge when I was a boy. It was a cable-drawn bridge. I watched with increasing awe and wonder as the new bridge was built, but it was not always heavily used. I recall reading an article, in the dark days after the 1981 riots, by a famous Liverpool journalist called Stanley Reynolds, in which he referred to the museum of the horrifying example. The article was so good that it ended up in international copies of *The Guardian*, so it was read all over the world. To give a sense of the downward spiral of Liverpool and Merseyside, Reynolds discussed the lack of a rush hour. He said that nobody rushes and that there was nothing that one would recognise, in metropolitan terms, as people going to and from work in rush hour, and he was right. The bridge was like that, but that is no longer the case. That is a sign of the changing times, which can be seen by anyone who uses the bridge, as I do, between what used to be the independent boroughs of Widnes and Runcorn, which have now combined to become the successful unitary authority of Halton. The bridge is now used quite frequently.

My hon. Friend gave the percentages of who goes where and who uses the bridge. The only issue that I take with those figures is that I would have used a starting point of 200 per cent. because I reckon that half the people who would use the bridge actually turn around and go back because they see the snarl-ups as they approach it. Such delays are a tremendous inconvenience to businesses and private traffic, such as commuters.

I must make a point, which I have made to my hon. Friend in fun, about the new phenomenon after the rush hour when the bridge is jam-packed and the milk floats come out. Someone might be trying to get to a station, or a business might be trying to get its products across the bridge, when the electric milk floats appear, as they do with regular and depressing monotony, and there is a second back-up because the traffic is all stuck behind them. There is no other option: people have to go across the bridge because there is no other viable way of going about their business.

You and I both know, Mr. Deputy Speaker, that on many occasions in the past, it has been extremely difficult to get Merseyside MPs to agree on anything—even the time of day.

Mr. Watts: To be fair to the milkmen driving those milk floats, does my hon. Friend agree that it is not just milk floats that cause delays on the Runcorn bridge? It can take up to 20 minutes to cross the bridge. Does he think that that would be an acceptable length of time to spend crossing a bridge in London?

Mr. Kilfoyle: No, it would not be acceptable.

Other problems are caused by the bridge being used to overcapacity and by the constant maintenance work. It is an incredibly difficult issue. It is important to recognise how important Runcorn railway station is, not just to right hon. and hon. Members who catch trains from there to London, but to the many business men who use it for the same purpose. It must be no fun for someone who has an important business meeting in London to be stuck in a traffic jam that they cannot avoid because there is no way around it.

The point that I was making about MPs not previously agreeing on things is that we certainly agree on the need for a second crossing. I notice that hon. Members representing Merseyside, Cheshire and Lancashire constituencies are in the Chamber. There is even one, my hon. Friend the Member for Eccles (Ian Stewart), who is trying, I think, to catch your eye, Mr. Deputy Speaker, who represents the far-flung reaches of Greater Manchester. That shows what a regional asset the new bridge would be and how important it is to us all, not just to Halton or Warrington. Even in your celebrated part of Cheshire, Mr. Deputy Speaker, I am sure that people would cry out with joy if the Minister were to confirm that the bridge is to get the go-ahead and the priority that it deserves.

2.35 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I add my congratulations to those that have been offered to my hon. Friend the Member for Weaver Vale (Mr. Hall) on securing the debate and on his thorough introduction of the topic.

Some context may help to explain why the bridge is important to me and my constituents. We need to recognise that although there are still some serious black spots on Merseyside, the economy is gaining strength. Many kinds of evidence for that can be found in all sorts of places. The Liverpool *Daily Post* pointed out that some major investment decisions could be contingent on the second crossing going ahead. I refer, of course, to Jaguar, which is considering what investments it will make in future and how those would fit into the regional transport system.

The decision is certainly important to the industrial centres of Kirby in my constituency, Huyton and parts of Sefton. As my hon. Friend the Member for St.

[Mr. George Howarth]

Helens, North (Mr. Watts) pointed out, it is also important to those in St. Helens who conduct business further afield.

My hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) was exactly right when he said that serious traffic problems did not arise in the 1980s but now happen during the day all over the region—I prefer to call it that rather than a sub-region, but we shall not pursue that argument today. In parts of my constituency and in Liverpool and elsewhere there are serious congestion problems. However, it is on the bridge that some of the biggest problems arise, several times a day. As my hon. Friend pointed out, the congestion sometimes has very unexpected sources.

Transport links are important and several new developments are taking place. We have a tram scheme that will link Kirby in my constituency with Liverpool city centre. There are still some arguments about that, which it would not be appropriate to go into today, but nevertheless the development is strategically important to my constituency and to north Liverpool, which is so often neglected, particularly by Liverpool city council. It is also hugely important to many people who want to find or keep employment and who move about the region.

After a long campaign, and a great deal of support from Ministers in the Department for Transport, we now have direct flights to and from London. That is important in two ways: first, it means that there is a cheap, quick and efficient link between London and Liverpool John Lennon airport, and, secondly, it provides some competition for the west coast main line and Virgin. Any regular traveller on the route will have felt the consequence of that.

Before I finish, I want to stress a point that my hon. Friends the Members for Liverpool, Walton and for Weaver Vale both made in a slightly different way. The local authorities on Merseyside, in which I include Halton, have strongly supported Halton in the work that has been done on the second crossing. They have done so because, as my hon. Friend the Member for Liverpool, Walton explained, some solidarity has emerged between the areas in recent years. I should want to encourage that to develop further.

A second reason for the local authorities' attitude is their recognition that, because of the development's strategic economic importance to the region, it is logical for them to support the important and excellent work that Halton has done with the other partners.

Ms Christine Russell (City of Chester) (Lab): I just want to put it on the record that Cheshire county council is a key supporter of a new Mersey crossing, as is the local authority of the city of Chester. I am sure that you, Mr. Deputy Speaker, are aware of that. The support for the crossing goes wider than simply Liverpool and Merseyside; it stretches throughout Cheshire.

Mr. Howarth: I am grateful for my hon. Friend's intervention, which is timely because my next point is that the crossing is strategically important to Cheshire. I know, Mr. Deputy Speaker, that everything that has to do with Cheshire is dear to your heart, too. If the development goes ahead, it will be a win-win situation and, as my hon. Friend said, there will be cries of joy in Cheshire. People will be dancing in the street in Knowsley if the scheme obtains approval. It will not be a pretty sight, but I shall be dancing alongside them.

Mr. Deputy Speaker: I am sure that the hon. Member for Ellesmere Port and Neston (Mr. Miller) will be dancing too.

2.41 pm

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): Not a pretty sight, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) and me dancing. I want to start with an apology to my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle). When he described watching the bridge being built, as a small boy, I had always assumed that it was the transporter bridge that he saw being built in 1905. That was an extraordinary piece of engineering, and a great credit to the engineers of the time, but it was built at a time when nobody envisaged the growth of personal transport. At its height, just before its closure, it was carrying a volume of only about 1,000 cars, which was an extraordinary feat for that technology. When the new bridge was opened in 1961, it carried about a quarter of its supposed total capacity—just over 11,500 vehicles. It was never assumed that it would carry the current volumes. By 1999, the figures had risen to in excess of 80,000 vehicles, which is way beyond the bridge's design capacity, and the volume is still growing. The report to which my hon. Friend the Member for Weaver Vale (Mr. Hall) referred—I know that he is an excellent MP because he is my MP—spells that out: the average number of vehicles is now more than 80,000. One day last year, it cracked 92,000, and by 2016, the predicted figure is somewhere between 115,000 and 150,000 vehicles. That is a crazy number of vehicles, which will bring the whole network to a halt.

One thing is certain. Despite the minor differences between Merseyside and Cheshire Members about tunnel fees, one thing on which we agree is the need to maintain the circular network around Greater Merseyside. If we do not keep traffic flowing in the area, business and commerce will grind to a halt. The current situation, as was described earlier, is that at certain key times of the day, the traffic backs up both ways. Not only does that cause disruption to business and commerce but it is starting to create a danger because traffic wanting to go on to the southern side of the dual carriageway and slip off to Runcorn station finds itself banking up with traffic queueing for the bridge. That is inherently a dangerous situation, which is likely to cause road traffic incidents. In turn, that disrupts passenger access to Runcorn station. When we consider the traffic heading south to London and the traffic trying to get across the bridge, it is becoming a serious crisis.

When I first moved into the area in 1977, one could cross the bridge without impediment at any time of the day or night. That is no longer the case and it is putting the long-term economic future of the area at risk.

Those of us living on the south side, such as you and me, Mr. Deputy Speaker, may want to use John Lennon airport from time to time. However, the route is not reliable simply because of the blockage that occurs when

crossing that bridge. Let us take as an example the superb new flight that goes from John Lennon to London City airport, which should be immensely convenient for businesses in and around my constituency. However, they cannot use that flight because of the uncertainties of crossing the bridge at key times of the day. Work needs to be done to maintain the strong circular infrastructure around Greater Merseyside's road network.

As my hon. Friend the Minister is aware from arguments that have come through his Department and the Strategic Rail Authority, we need to get the railway network around Halton curve resolved once and for all, so that we have a bi-modal arrangement that enables us to have a proper integrated transport structure serving Greater Merseyside, Cheshire and Lancashire. The whole of the sub-region will benefit if that investment takes place.

The Minister is faced with a dilemma. The projects are enormous and the cost will be in the multimillions. I think that the current projected figure is £300 million, a serious sum by any standard. An assessment needs to be made of the kind of payback that the region will receive. My hon. Friend the Member for Knowsley, North and Sefton, East has already referred to one of the key business decisions that may be in jeopardy if we do not take a positive view of that.

The opposite side of the issue is whether we can look at the cheap solution. As my hon. Friend the Member for Weaver Vale described, the cheap solution was dualling the existing arrangements. The problem with that is that, notwithstanding the huge disadvantage to the immediate residents of the area, it would be massively disruptive during the construction period. The kind of imminent decisions to which my hon. Friend referred would still be put in jeopardy if we had a protracted period of several years of construction during which the bridge was almost unusable.

On those grounds, I am delighted to give support to my hon. Friend the Member for Weaver Vale and his silent partner, the hon. Member for Halton (Derek Twigg). It is extremely pleasing to know that feeling in the area extends across all the political parties and that there is unity on the issue. There is also unity with the business community. The key environmental issues are solvable, and I urge the Minister to do all that he can in his office to ensure that the project goes ahead.

2.50 pm

Ian Stewart (Eccles) (Lab): Some people may be surprised by the hon. Member for Eccles, which is in the city of Salford in Greater Manchester, rising to pass comment on what is apparently a Merseyside concern. I would argue that although it is first and foremost an issue for the people of Halton and the wider Merseyside area, transport issues are inextricably linked across the breadth of the north-west. Whatever happens in Merseyside has an effect on Greater Manchester, Lancashire, Cumbria and Cheshire.

The Minister should be aware that taking part in this debate are my hon. Friends the Members for Preston (Mr. Hendrick) and for Workington (Tony Cunningham), who represent constituencies in Lancashire and Cumbria respectively, and myself, whose constituency is in Greater Manchester. That indicates the breadth of interest in what initially appears to be a local issue. Furthermore, my constituency mailbag tells me that transport, in particular public transport, and the highways are among the greatest interests of my constituents; they are up there with crime and health.

We must recognise the historical problems that we have created for ourselves. In the past 20 to 30 years, local authorities' budgets granted by the Government have reduced year on year. Understandably, many local authorities vired money from leisure and highways to protect education and social services. I would have supported that political decision in those years, but the consequence for our north-west region is that its roads, which are some of the most used and oldest industrial roads in the world, have been in great decline. My constituency includes the Worsley interchange. People speak about the spaghetti junction in Birmingham, but it is not the most congested interchange; indeed, the Worsley interchange is the most congested and used interchange in the whole of Europe.

Our road infrastructure and rail network are a wonderful facility and something that we should be proud of, but we should recognise that they are so well used and have been underfunded for so long that their problems need to be addressed strategically. The Chinese have the aphorism that says when a butterfly flaps its wings on this side of the world, a hurricane is created on the other. My view is that whatever happens in Halton is of interest to people in Eccles and Greater Manchester.

Mr. Mike Hall: I tried to make the point that the issue does not concern Halton or Merseyside exclusively, but is a regional issue for the north-west as a whole. The link between Manchester and Liverpool airports will be substantially enhanced by a new crossing of the River Mersey, as would the concept of the M62 corridor that the Deputy Prime Minister is keen to develop. I am sure that my hon. Friend, as an MP for a Greater Manchester constituency, would agree with that.

Ian Stewart: I do and I shall expand on that a little more. My hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) made the same point. Transport infrastructure has a knock-on effect for employment mobility. Indeed, if there were a better transport infrastructure in the Manchester-Liverpool ship canal corridor—I believe that a new bridge would create a better transport infrastructure—people from Greater Manchester would be attracted to travelling to work in the Merseyside area and vice versa.

Mr. Kilfoyle: I hope that my hon. Friend is not suggesting that our jobs be exported to Manchester. We need as many jobs as we can get on Merseyside for Merseyside's unemployed people.

Mr. Deputy Speaker: The hon. Gentleman should not be diverted by that provocative intervention.

Ian Stewart: My hon. Friend is, of course, baiting me. He will not be successful. However, the importance of what he said is that all of us in the region—whether in Manchester, Merseyside, Cheshire, Lancashire or

[Ian Stewart]

Cumbria—should be interested in how to generate more wealth and more jobs, and how to improve transport across the region. In that sense, I agree with him.

Important as employment is, the debate is also about leisure. The development of Liverpool John Lennon airport has been important for the region. It is the only airport that gives people from the east of the region access to low-cost airlines, which is a significant development. I hope that Manchester airport will offer that service at some point, but for now John Lennon airport is the only such facility. Although that might not be a permanent arrangement—it depends on the development of civil air transport—it is important to note that the initiative was taken on Merseyside, rightly attracting people from Greater Manchester to Merseyside to use the facility.

Mr. Kilfoyle: Does my hon. Friend see the good sense of the project in allowing for the potential for a light rail link that would, presumably, link the two airports so that they could act in concert?

Ian Stewart: My hon. Friend again anticipates comments that I want to make. I am well known at the Greater Manchester end of the region for my commitment to the development of transport. My constituency benefits from the excellent facility of the Metrolink in Greater Manchester. I have been in discussion with colleagues from Warrington and other areas in Greater Manchester and Cheshire about the potential for a Metrolink between Manchester and Liverpool. The Minister might say that that is not the most appropriate mode of transport. Fine; that might be the case. However, I hope that he will acknowledge that we should discuss what is, strategically, the most appropriate type of link to enhance transport in the region.

Going by what I currently know, I have a negative view about tolls. The tolling of such a bridge would decant the congestion problem elsewhere, so I remain to be convinced that tolling would be an appropriate method of funding the project. Although I am not a local MP directly involved with the matter, my impression of the debate is that it is an awareness-raising exercise. Colleagues are not expecting an answer from the Minister, but are raising the issue on the basis that an answer might come at an appropriate time, after consideration.

Finally, if we are to consider the interests of people in my constituency and the surrounding area of Salford and Greater Manchester, when such a significant development is proposed and we think that it is right, we should say so. I think that it is the right thing to do.

3 pm

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for Weaver Vale (Mr. Hall) on raising this important issue and other Members on speaking with such eloquence and passion. This is an important cause for the whole of the north-west. I preface my remarks by saying that although I am not a Liberal Democrat transport spokesman on a normal day, I seem, after my Mersey tunnel experience, to have become the unofficial spokesman on Mersey crossings.

I live in the north-west, which adds to my credentials. My son goes to Runcorn every day across the bridge. Like the hon. Member for Liverpool, Walton (Mr. Kilfoyle), I am old enough to recall the transporter bridge. I found it a rather scary experience, as I was always afraid that it would drop me in the middle of the sea.

Mr. Howarth: Particularly if my hon. Friend the Member for Liverpool, Walton was on it.

Dr. Pugh: Yes. The north-west is booming, as a consequence of two things. First, we have pulled ourselves up by our own bootstraps. Secondly, we have made effective use of regeneration funds. Surely, we can all agree that the biggest brake on further development in the north-west is transport links. The two biggest bottlenecks for most people travelling in and out of the north-west is the route around Birmingham and the crossing over the Mersey. The route around Birmingham has been enormously improved by the new toll road. It has certainly been the best £2 that I have spent recently.

The crossing over the Mersey is still an outstanding issue. Every time one approaches the Thelwall viaduct one hopes that it will get better. It never does. The M6 remains one of the worst motorways in Europe as both a driving experience and a transport route. Increasingly, to avoid that route and hold-ups through Liverpool and across the Thelwall viaduct itself, people use the Runcorn bridge. Inevitably, there is a problem, as has been well identified and outlined. The present bridge was built to take 42,000, but takes more than 80,000. It is a scandal. As a number of hon. Members have highlighted, London has so many bridges and the Lancashire-Cheshire area has so very few. I shudder to think what would happen if London were treated as badly as we have been.

The proposal is a good one and I endorse it. There are still some uncertainties. Perhaps the Minister can assist me and perhaps other hon. Members can intervene and help me, too. On two different websites from two different engineers, I came across two different prices: £300 million on the Gifford website and £200 million on the Herbert Smith website. There is an uncertainty about costings and about the mechanics of the finance. Will it be publicly financed? Will it be PFI? Will there be tolls? There is a further uncertainty with regard to time. Will it all be agreed in 2004, or turned down in 2004? Will it be ready in time for the capital of culture?

The fundamental uncertainty that I guess we are all here to resolve is the extent of Government support. The debate endeavours to test that. The Government, unlike hon. Members present, have to choose priorities. Funds are not unlimited. As the Minister would recognise, huge amounts are needed for the north-west. I am sure that you, Mr. Deputy Speaker, agree that huge amounts are needed for the north-west. We could talk about the west coast main line, but we must not. We could talk about Liverpool trams. We could talk about a host of less glamorous schemes. I was hoping that the hon. Member for West Lancashire (Mr. Pickthall) would remain long enough for me to put in a plug for the A570 improvements between Southport and Ormskirk. So be

it. The Heysham bypass, the Piccadilly intersections; there are so many examples that I could give.

In the north-west, by and large, we adopt a supportive attitude to one another's schemes. It is not a question of "either or"; inevitably it is a question of "both and". However, the reality that we all know as experienced politicians is that Governments have to choose because resources are finite. Hopefully when they choose, they choose in terms of long-term, non-partisan public interest, rather than party preferences and so on. On that basis, the bridge would meet most criteria that one wants to set. It would score highly.

I conclude on a personal note by giving a word of advice. It so happens that a bridge is being opened this week in my constituency by Her Royal Highness the Countess of Wessex. It is a much smaller but attractive, modern bridge, linking the Southport seafront to the retail shopping area. It replaces a wrought iron bridge, of which people were very fond, but which corroded over the years and became unusable. The new bridge is now massively popular. I campaigned for it, with the help of the Merseyside passenger transport association, and we succeeded in getting funding. From the experience of making a bridge happen, I learned two things.

First, I learned of the poetry and excitement of bridges; there is a kind of symbolism about it. I believe that design matters for bridges. We have probably not said enough about design, because bridges have also an economic dimension, but for those driving across them, they have an aesthetic character. I should have liked to hear more, not about what the bridge will do in economic terms but how it will look and how it will affect the Mersey landscape, which is more important.

Secondly—this may have more relevance to our debate—I learned that the best is often the enemy of the good. Some people in Southport, including myself, would have preferred not to have a modern bridge but a wrought iron replica. Equally, most wanted the new bridge to be all that was specified and to be toll-free. It certainly should be and I hope that it can be.

Mr. Christopher Chope (Christchurch) (Con): The hon. Gentleman thinks that the bridge should be toll-free. Why, then, was he in favour of extra tolls on the Mersey tunnels?

Dr. Pugh: I was not in favour of that. If the hon. Gentleman had followed the debate more closely, he would know that we were working out a new mechanism for tolls. For as long as I have lived in Merseyside—I have the advantage in that respect—there have always been tolls on the tunnels.

I shall press on. If resources do not match ambition, I accept that there may a need to review the design potential of the bridge. One can wait for perfection, but at the end of the day, Halton, Runcorn and everyone wants results; politics is the art of the possible. I hope that we can get everything. I hope that we can get the bridge as designed; toll-free and attractive, a real visual amenity and an economic benefit to Merseyside. We shall hear from the Minister how near we might get to that.

3.7 pm

Mr. Christopher Chope (Christchurch) (Con): I, too, congratulate the hon. Member for Weaver Vale (Mr. Hall) on introducing the debate so eloquently. I congratulate Halton borough council and the other local authorities on pursuing the suggestion, first made by a Conservative Secretary of State, that they should find a local solution. They have made an enormous amount of progress towards that end. The Government have helped by giving £600,000 for a feasibility study. However, I am still concerned about the delays that seem to be built into the Government's consideration of this and other projects, because it took five months before they made their response to the study. As so often in the past, that response was a whole lot more questions and the need for yet more work to be done, a pattern of procrastination that is associated with the Government's attitude to the transport infrastructure.

Mr. Mike Hall: Will the hon. Gentleman put the record straight and say that the then Conservative Secretary of State for Transport turned down the original request for a strategic crossing over the Mersey?

Mr. Chope: That is right; but as we heard this afternoon, the traffic in those days—was it 12 years ago or even longer?—is very different from what it is now. The Secretary of State turned it down; he said that there was a need but that, as a local need, it should be satisfied by local people getting together. That is what the local authority has done.

Mr. Hall: The then Secretary of State for Transport turned it down in 1995, when the traffic flow on the bridge was 75,000 plus vehicles. That was already 10,000 above the capacity figures. The bridge was clearly congested, which was recognised by the Secretary of State. However, he said that he saw no regional significance in the fact.

Mr. Chope: In that case, I stand corrected by the hon. Gentleman. I thought that it was 1991, but if the figures show that it was 1995, it probably explains why he said there was a need but that it should be satisfied locally because it was not of national strategic importance.

Let us try and be more positive, because it has been a joy to behold today the spectacle of seven Labour Members and two Liberal Democrats arguing eloquently and persuasively in favour of substantial additional spending on roads. Whatever happened to the Deputy Prime Minister's pledge to reduce road traffic in absolute terms, which was the Government's transport policy for years? At last, they recognise that an inherent part of economic prosperity is having a transport and road infrastructure to support it. The debate is part of the wider debate, which has been won by those who argue consistently for further investment in transport infrastructure; they are well represented on the Conservative Benches.

The issue of tolls has been mentioned in the debate. I hope that the Minister will say exactly where the Government stand on support for the project. Only when they declare openly how much they are prepared to invest in the project will local people be able to decide whether they wish to proceed with it and raise extra

[Mr. Chope]

funds through private finance and toll income, or whether it should be funded wholly out of taxpayers' money. Who would be surprised if local people and their representatives said that they would prefer the whole thing to be funded out of money from national taxpayers?

I hope the Minister will say how much money the Government will put in and then the local people can decide.

Mr. George Howarth: Can the hon. Gentleman tell us the official Opposition's view? Does he believe it should be a toll-free crossing?

Mr. Chope: That is an interesting question. We believe that if infrastructure has to be developed and the only way to afford it is through tolls, better to have a toll crossing than no crossing at all. Unfortunately—I regret it every day of the week—we are not in government and we do not have the Minister's great challenge: and to consider all the competing road projects up and down the country, and decide what priority to give them and how to spend the resources. However, when the time comes and we are in government, I shall be happy to give the hon. Gentleman a clear and unequivocal response to his question. I hope he will not have to wait very long for that response from a Conservative Minister.

It is important to give the Minister the maximum time to respond on the issue, which many hon. Members from a particular part of the country have supported in the debate. Part of the Government's agenda is to try and divert responsibility for this type of debate away from Parliament, the centre of our democracy, to regional assemblies. Many who are in this Chamber today are against the idea of an elected regional assembly in the north-west and they are right to hold that view, because it would devalue the importance of debates such as this, in which we can hold the Minister to account instead of being told that we must sort these matters out with the assembly.

The House remains the place where the decisions have to be taken and where the Government are held to account by representatives of the people, elected under a one-person, one-vote system of individual constituencies. I hope the Minister will take the points made to heart, and in that spirit, and come up with the answers that local people want.

3.14 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I start by telling the hon. Member for Christchurch (Mr. Chope) that if he is so enamoured of parliamentary and governmental decisions taken in Whitehall, he might remember the 1995 position when the Tories turned down the scheme in the first place, and not try to elide that basic fact of history. I shall return to that point later.

This has been a useful and interesting debate, apart from, as ever, the contribution by the hon. Member for Christchurch. Every Back Bencher who opened his mouth revealed a good knowledge of the history of the north-west and of governmental processes and decision making, but there was precious little on the Opposition Front Bench. That is a matter for regret, because—save for the last, rather poisonous contribution—my right hon. and hon. Friends are right that there is cross-party support for the project. That is certainly true in the north-west. I do not think that any Conservatives in the region have raised their voice against it, although it would have been nice if any opponents of the project had turned up to the debate.

I listened carefully to the hon. Member for Christchurch but I do not think that he said whether he supported the project as it had developed thus far. We are therefore none the wiser—or otherwise—about his position; it was just the usual hysteria.

Mr. Chope: I must say unequivocally that we support the project. I thought that that was quite clear from my remarks.

Mr. McNulty: It was not clear at all. I am sure that my hon. Friends will be grateful for the hon. Gentleman's clarity now, after the hysteria.

Before I move on, I want to make one more partisan point, because I must. Indeed, it is terribly important. The cross-party support for the scheme—I shall come in a moment to the details and to where we are as regards a decision—extends to the Liberal Democrats, and I am grateful for that. The hon. Member for Southport (Dr. Pugh) started by saying that "the north-west is booming," and I exhort all my hon. Friends, who have elections coming up in their areas in the next four or five weeks, to hold him to that. They should see whether Liberal Democrat leaflets seek, as ever, to talk down the area and to traduce the Government's economic record.

I am not, by any token, a son of the north-west, although I was at Liverpool university from 1979 to 1981. However, I saw the devastation caused by the empty vessel that is the Conservative party, as the life-blood was drained out of an area that I have since grown to like and which I have enjoyed on numerous occasions.

As many hon. Members have said, the great joy of this debate lies in the fact that we have congestion and extra economic activity only because affluence, economic development and prosperity have increased, although I am the first to say that they do not cover every part of the region. It is important to make that clear.

In passing, it is worth dwelling on the fact that 15 MPs from the area have been in full agreement today, and that is a real testament to them. As my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) said, the region stretches from Merseyside to Cheshire, Lancashire and Cumbria. As ever, Mr. Deputy Speaker, you have been dispassionate and objective, although you have harrumphed at the right points to move things forward. That is very important.

As my hon. Friends the Members for Eccles (Ian Stewart) and for Ellesmere Port and Neston (Mr. Miller) suggested, I will not give a definitive decision either way at this stage because we are only some way through the process. However, everyone involved should be congratulated on that process, which has been open and transparent, and my hon. Friend the Member for Weaver Vale (Mr. Hall) alluded to some of the details. Incidentally, I am sorry that I did not

congratulate him when I started, but I was attacking the hon. Member for Christchurch. That aside, the process has been carried out in a mature and sophisticated way.

If the hon. Member for Southport knew anything about such processes, and if he had listened carefully to my hon. Friend the Member for Weaver Vale, he would know that certain outstanding issues need exploring before we can move on. However, I forgive him. The answer to his immediate question is roughly £335 million. I would love to know where he saw the figure of £200 million, because if the costings stood up, they would make the case all the better. However, the figure is £335 million.

Thus far, the Mersey Crossing Group has done important work in garnering support and forming an alliance across the region.

I shall not make any jokes about the unity of the north-west Labour group. Its members are here, and that unity is palpable today. I welcome the group, and long may it continue.

As the Department has said, we recognise that the crossing is a significant issue for the region. We accept that there are significant congestion problems on the Silver Jubilee bridge. I shall not make a joke about the fact that, on the three or four times that I have been up there recently, the bridge was empty. It was halfway through the day, but I take the point that there are real problems at peak hours. Coupled with that, as hon. Members have said, is the fact that any incident that causes it to be closed can cause massive traffic chaos in the entire area. Because of over-use, maintenance is a significant factor; doing it on an ongoing route is clearly problematic.

Mr. Kilfoyle: I beg the Minister's indulgence, but I have nothing against milk floats, or milkmen, but they have no way of going about their legitimate business other than by crossing the bridge. It may seem odd to be obsessed about that, but it is no joke when there are huge queues behind the milk floats on the bridge.

Mr. McNulty: I heard that point, but I shall move on. I have never seen a milk float jam when I have been in the region, but I bow to my hon. Friend's greater experience. Major disruption cannot be avoided when maintenance is required or there has been some incident. I understand that this June, a 14-week programme will begin to renew the 40-year-old expansion joints. I do not need to repeat or rehearse what my hon. Friends have said about having tunnels in one direction and the Thelwall viaduct in the other, or about the crossing in Warrington.

I understand what the Mersey crossing group and Halton have said about the bridge being strategic, with the Silver Jubilee bridge being the local bridge, and that approach is appropriate. If, as the group is planning, the new crossing were to prevail, the carriageway of the Silver Jubilee bridge could be reduced to two lanes, and all the difficulties caused by maintenance would be markedly reduced. There would be sufficient space on the deck for good cycling or pedestrian benefits.

I do not need to repeat the key benefits that Halton claims for the project: better public transport, help for business, better links between Manchester and Merseyside, more than 3,000 new permanent jobs, £15 million of development value and a scheme that has a return in excess of £600 million. Those points have been well made by my hon. Friend the Member for Weaver Vale. They will also know that just before Christmas, we announced, in response to Halton borough council on the 2002–03 local transport settlement—

3.23 pm

Sitting suspended for a Division in the House.

3.38 pm

On resuming—

Mr. McNulty: As I was saying before I was so rudely interrupted by the Division, just before Christmas, we announced—in our response to Halton borough council on the 2003 local transport settlement—that we recognised the scheme's importance and high profile, but considered that further appraisal work was needed.

The Secretary of State will make a decision once Halton borough council has completed the additional work that has been requested. That will, of course, be subject to funding availability. We also stressed to Halton the importance of getting the further appraisal work right and explained that we could if necessary be flexible in considering the scheme outside the normal local transport plan timetable. None of that is about procrastination on an important decision. It is a matter of getting the decision right, not just for Halton borough but for the entire region, as my hon. Friends have all suggested.

I congratulate Halton on the way it has taken to the task and brought matters to this point. As my hon. Friend the Member for Weaver Vale said, the Department has been very supportive of Halton in its efforts to assess the feasibility of the new crossing. We have already provided £600,000 to fund preparatory studies and are liaising closely with Halton on a range of issues further to the initial submission to the Department, which we have asked it to follow up.

My hon. Friend alluded to those issues and our requests are not a way of kicking the matter into the long grass. They are intended to enable a serious decision to be taken on a serious proposal that merits serious assessment, something that it did not receive in 1995 when the Government of the day dispatched it rudely without fear of the consequences for Merseyside. As my hon. Friend said, we do need to consider the matter further and assess the impact of the bridge on the strategic highway network.

My hon. Friends have talked at length about how the project plugs into, and interacts with, the surrounding transport infrastructure and network. We do have to examine in more detail the hydrodynamic impact of the bridge on the River Mersey, a major waterway and river of some significance. There are also serious environmental as well as engineering construction dimensions that need to be considered in some detail. Equally, we must decide on the most effective procurement of procedural routes, and consider whether tolling could help to fund the project. I shall return to that issue shortly.

Government officials have already met officials from Halton, the Government office for the north-west and the Highways Agency to discuss these matters, and we

[Mr. McNulty]

will meet them subsequently to give them all the help that we can to complete the assessment. The new bridge will have a widespread impact on travel patterns, so we need to understand any knock-on effects such as additional traffic on other roads, including the trunk road network, if I may be the butterfly in the Chinese aphorism cited by my hon. Friend the Member for Eccles.

The Mersey estuary is environmentally sensitive and we need to ensure that the impact on the river and wildlife are fully understood and can be properly mitigated where necessary. Equally, the proposals are expensive, and Halton will want an investment of some £350 million in the new crossing, although the figure could well turn out to be at the upper end of the scale. The budget is limited, and there are competing priorities. As my hon. Friend the Member for Weaver Vale kindly said, I have visited Merseyside a couple of times and have seen from the top of the chemical museum the glory of where the bridge may go. I have seen the much loved car breakers yard that, sadly, will have to go to facilitate the road network around the bridge. I am also all over the *Widnes Weekly News* this week in an article about guide dogs and free private hire passage—an equally important project introduced by this Government—but that is entirely incidental and has nothing to do with this debate.

It is important to dwell on funding, although Opposition Members have raised the issue spuriously and speciously in this debate. In the end, the funding may be a mixture of PFI and tolling, or it may be delivered entirely through public procurement. I simply do not know until we explore the matter fully.

In passing, I should say that a mixture of PFI and tolling is exactly the way forward for the Thames gateway bridge. The suggestion that the bridge would be funded entirely through public procurement is wrong. I should also say that a tiny, tiny weakness in the case put so eloquently by my hon. Friends was the beggar my neighbour approach taken by competing deprived areas. Halton may well be fourteenth on the list, but Newham, which is eleventh on the list, will gain much from the gateway bridge. That is minor point, but the argument that the nation gave cosseted, fat and bloated Londoners another bridge, so Merseyside should have one, is not the best way to make progress in the debate.

A good deal of real work needs to be done. We should not procrastinate.

Mr. Hall: The Thames gateway is part-funded by taxpayers' money. If part-funding is good enough for Newham, part-funding for the new Mersey crossing would be good enough for Halton.

Mr. McNulty: We will leave the circularity there and move on, although we may return to the subject later.

Halton is cheerfully carrying on with the task. The council leader, my hon. Friend the Member for Halton (Derek Twigg) and others in Halton and beyond will have their own views on what the mix of procurement should be and will make those views well known, but it is important to discuss the matter. Halton must assess the cost, time scale and impact of this major project and the appropriate procurement route, and I know that it is up to the task. It is pushing ahead with the work with a view to returning to the Department for Transport in the autumn, which it may well do. We will consider the scheme carefully once we have received that extra material. In the meantime, my Department will continue to liaise closely with Halton as it prepares its case, and we hope to help it to take the right decision on an issue that is significant not only for Halton and Merseyside, but for the whole area.

In the remaining 30 seconds, I apologise for taking no interventions and again congratulate all Back Benchers who have contributed to the debate. In terms of parliamentary procedure, these one and a half hour debates in Westminster Hall are ill-served by fatuous shadow Front-Bench contributions.

Maternity Services

3.45 pm

Mr. Mohammad Sarwar (Glasgow, Govan) (Lab): I am grateful for this opportunity to debate maternity provision. The Government have made a firm commitment to improve quality and safety in maternity care. That is at the heart of the reform agenda in our health service. Every year, the NHS spends £1 billion on maternity services, which affect all our lives, accounting for one in seven hospital admissions and 600,000 births across the country. The subject provokes emotive debate in our communities as we face major changes.

Last summer, the Health Committee raised concerns about women receiving variable care in different areas. That is unacceptable and I welcome the Minister's work to tackle inequalities in service access and health outcomes for mothers and babies. More women are now encouraged to have the birth that they want but the main barrier to equality and choice has been the shortage of midwives and obstetricians.

There have been different responses to the problem across the country. In Scotland, Ministers promised to train 375 more junior doctors. South Tees Hospitals NHS trust closed a unit due to a shortfall of 14 full-time midwives. Neath Port Talbot had to close several times due to a consultant shortage and is now developing a midwife-led centre. The Oswestry unit had to close for six months when 22 midwives became pregnant. A lack of Leicester midwives resulted in a drive to attract new recruits and entice former midwives back. Flexible working was seen as the key. Will the Minister assure me that extra resources will continue to be prioritised for recruitment?

Investment in NHS maternity services has increased. The £100 million upgrade of 200 units in England has made a real difference. Last year, the Commission for Health Improvement found that maternity units were often the best run in NHS hospitals. Many showed best practice in patient involvement and risk management. It is important that units share ideas to deliver improved services and tackle inequality.

We clearly saw the disparity between hospitals in different regions two years ago. A Dr. Foster survey identified the busiest units and also found low staff levels, often in the south-east, an area of special interest to the Minister. Twenty-one hospitals had more than one baby born for each delivery bed per day. The national average was 0.76. Large hospitals in our cities faced the greatest pressure. Smaller units and community hospitals with a midwife-led service tended to have fewer births. Since the survey, Ministers have reaffirmed their commitment to consistent standards for all mothers.

We are now seeing more involvement for mothers, and midwives, doctors and hospital managers listening more to mothers' views. It is vital that women feel that they can make an informed decision about their care. As Professor Hewison concluded in her August report, antenatal care is strongly influenced by the type of care that each GP wishes to provide. We need women to be better informed at all stages of pregnancy. To that end, I welcome the "You're Pregnant" magazine launched by the Minister in December. It provides free local information about maternity services to women in a clear and presentable format. It is important to have choice in planning individual care and involvement in planning local services. That is vital with regard to formal consultation and can address inequality effectively.

The Select Committee identified problems with access to interpreting services for women who do not speak English as a first language. That may contribute to the high perinatal mortality among Pakistani-born mothers; it is nearly double the UK average. We see good practice to rectify that in Leeds. Local women work with midwives to translate antenatal classes into three common languages and to base them in community centres, reaching out to diverse groups and reducing inequality in the service. In areas with the highest numbers of asylum seekers—not only London and the south-east, but places such as Glasgow—more women are being offered appropriate care through awareness of the wide range of languages spoken, which can change each month.

I recognise the importance of maternity services being covered by the children's national service framework. I am sure that the Minister can assure me of further progress in that area of modernisation. The role of midwives is crucial, as they often lead reform. In Manchester, they improved the service for drug-dependent mothers, while Derbyshire midwives increased breastfeeding by using mothers who had breastfed to encourage others.

In breastfeeding awareness week, I must congratulate the national health service and the breastfeeding initiative in my home city. Glasgow's rates are increasing faster than those of anywhere else in the UK; 36 per cent. of women are breastfeeding at six weeks compared with 25 per cent. seven years ago. New mums appreciate backing from other mums who have breastfed successfully.

We have significantly more midwives and midwifery students than we did in 1997. The "Celebrating Midwifery Leadership" event and the Royal College of Nursing conference have taken place this past week. I hope that the Minister shares my optimism about the future of those important professions and support for their enhanced role.

The biggest area of contention in maternity services is the balance between consultant-led services and midwife-led units. There have been different responses throughout the UK. Merging North and South Durham NHS trusts meant that Bishop Auckland maternity unit was run by midwives, with mothers transferred to Darlington if a doctor was needed. The new board felt that the link between them would mean shared skills and ensure greater choice for mothers, with faster access and better clinical care. In Liverpool, plans were made to transfer neonatal and obstetric services from Aintree to Toxteth. The falling birth rate could no longer justify the provision of specially trained staff on each site, but antenatal services were kept at both and jobs were not adversely affected.

More recently, the transfer of the Mary Rose unit in Portsmouth was announced. The local branch of the National Childbirth Trust criticised the lack of consultation, as managers were not quick to consider midwives' and patients' views. It called for a midwife-led

[Mr. Mohammad Sarwar]

unit on Portsea island, as losing the Mary Rose unit would mean

"no local option other than a home birth".

Consultation on such changes remains the most important arena for genuine patient involvement, as communities must have confidence in major decisions made locally by the NHS. That affects both rural and urban communities.

The low number of births at Caithness made it difficult to retain consultants, and a report stated that the service was unsustainable. Last month, the need for change was compounded when the remaining consultant went on sick leave. NHS Highland is consulting on a new midwife-led unit, but critics say that there is no understanding of rural geography, arguing that Norway and Canada design their services around the patients in remote communities.

There is also concern at the impact on other local services. There are good examples of patient involvement in Wiltshire. In July, West Wiltshire trust asked mothers, staff, unions and key groups to take part in a wide-ranging assessment of its services. Gloucester and Somerset mothers accessing care in Wiltshire were included in the consultation. Neighbouring Kennet and North Wiltshire trust asked all women who gave birth in 2002 and 2003 what they thought of local services and where they would prefer to deliver. It also reviewed two units where only one bed in three is used and the birth rate is dropping. Locally, the hospitals are considered to be vital community resources. Last month, the board gave the consultation a welcome extension.

Last year, Scarborough and North East Yorkshire trust proposed ending maternity services at three sites. The board appointed a non-executive director to measure public opinion and gave an assurance that any change would not place lives at risk. In Northern Ireland, every woman will live within an hour of a consultant-led unit but there is more choice through new midwife-led units and other approaches. In Downpatrick, for example, a new hospital offers antenatal and post-natal care but the falling birth rate does not justify a maternity suite.

After nine years of vigorous debate over potential sites, a decision has been made on Belfast's new maternity unit, which will also act as a regional speciality centre. The Royal was finally selected after detailed consultation by the Under-Secretary of State for Northern Ireland, my hon. Friend the Member for Basildon (Angela Smith). Every neonatologist and paediatrician taking part said that it would provide the best possible service. Millions of pounds have been spent on the new children's hospital, offering strong links to full neonatal services for premature and sick babies.

In Scotland, the report by the expert group on acute maternity services said that our current set-up was "no longer sustainable". The birth rate is the lowest since records began; women are having fewer children, later in life. The working time directive is another major factor. There are also pressures on training and a need to ensure clinically safe, cost-effective practice. The group said that care should be provided as close to women's homes as possible. Those with low-risk pregnancies should be able to give birth in midwife-led maternity units that are supported by specialist care for those at risk of complications. Scottish midwives accepted that such changes would not be easy but the response to similar moves in England had been positive; women enjoyed having the choice, backed up by specialist care if needed.

In the west of Scotland, consultant-led care is centred on Paisley's Royal Alexandra hospital. Mothers still have a choice of care, but Inverclyde and Vale of Leven are becoming midwife-led. NHS Argyll and Clyde considered its consultation to be "transparent and robust", using market research and discussing the plans with professionals, voluntary groups and the public in open forum. Although most mothers should be able to give birth in community units, low-risk births can quickly become high risk, and 10 to 20 per cent. of women will be transferred to consultant-led care during labour, mostly for epidurals.

Scotland's Health Minister approved the plans but was unconvinced by the numbers assumed to opt for Paisley rather than Glasgow. It is important to look at patient choice between the two. Taken alongside plans for Glasgow, this concentrates consultant services for one in four Scottish women at two hospitals only seven miles apart. In 1999, the Greater Glasgow board decided that it had one hospital too many, due to falling birth rates. A pre-consultation proposed the closure of the Queen Mother's hospital, concentrating maternity care at the excellent Southern General hospital, and the new Princess Royal hospital in the east end. There followed a three-month consultation period, during which a strong campaign was mounted by the *Evening Times*, which amassed 156,000 signatures in support of the Queen Mother's hospital.

The biggest fear was a reduced standard of care. Glasgow would no longer have a leading position in the UK, with an integrated service; the Queen Mother shares its Yorkhill base with the Royal Hospital for Sick Children. The hospital is seen as a national centre of excellence, with eight national services for women and children, including the specialised ECMO life-support system, one of only four in the United Kingdom. The hospital treats babies from every health board in Scotland and from further afield.

However, almost all city clinicians accepted the reduction to two hospitals, and NHS Greater Glasgow felt that the decision could not be delayed. The board said that its plan involved the least risk to mothers and babies, as the Queen Mother's hospital offered intensive care only for children whereas the Southern General could provide intensive care for both. The Scottish Parliament Public Petition Committee was not impressed by the consultation; nor were a number of experts in the field. None the less, Greater Glasgow insisted that its pre-consultation and consultation process exceeded current guidelines. Last month, the closure was endorsed, but on the basis that Scottish Ministers must be satisfied with the substance of the proposals and the adequacy of the public consultation.

In responding to the need for change, NHS Greater Glasgow recommended measures to provide sustainable and safe services for mothers and babies, including a new public health midwife service and midwife delivery beds in the hospitals. That is commendable, but it also seems right to have a real centre of excellence that is integrated and co-located. However, the actual site is

less important than delivery of integrated care. The board will now consult on whether the Royal Hospital for Sick Children should be moved to a site alongside adult and maternity hospitals.

It is crucial that there is more patient involvement in planning maternity services throughout the UK. It is also vital to maintain a high level of reform and investment in the NHS. If those are coupled with the Government's commitment to increasing the number of midwives and consultants, we will see lasting improvements to an excellent service.

Mr. Deputy Speaker: I call the Minister for his first stint in Westminster Hall this afternoon.

4.3 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I am grateful to my hon. Friend the Member for Glasgow, Govan (Mr. Sarwar) for introducing the debate. I am tempted not to reply to it, since he has done such a thorough job of setting out the issues that affect maternity services in the UK and of explaining both the strides forward that the Government have taken and the challenges that face us in the future. However, I am pleased to have the opportunity to add a few comments.

My hon. Friend will appreciate, however, that I cannot comment on some of the local issues that he raised in respect of Scotland, since those are matters for the devolved Administration, and my brief is for England. I hope, however, that my response will be of general interest to him and his constituents, and I am sure that he can arrange for his comments in the *Official Report* to be made available to Members of the Scottish Parliament and to Scottish Ministers.

The Government recognise that women and their families throughout the UK currently benefit from a high standard of maternity services provided by dedicated and hard-working NHS staff. I would say that those services are possibly the most successful of the NHS services. Huge advances have been made in the last few years in changing the experience of women during pregnancy and childbirth. Over the past 50 years, the NHS has made childbirth a much safer process for both mothers and babies, and women are now more actively involved in making decisions about the maternity care that they receive.

The NHS, throughout the UK, offers birth facilities of various types and sizes in maternity units in different locations, as well as at home. We do not support one model over others, but want diversity of provision, so that each woman can choose what best suits her needs and wishes. Real progress has been made in recent years towards providing a more personal, woman-centred service, tailored to meet the health needs of the local population. Maternity services have led the way in partnership working and midwives have played a key role, working with women and with other health professionals to ensure that NHS maternity services are safe and comfortable.

Of course, the rate of improvement and availability of choice may be governed by the recruitment of midwives. My hon. Friend highlighted that issue. The number of midwives working in the NHS is increasing, I am glad to say. There are now 1,560 more midwives working in the NHS in England than there were in 1997. Also, since 1999 more than 1,200 midwives have returned to the NHS, and another 270 are in the process of returning.

Despite what I have outlined, we need to do more and we want to build on those successes and boost the rate of growth. That is the reason for the midwifery recruitment and retention six-point action plan in England. It incorporates actions to help midwives return to practice, giving them better working terms and conditions, raising the profile of midwifery and improving training and leadership. It also involves our studying the geographical variations in vacancy levels. Thus I can give my hon. Friend the assurance that he wanted that we shall continue to put resources into the recruitment of midwives. For the record, I take no responsibility for the 22 midwives in Oswestry who all became pregnant. It was none of my doing.

My hon. Friend is aware that we are also developing a national service framework for children, which will cover maternity services. The aim of the maternity module of the national service framework is to ensure that modern maternity services place all women and their babies at the heart of acceptable services designed around their needs. Those services must also provide flexible and equal access to high quality clinical care and support for all women.

The two key issues to be dealt with in the NSF will be the reduction of inequalities and the increase of choice. I make no apologies for placing the issue of inequalities first. My hon. Friend referred to many of them. Fifty years ago, the Department of Health took the unprecedented step of setting up a confidential inquiry into all maternal deaths, a system that is still in place today. The results have led to many important changes in obstetric and midwifery practice, and it is a source of pride to me and my colleagues that that methodology is now being implemented in many other developed and developing countries to help to improve clinical maternal care.

It is also a source of pride that our NHS has helped us to achieve one of the lowest overall maternal mortality rates in the world. However, our confidential inquiry still has important work to do, and has recently been examining the wider determinants of maternal health. The findings of the last report show that women from the most disadvantaged groups in society are about 20 times more likely to die from factors related to childbirth than women in the highest two social classes. Their babies are more than twice as likely to die before their first birthday.

The infants of women born in Pakistan have particularly high rates of stillbirth and infant mortality. They are nearly twice as likely to be stillborn and more than twice as likely to die in infancy, compared with the average. Those are horrifying figures and we must get to grips with them.

Overcoming those inequalities in outcome, some of which can be helped by improving access to antenatal care services, is perhaps the biggest and most important challenge for us. We know that women from the most vulnerable groups in society often find it difficult to gain or maintain access to maternity services and have poorer maternal and neonatal outcomes.

Although we may not be alone in facing such problems, as surveys in other developed countries have shown, what makes us unique is the opportunity that we

[Dr. Stephen Ladyman]

now have to tackle them through the forthcoming national service framework. We will grasp the opportunity with both hands. It is vital that a modern maternity service should ensure that women from all groups of society have easy and equal access to the full range of high quality services to ensure that the needs of the most vulnerable are given equal importance.

That means enabling every woman to seek early in pregnancy care that she feels happy with and to continue to maintain regular contact throughout her pregnancy and in the post-birth period. That is what we intend to achieve through the provision of individualised and flexible care plans designed by the woman and a health care professional to meet her specific needs and wishes.

Pregnancy, particularly for first-time parents, is the beginning of a process of transition to lifelong parenthood. It can be a period of great joy, excitement and anticipation, but may be combined with concerns about the health of the mother and baby, the process of birth and the prospect of becoming a parent. Pregnancy, birth and the post-birth period are also significant events for the wider family, taking place within their own social and cultural context and beliefs. The care and support given during this period is crucial to help expectant and new parents enjoy as straightforward a pregnancy and birth as possible and start to adapt to their new roles and responsibility before the baby is born.

High quality maternity care does not just provide a supportive clinical environment to ensure a healthy pregnancy, delivery and post-birth period; it also provides a gateway to other services and helps to achieve the best possible start to life. Those services include birth and parenting classes and the provision of multidisciplinary support for women with particular medical, social or psychiatric needs and for those from the more vulnerable groups in our society. It is vital that a modern maternity service ensures that women from all groups have easy and equivalent access to the full range of high quality, antenatal services and that the needs of the most vulnerable are treated with equal importance. That means enabling every woman to seek the care that she feels happy with early in pregnancy and to maintain regular contact throughout her pregnancy.

The NSF is not the only work being done to shape maternity services. For example, our work with the National Institute for Clinical Excellence has led to the publication of several clinical guidelines to be implemented throughout England and Wales. We already have guidelines on induction of labour, the use of electronic foetal monitoring and antenatal care. Guidelines were recently launched on the use of Caesarean section, and guidelines on the management of uncomplicated labour and birth and the post-partum period will follow later. Those guidelines will complement the national standards set out in the NSF.

Another area of our activity is based around choice, and my hon. Friend highlighted several of the steps that we have taken. Maternity services were included in the national consultation exercise "Choice, responsiveness and equity", designed to improve patient and user experience in the national health service. The results of the consultation were published on 9 December 2003 in "Building on the best: choice, responsiveness and equality in the NHS", which encourages local health services to publicise contact details for midwives and promote the use of birth plans.

That is why one of the first outcomes of our drive to improve choice was our work with Dr. Foster to produce the "You're Pregnant" local maternity guides, to which my hon. Friend referred. They enable women and their families to make real choices about the type of maternity care that they wish to receive. Without information, choice can be just a theoretical exercise, but "You're Pregnant" gives women the information that they need to make it a practical reality.

I hope that I have demonstrated the Government's commitment to maintaining and improving the quality of maternity services. I want all women to have the birth experience of their choice in the environment of their choice, to have access to midwife-led and doctor-led units and, subject to their safety, to make the choices that meet their own needs. However, the rate of improvement can be governed by factors such as resources, the speed of building projects and the pace of recruiting more midwives.

Our highest priority is to tackle inequalities in access to services and health outcomes for women. We are also committed to improving and promoting choice for all women and their families in use of maternity services. I am delighted that my hon. Friend approves of so many of the initiatives that the Government have taken, and I look forward to having further discussions with him in the coming months.

NHS Clinical Networks

4.14 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I start with a profound sense of relief, because I had thought that I was the only Member to have such Adjournment debates with just a Minister present. I have just seen another hon. Member having a one-to-one debate, so I am delighted.

I thank the Minister for attending a second debate. I know that he knows a lot about the west midlands and about my patch in particular. I can reassure him that I will talk about my patch only in passing and will mainly talk about ways in which I think that the NHS can be helped overall.

Despite the vast amount of money that the Government are quite correctly putting into the NHS, there are tremendous challenges to be met in the new ways of working. One of the crucial debates that must take place is that of safety versus access. To my constituents and to others throughout the country, access means proximity to services. It is easy, from the medical point of view, to say that safety has to be the number one priority, as it is in the interests of the patients, and there are inevitably fears of litigation. However, it is arguably not quite a definite winner for the patient. There are pros and cons both ways. Safety is important, but there have to be slight compromises on occasion because proximity to certain services is crucial for some groups of people. I am not arguing that access to everything for everybody is possible, and I never have. Obviously that is not possible.

There were a lot of misconceptions about why I stood for Parliament and the campaign that I headed. People often thought that we were fighting to keep everything, which was never the case. We accepted from the beginning that high-powered things were done better where they were done more often, particularly things such as vascular surgery. Patients are perfectly prepared to travel for the high-powered services, complicated elective work, complex cardiac work and complex specialist cancer services. They are used to seeing helicopters taking families to major trauma centres for major accidents and major burns. However for absolutely straightforward bread-and-butter emergencies, access—meaning proximity—is essential.

This debate is about managed clinical networks. I believe that if they are properly instituted and agreed to by all partners, such networks could answer the problem in terms of safety and proximity. The networks came to prominence in 1998, with the acute services review in Scotland undertaken by the Scotland Office for the Department of Health. In Scotland there are obviously large areas with sparse population, so problems of access and proximity are particularly bad. However, the lessons learnt from that review could also be drawn to this country. I have a couple of quotes from the report:

"As an alternative to the 'hub and spoke' model, some of the networking systems described to the Review feature the sharing of patients, expertise and resources, rather than unidirectional centripetal flow."

"Sharing" and "partnership" are the crucial words. The report also states that

"the critical mass needed to achieve the benefits which might flow from increased volume of activity can come through managed clinical networks rather than the centralisation or concentration of services."

That addresses the issue of safety. Although those points were made so powerfully in Scotland in 1998, there are fears that centralisation is occurring and that even in Scotland managed clinical networks are becoming a bit of a euphemism.

Turning to England, networks are obviously well established for complicated matters, such as cardiac surgery, cancer services and diabetes. I wonder whether it is a coincidence that those three all have national service frameworks. Networks for such matters are absolutely essential and valuable. As I have said, a full range of services cannot be provided everywhere and citizens accept the need to travel. They welcome going to the best place and patients with a rare cancer will travel for miles to go to the right place.

We need a network in accident and emergency departments more than anywhere. People need that service close to home; I am talking about the common, bread-and-butter emergencies, such as those that happen without warning, and for which nobody can make plans. The kids might be at school, or one could be elderly. One might be taken away suddenly or from one's partner and unable to let anybody know. Not everybody has a car or a mobile phone to let people know what is happening. Just closing an accident and emergency department and substituting it with a minor injuries unit is not acceptable to local people. That is what propelled me to this place.

I am looking not back, but forward; to the Minister's relief. I am considering how to avoid the same situation elsewhere and how to improve the situation for my friends at home, because it is eminently possible to do so. I realise, before the Minister tells me, that he has no power to make things happen locally, although I am glad about that. In 1998, the Government had no power to dictate what happened locally and, if the Government's overview and scrutiny committees had been in place, the *Health Service Journal* wrote recently that the same events would not have occurred in Kidderminster.

Returning to accident and emergency networks, how will they help local situations and above all, how will they help the Government politically? What should they be like? As I have said, a network is a partnership and a sharing. In accident and emergency, it is a sharing of the district general hospital's all-singing all-dancing accident and emergency department with its outlying minor injuries units, particularly those in downgraded DGHs such as that in Kidderminster. That network shares patients, expertise and resources between the A and E department and the minor injuries unit. It will widen the range of patients that the minor injuries unit can see, and lessen unnecessary trips to the A and E department, so lightening its work. I raised the matter last week in health questions and the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Winterton) agreed that networks in A and E could be helpful. She mentioned emergency service collaboratives and emergency care networks, and I welcome the Minister's comments today about those because I have a feeling that such collaborative and networks do not involve local minor injuries units, as they should.

[Dr. Richard Taylor]

I have quoted Andy Black's work before, but I am going to do so again because it is so important. He is a well respected health service management consultant, who recently wrote in a *British Medical Journal* leader:

"If the price of moving the complex emergency to an appropriate centre of expertise is that this patient is accompanied by another nine or ten patients who are not complex acute cases, then another set of problems is launched."

We have seen all too clearly the social problems of suddenly uprooting somebody and taking them 18 miles away, and the financial problems that they have finding their own way home at bank holidays or at weekends. In the same leader, Andy Black also asks

"how 'managed clinical networks' could be introduced so that local emergency units can flourish while complex emergency cases can be swiftly funnelled towards the appropriate specialist centres."

There are more details of his ideas in the Nuffield Trust paper, "Local Medical Emergency Units", published in 2000.

The key is to share and rotate medical and nursing staff between such units. In the old days, when a minor unit referred a case to a major unit, the major unit thought nothing of the minor unit and would repeat everything that had been done. What a waste of time! In Worcestershire, there is no doctor in the minor injuries unit at Kidderminster, so everything that could conceivably require a medical opinion has to go 18 miles away. Time after time, the patients who go there are discharged as soon as they are seen and they have the problem of getting home.

Consultants in Worcestershire currently do out-patient clinics at the Kidderminster minor injuries unit, but they do not see any emergency patients. The sharing of a doctor on a network for back-up to the nurse practitioners would make a huge difference and would widen the scope of patients that the ambulances could take. Even the medical director at the treatment centre now agrees that we need a doctor in the minor injuries unit.

A true partnership, which is a network and two units sharing services and patients, could increase the range. It would fit with the Government's paper "Keeping the NHS Local—A New Direction of Travel" which states that

"the objective is to provide as a minimum a 'first port of call' (a service able to receive and provide assessment, initial treatment and transfer where necessary)".

I appeal to the Minister to see the logic of this case nationwide and to support the need for a trial of such an A and E unit working in partnership with the minor injury unit to pilot staff reaction. Would they accept it? What about stress levels and waiting times? Would a widened ambulance protocol be possible? Would it reduce trips to the major centre?

It would be subtly different from the trials already ongoing in "Keeping the NHS Local" at Penzance, Bishop Auckland and Downpatrick because it would fill a gap lower on the scale to any of those. If it were suggested as a pilot at Kidderminster, it would be welcomed with open arms. This could provide an opportunity for the Government to show that if a local hospital that is under threat is downgraded, there is an outcome a bit less severe than what happened at Kidderminster in 2000. This could help the Government to take the politics out of it.

I quote again from "Keeping the NHS Local":

"Making greater use of networking between community minor injuries units and acute centres and other redesign approaches will be needed to ensure that people have locally accessible emergency care."

I have 72,000 constituents who, together with about 70,000 neighbouring constituents, do not have locally accessible emergency care. I will battle until they do. This pilot trial would give an opportunity for the whole NHS to see that something like this could work to allay the anxieties of people in Hartlepool and Banbury and several other places that I could list at length. I will not do so.

4.28 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): As you said, Mr. Deputy Speaker, this is my second run-out of the day, the second of four this week. I am not complaining—I do not want the Prime Minister to think that I need any relief from my duties—but it means that I get a fairly eclectic choice of subjects to which to respond. I am grateful to the hon. Member for Wyre Forest (Dr. Taylor) for calling the debate and for putting his ideas on the record. He is right: most of these debates tend to be one to one, but I thought that that was something I was doing rather than the fact that he was involved. All my debates seem to be carried out on a one-to-one basis. If we do not get big audiences, at least we get top quality contributions.

The hon. Gentleman talked about proximity and safety. I agree that both have to be taken into consideration. I just wish—I do not criticise him for this because he has just taken an objective view—that there was more objectivity in discussing this. In my experience—my constituency in east Kent has gone through a painful reconfiguration—clinicians are devotedly attached to the notion of centralisation until decisions about reconfiguration are taken and they feel that their hospital is likely to come out of it worse than they thought, whereupon they immediately become converts to the idea of managed networks and distributed systems that allow far more centres to remain open.

I wish we could generate a more objective and considered debate on the matter, and understand the nuances and difficulties of balancing proximity and safety. The Government published "Keeping the NHS Local—a New Direction of Travel" to try to provide that additional guidance.

Dr. Taylor: This is exactly where the Government fit in. The professions are clamouring for patients to be made to understand the need for changes that are perhaps for the benefit of the professions. The Government must somehow engage with the professions to convince them that there are other ways of doing things.

Dr. Ladyman: I take the hon. Gentleman's point. By publishing "Keeping the NHS Local", we were trying to start that debate. In these days of "Shifting the Balance

of Power", it is not for me to devise pilot studies that might meet local needs and balance proximity and clinical safety, but for clinicians, the primary care trusts and the acute trusts that serve the hon. Gentleman's constituency to come up with ideas. The Government—certainly this Minister—would not be interfering if they came up with something that they felt gave a better balance of access to services, while maintaining the necessary levels of safety. I encourage the hon. Gentleman to ensure that clinicians, managers and planners in his local area are aware of his ideas and engage with him in the objective debate that he is trying to stimulate now.

The hon. Gentleman has given me the opportunity to talk about how we are transforming accident and emergency services throughout the country and I shall not miss that opportunity. A little over a year ago, only about three quarters of A and E patients were admitted, transferred or discharged within the national health service target time of four hours. In March, that had risen to 94 per cent., and most patients are dealt with well within four hours. In human terms, that means thousands more patients getting faster treatment every day; at this rate, by next year we will be able to claim a standard of accident and emergency performance that no other country in the world will offer to its entire population. That is a major transformation, which requires the sort of difficult decisions to which the hon. Gentleman referred. It also requires us to have incentives in the system and to stimulate people to take the necessary decisions. Within the last few weeks, 87 acute trusts—more than half the total—received £100,000 each to recognise their outstanding progress in accident and emergency; trusts that did not qualify for the first payment are getting tailored support and trusts that continue to improve can earn £500,000 by this time next year.

If anyone objects to my focusing on total time performance, I can tell them that the clear message from patients is that that is what matters most to them. It is not the only thing that matters, which is why we appointed the first national accident and emergency patients' champion and offered every modern matron in A and E £10,000 to improve their patients' overall experience. All of that is making a difference and time and again front-line staff tell me that the atmosphere of accident and emergency has changed for the better. That would not have happened without the Government's determination to drive up the performance of accident and emergency, without our taking tough decisions and without the investment that we pumped into the health service, nor would it have happened without the dedication and hard work of front-line health service staff.

The transformation could not have been achieved without the sort of co-operation and networking that the hon. Gentleman recognises is essential. The Government recognised the importance of networks at the beginning of the process; after we published our strategy "Reforming Emergency Care" in 2001, we made extra resources available specifically to fund emergency-care led staff in every trust and to establish local emergency care networks. All emergency care networks should have four fundamental objectives. First, to create a partnership between all the health and social care organisations within a geographical area; secondly, to break down artificial boundaries between services to help patients to gain access to better care; thirdly, to establish agreed shared objectives and shared responsibility for meeting those objectives; and, fourthly, to ensure that initiatives and developments spread throughout the system and produce system-wide improvements. As the hon. Gentleman knows, there is a Worcestershire emergency care network, which is chaired by the acute hospitals trust chief executive and meets regularly.

One reason why networks are important is that patients now have more options for unscheduled care than ever before, especially for relatively minor illnesses or injuries. As well as using A and E or the ambulance service, people can use their GP, NHS Direct, pharmacists, minor injuries units and NHS walk-in centres. Those are all popular with patients and are vital components of networks. The minor injuries unit at Kidderminster hospital is considered to be one of the most successful of its type and is used by 20,000 patients a year, three quarters of the number of people who used to go to the A and E department there. I was immensely impressed by the department when I visited recently. The nurses at Kidderminster hospital have telemedicine links to consultants at Worcester and Redditch.

Dr. Taylor: I would argue with the Minister about those figures. The last figure for people attending Kidderminster A and E department, when it was in existence, was about 43,000, whereas the numbers of people attending in Redditch and Worcester, in the same county, was 44,000 and 45,000 respectively—almost equal. The figure of 20,000 for the MIU does not give quite the proportion that the Minister suggested.

Dr. Ladyman: The figures that I have are from the local trust, but I shall certainly check them, and I undertake to write to the hon. Gentleman. If I have misled him, I apologise, but I believe that the figures that I have been given are accurate.

I was making a point about telemedicine links to consultants at Worcester and Redditch. The evidence shows that, as the MIU has developed and the nurses' confidence has grown, reliance on the link has greatly diminished. Meanwhile, I understand that the MIU has been treating all its patients within four hours and 70 per cent. of them within one hour. *[Interruption.]*

Mr. Deputy Speaker: Order. Is the Minister going to be a lot longer? I see that a Division has been called in the House. If he is going to be more than a couple of minutes, I shall have to suspend the sitting. Is that the case?

Dr. Ladyman: I fear so.

4.36 pm

Sitting suspended for a Division in the House.

4.47 pm

On resuming—

Dr. Ladyman: Before the Division, I was saying that the MIU in Kidderminster treats all its patients within

[Dr. Ladyman]

four hours, and 70 per cent. of them within one hour. The trust has launched a number of initiatives to improve the performance of its accident and emergency department, including an integrated health and social care discharge team. It is important that patients understand that positive options such MIUs are available to them, which is why the Department of Health has organised several communication exercises better to inform patients about their choices for treatment. There are also numerous local campaigns.

Networks are not just about where patients receive treatment. The behind-the-scenes co-operation is just as important, as that determines the quality of service that patients get. That means that there should be good teamwork within acute trusts, and that acute trusts should work closely with ambulance trusts, primary care trusts and social services.

The hon. Gentleman spoke about the importance of managed networks. It is certainly true that they have been a success in other fields, but what matters most is that emergency care networks are effective, not how they are managed. All networks are led or managed in one way or another, but our approach has been to encourage and facilitate, not to dictate from the centre. We want to allow local networks to meet local needs. If trusts are to meet the NHS plan target by the end of the year, and we are determined that they will, they will need effective networks. We encourage and facilitate, and we have made available resources to set up networks. We have published guidance, which is now being updated and amplified, and will be reissued shortly.

I also mentioned the incentive scheme for accident and emergency departments' performance, which recognises the pivotal role of networks. Acute trusts can qualify for up to £500,000, but ambulance trusts that improve their performance can also qualify for significant monthly payments. Mental health trusts that improve their 24-hour crisis services can get £200,000, and primary care trusts that plan and deliver high quality out-of-hours services will get £100,000.

We do not accept that there are any obstacles to effective networks that cannot be overcome by committed, motivated and local clinicians and managers who are supported by sound advice. Taken together, the imperative to reach the accident and emergency target, the financial incentives and the new guidance are a powerful encouragement to progress. There is also good practice for others to follow. For example, in Manchester, the ambulance trust and NHS Direct work together to provide a gateway for unscheduled care and to guide patients to the most appropriate treatment. In Essex, the ambulance trust no longer automatically takes its patients to accident and emergency, and it takes the lead in providing out-of-hours unscheduled care. In London, the ambulance trust has started to divert calls that clearly do not need an ambulance response to NHS Direct.

The hon. Gentleman has mentioned many times what he believes to be the potential effects of the European working time directive. We see the directive as an integral part of the modernisation of services that the NHS must plan for as it plans for all contingencies. Therefore, every trust has been asked to prepare an action plan for compliance. We believe not that services will close either solely or primarily as a result of the directive, but that networks will be vital to improving the level of services and to meeting the contingencies of the directive.

We are committed to maintaining local access to services, and we recently published guidance to that effect called "Keeping the NHS Local—A New Direction of Travel". We are not complacent, and we recognise that a small number of specialties, and certain types of organisation, face significant challenges. As well as providing direct support to individual trusts that are experiencing problems, we are funding 20 pilot projects and four "hospital at night" projects, which test approaches to achieving compliance with the directive, and develop ways of helping people to work better in partnership.

On top of that, the NHS Modernisation Agency has been running trials and pilot projects considering ways to free doctors' time, rearrange traditional rotas to support accident and emergency departments for 24 hours a day, and develop other new ways of working.

It is fair to say that the hon. Gentleman and I share some common ground, although we do not agree on everything. He will always press for more services to be delivered through the Kidderminster site, and no doubt the local NHS will want to accommodate him, subject to clinical safety and quality, and the local priorities that it sets. I reiterate my opening remarks, in which I encouraged the hon. Gentleman to talk to the local NHS about his ideas, which he is already doing. As I have shown, many of the ideas that he has highlighted are being tested and piloted in various parts of the country. If what he proposes is a good option for Kidderminster and is safe for his constituents, I have no doubt that the local NHS will want to explore it with him.

I assure the hon. Gentleman that the Government will continue to place a high priority on emergency care, and take a close interest in the development of effective networks and the way in which they can improve access to care and quality for all our citizens.

Question put and agreed to.

Adjourned accordingly at seven minutes to Five o'clock.

Westminster Hall

Wednesday 12 May 2004

[MR. JOHN MCWILLIAM *in the Chair*]

Railways

Motion made, and Question proposed, That the sitting be now adjourned.—*[Ms Bridget Prentice.]*

9.30 am

Jeremy Corbyn (Islington, North) (Lab): I welcome the fact that we are debating rail franchises today. I shall try to keep my remarks fairly brief, so that all hon. Members can contribute. The problem with any rail debate is that one has mountains of information, insufficient time to deliver it, and lots of conflicting advice.

This country has about 10,000 miles of railway—about half what it had in the 1960s, before the Beeching cuts. Our railway system receives greater public subsidy now than at any time in the past, yet the service is less efficient, huge profits are being made from it by train operating companies, and there is an unbelievably complicated railways structure. In that respect, I look forward to the Minister's reply to the debate, as he might be able to throw some light on the current structural review and what will come from it.

The Transport Committee recently produced a welcome and informative report on the issues surrounding the structure of the railways and, in particular, franchising. It referred to what the Secretary of State for Transport said about that structure when he launched the rail review. My right hon. Friend said:

> "The way in which it was privatised has led to fragmentation, excessive complication and dysfunctionality that have compounded the problems caused by decades of under-investment. Quite simply, there are too many organisations, some with overlapping responsibilities, and it has become increasingly clear that that gets in the way of effective decision making and frequently leads to unnecessary wrangling and disputes. That is no way to run the railways."—[*Official Report*, 19 January 2004; Vol. 416, c. 1076.]

I could not agree more.

Twenty-four TOCs and one open-access operator, Hull Trains, operate on our railways, but when one looks at the ownership and operation of the franchises, one sees that quite a small number of organisations run them. The big companies are National Express, First Group, Stagecoach, Arriva, Go-Ahead and Virgin. In the last financial year, the profits made by the companies from running railways in a publicly owned railway system—an activity for which they are very heavily subsidised—amounted to £182 million for National Express, £302 million for First Group, £217 million for Stagecoach, £105 million for Go-Ahead and £122 million for Virgin.

Since 1996, TOCs have received subsidy from the public purse totalling £10 billion. Incredible amounts of money have been poured into the railway system, yet it is being run in a way with which the public are not terribly happy and from which a number of people make huge profits. The Transport Committee considered the matter with some care and in some detail, and stated:

> "Nearly a third of the franchises were no longer expected to function in the entrepreneurial, risk-taking way that was one of the fundamental justifications for private sector involvement in running train services but simply to function as fee paid agents of the SRA. This indicates the extent of the present malaise."

That is the fundamental problem that we must address.

The railway system was nationalised in 1947 and British Rail put a huge amount of investment into it, including innovative developments such as faster trains and all the rail technology that went with them. There was a strong sense that the railway industry in this country could produce high-quality trains and signalling equipment, and much of that was available for export around the world. However, the Tory Government's obsession with privatisation of the railways after the 1992 general election led to our ending up with an unbelievably inefficient and complicated system in which those who managed to get into the rail industry made huge profits from selling off its assets. Under the present system, the public pay private TOCs that take no risks and are paid even when they are unable to come to an agreement with their staff and industrial action is taken—in other words, the TOCs are paid not to run trains during industrial action. That is an odd state of affairs. There is no incentive for management to establish a decent relationship with the work force.

Many—nearly all—of the franchises on existing lines are due for renewal between now and 2007, so the Minister has important decisions to make. Most of the franchises are privately run, apart from the Connex franchise, which was returned to public ownership because it was so badly run by the private sector. It is curious for a Labour Government to say that a franchise must now return to the private sector: that is nothing but reprivatising something that is better run in the public sector. The public sector has a big role to play and we should consider the possibility of taking over the running of the TOCs when contemplating the situation facing the whole network.

The Secretary of State received a proposal from Transport for London. Everyone accepts that Transport for London has done a good job of co-ordinating transport policies across London. It has massively improved the bus services and ridership across London, including the operation of East Thames Buses as a public sector company, and it now has control of the London underground, although, unfortunately, it is saddled with the expensive investment proposals that the Treasury has forced upon it. TFL's proposal is to co-ordinate all transport undertakings across London. It makes sense for it to control all rail operations, overground and underground, across the capital. The same is true of regional transport executives elsewhere. Such a change would make for better public involvement in planning and decision making, and would help to overcome problems with the train operating system.

Mr. John Horam (Orpington) (Con): I am pleased that the hon. Gentleman has brought up the broad issues to be tackled in this debate. Apropos the Mayor of London's request to control the whole overground system in London, how would the hon. Gentleman deal with the fact that most of the trains originate far away—

[Mr. John Horam]

as far away as the coast—and travel across Kent and Sussex? How would he overcome that part of a mayoral attempt to grab the railways as well as the underground?

Jeremy Corbyn: I do not think that it is right for hon. Members to talk about a mayoral attempt to grab anything. The Mayor was elected to try to improve services in London, and I am sure that the hon. Gentleman agrees that he should be congratulated on the good job that he has done over the past four years. Yes, trains run from outside London and the majority of inter-city train journeys begin and end in London. Those services would continue, but Transport for London's proposal would allow for much better co-ordination at local stations and of interchange facilities. It would avoid the nonsensical situation of a plethora of TOCs fighting for track space in and out of stations such as Euston and Liverpool Street—Kings Cross and other stations are less affected by the multiplicity of operators. The proposal would lead to more efficient running of the railway and more public accountability for London's transport. I hope that the Minister will give us some hope that, when examining the renewal of franchises, he will at least consider publicly run and operated services in certain areas, so that we regain control of the railway.

The current structure of the railways is bizarre beyond belief. We have a Secretary of State answerable to Parliament who has to fight for money from the Treasury for investment in the railway system and railway services. I applaud the Government for the large amounts of money that they are prepared to invest in the railway system. I welcome that; it is incredible and it is to the Government's credit that they have been prepared to invest such sums. Future generations will benefit from that. However, under the present structure, the Secretary of State's accountability to Parliament is somewhat fettered by the fact that the rail regulator seems to have more power than Ministers or Secretaries of State to decide where the money is spent, how it is spent and how much of it is spent. The regulator then passes his views—very regularly, no doubt—to the Strategic Rail Authority, which in turn passes its views to Network Rail, which now owns and operates the track and charges the TOCs for the use of the lines. This country has a parliamentary democracy in which public expenditure is meant to be accounted for to Parliament. That is seriously undermined by the position of the rail regulator and by the amount of money that is poured into TOCs that make huge profits from running a service that they are paid to run in the first place.

Mrs. Alice Mahon (Halifax) (Lab): To concentrate for a moment on profit, it is estimated that the companies' collective profit this year will be £170 million, reflecting a profit margin of about 30 per cent. We are simply giving them money.

Jeremy Corbyn: My hon. Friend is right to draw attention to that. The profit margin is excessive by any standards. The railways are not a free enterprise system in which companies make profits by taking risks. There are no risks involved, as long as the companies run things moderately efficiently. When a company is given a franchise to run a railway, it knows that it has an income from public funds and that all it has to do is run the service to make a profit. There is no risk involved for the company.

Mr. Greg Knight (East Yorkshire) (Con): Surely there is a risk, because if the company behaves incompetently or inefficiently, it loses the franchise.

Jeremy Corbyn: I did state the caveat that the company has to run the railway and clearly there is some risk that it will lose the franchise if it does so badly, but it has to be pretty bad for that to happen. We are not being as tough with the companies as we ought to be. I read the rail press avidly and quite regularly and I have heard of companies that lose a franchise because they have run it badly which then pop up somewhere else running a franchise in another area. The company's record seems to be forgotten when the new franchises are handed out.

I hope that the rail review brings a degree of public accountability for this huge public expenditure and that the Minister will reiterate the view that the railway network is publicly owned, so there should be a publicly owned railway system. I hope also that, in the discussion of franchises during the next few months, the Minister will consider very seriously the need for regional operation and simplicity of operation in and out of major stations, and that he will acknowledge that the train operating companies that have made enormous profits over the past few years are simply not an acceptable example of how we should run a railway.

This country spends more money than any other European country on subsidising a largely privately run railway system, yet in return we get a rather worse service than most other European countries. There must be a lesson there. A comparison of our railway network and that of France is not a happy one from the point of view of people who want a really good and efficient railway system in this country. Railways are the most environmentally friendly, the most efficient, and in many cases the most popular form of transport. We have a responsibility to ensure that they are better run and funded in an acceptable way that is good for the public as a whole.

9.44 am

Mr. John Horam (Orpington) (Con): The hon. Member for Islington, North (Jeremy Corbyn) made a very good attempt to sketch out the broad themes that should be addressed in a general debate about the railways, but he was wrong to concentrate so much on the profitability of particular companies and thereby to denigrate private sector involvement in the railway industry. I believe that a mixed economy for the industry can work perfectly well.

The hon. Gentleman, because he is a London Member of Parliament, will be aware that Connex, a private company, was recently sacked by the Strategic Rail Authority because it was failing to perform. One major reason for that failure was that when it originally set out its stall for the franchise, it underbid for the contract; consequently, the company was losing money year on year. In response, it cut back: for example, it did not paint its stations, and it de-manned some of them. In my constituency, Petts Wood station lost one of only

two regular members of staff; consequently, there was a lot of vandalism and the station became rundown. That is a tiny example of the way in which the pressure to cut costs resulting from originally underbidding for the franchise caused deterioration in the service and the maintenance of stations.

The SRA decided that Connex could no longer continue and installed its own team to run the railways in south-east London and Kent. Opinions differ on whether there has been an improvement in performance during the intervening six to nine months. I think that there has, but as I discovered when I talked to the managing director of South Eastern Trains recently, the main reason for that is that he gets more money from the Government. He would not tell me exactly how much he gets—perhaps he should have, given that it is a matter of public interest involving public money—but I understand that it is roughly £10 million to £15 million more a year to run the trains in south-east London and Kent. As a result, he can begin to restaff stations, improve trains and enhance performance in a way for which my constituents are grateful.

Despite that, performance is still inadequate. The real issue is no longer whether a company is privately or publicly run. I accept that there was a reprehensible degree of profit-taking after 1997 in particular, but now the issue is how to set subsidy at the right level to give the proper incentive to a company, whether private or public, and its management to perform well. The hon. Member for Islington, North is right in one respect: there are too many chefs trying to cook this particular meal. I agree that it is astonishing that the regulator has so much power. As a democrat, I am amazed that so how much power has been given to a regulator to determine money is spent. The regulator is given a sum of money by the Government and seems to determine how that money is spent, which is wrong. Too many organisations are involved in the industry, and the Government have not helped by setting up some more in the past seven years. The review of the structure of the industry should examine the complexity at the top level of decision making. I believe that the structure at the top should be simplified. The vast amounts of public money involved could be far better spent than they are now.

I agree with one thing that the Mayor of London said recently. He said that the capital is being neglected compared with other parts of the country. We know that vast amounts of subsidy are going into regional railways that are very unprofitable, whereas the main lines into London, which carry tens of thousands of commuters every day and on which London depends, have been relatively starved of capital and revenue. That matter should be addressed.

The Minister of State, Department for Transport (Dr. Kim Howells): The hon. Gentleman and I have known each other for a long time. He has had some experience of Government and he knows that if he were sitting in my seat he would have heard the cries from all over Britain that the great problem with Government spending is that we lavish money on London. That is a fact, and I would be interested to hear the hon. Gentleman's reaction to that. Perhaps he could transport himself for a moment, and imagine that he is an MP from Yorkshire, the north-east or Ceredigion. How would he feel about it then?

Mr. Horam: Mentioning the north-east was rather near the knuckle. I might have taken a different view had I still been the MP for Gateshead instead of for Orpington. None the less, if the Minister considers rationally—I am sure that he will, as he is a rational Minister—the capital spending spread over the country as a whole, he will realise that London has received much less spending than is sensible, given the amount of wealth that it contributes. He might take as an example the amount of money that has been spent on renewing the north-west line and compare it with the amount of money that has been spent on London commuter services.

Mr. Simon Thomas (Ceredigion) (PC): I do not wish to plead Ceredigion's case too strongly at this stage, but what the hon. Gentleman is saying undermines his earlier statement that he believed in a mixed economy for the railways and that such a system was delivering. He is now underlining why the railways should be a publicly run and funded UK national enterprise. We have a problem in that some lines get sufficient investment and some are profitable because of the number of people who use them, but they do not fit into the wider jigsaw because the industry is so fragmented. Surely we should reconsider a UK basis for the railways.

Mr. Horam: The hon. Gentleman is making a mistake that I traditionally associate with the Labour party. He seems to be saying that an industry that is publicly funded should also be publicly run. I believe that the industry can be run equally well by a public or by a private organisation. However, I do agree that funding should be determined on a UK basis. That is precisely my point. If we were to do that, we would see that London has been underfunded. However, let us get away from the London versus the regions debate—perhaps I have overstressed the issue, and it is obvious that people have different views on it.

Spending money on small improvements that could make a great deal of difference to the performance of the rail companies has been undervalued compared with spending a lot of money on particular lines. For instance, the north-west line, which has taken a huge amount of Government funding, may have been over-financed. There is a need for a better balance across the whole picture. Spending money on small improvements, such as lengthening station platforms so that they can accommodate 10 or 12-car trains, thereby reducing overcrowding on the London commuter lines, might be better than spending huge amounts of Government money on the Pendolino. It is the duty of the Government, not of the regulator, the SRA or private companies, to address that balance. The Government must set the overall pattern of funding.

The Minister will know that my area has seen the sacking of a company and the temporary handing over of railway operations to a public company. It also faces the prospect of the integrated Kent franchise—the new basis on which companies will bid for the Kent area franchise this year. I beg the Government and the Minister to pay some attention to that, as the SRA has

[Mr. Horam]

indicated that it will savagely cut some of the traditional commuter services, for example, by up to two thirds in peak-hour commuter services to some stations in my constituency and by up to a half in other areas. People have built lives, bought homes and taken jobs based on the expectation that a service that has run for 30 or 40 years will continue, even if it is subject to tinkering. I hope that the Minister will not leave such matters to the SRA, which has admitted that it made some mistakes and is reconsidering the situation, but will consider most carefully the pattern of services. He should simplify the overall structure of the industry, and review the amount of subsidy and how it is spent, value for money and, above all, the demand for services from various parts of our country.

9.55 am

Ms Joan Walley (Stoke-on-Trent, North) (Lab): I will be brief, because I know that many hon. Friends wish to take part in this important debate. I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing it. It is always a pleasure to follow the hon. Member for Orpington (Mr. Horam). We served together on the Environmental Audit Committee. I know that he is very much aware of the environmental benefits that can come from public policy of many kinds, including rail.

The important point about today's debate, which I want the Minister to take away, is that it takes place in the aftermath of the Transport Committee's report. I think that that has a great deal to offer. It should steer and guide the Government towards making sure that, after all this time, we get rail policy right. Although I agree with the hon. Gentleman about environmental issues, we are living the extreme effects of Tory privatisation. It is taking a long time to put right what the Tories did. We must find a way to put rail transport back together and to link it with other forms of transport, including bus services.

We in Stoke-on-Trent are fortunate in one sense, in that we are on the west coast main line, which has received an enormous part of the public subsidy that we have heard about for the carrying out of essential rail repairs. I thoroughly welcome that. North Staffordshire MPs had a briefing with Virgin Trains on the new timetable, which is to be introduced in September, with new, half-hourly services to London and the new Pendolino services. There will be huge improvements in the speed and the comfort in which we can travel from Stoke-on-Trent on that west coast main line in both directions and down to London. All that is good, but there is no gain without pain. Upgrading repair works are carrying on as we speak. We will have to put up with that.

The wider context is the Strategic Rail Authority review that is now taking place. That is where the good news ends. I will concentrate on one point, which might seem small, but is hugely important to people in north Staffordshire, for their MPs, for the North Staffordshire Rail Promotion Group and for local authorities. Many of us are old enough—or young enough—to remember the Beeching cuts. We have to face up to the possibility of a new round of Beeching-type cuts by stealth as a result of the policies of the Strategic Rail Authority, which is introducing a word that I had not come across before: bustitution.

Some may not know what bustitution is. While essential repair works are being carried out, it is perfectly acceptable for there to be a replacement bus service along the route affected. I accept that and I am happy to go from train to bus when I am making a journey. However, my constituents and I are not prepared to accept the Strategic Rail Authority giving strategic instructions to those responsible for the franchises allowing bus services to replace train services along local passenger routes. I am talking about the route from Stoke-on-Trent to Stafford, although I know that routes in the west midlands are similarly affected.

Replacement bus services will run not only during the period in which essential repairs are being carried out to the rail tracks. The SRA has given franchises to operators for long-distance routes that are, they say, much more important than local routes. As a result, bus substitution services will continue, because—surprise, surprise—the new franchise operator needs the rolling stock that we have on our local train services. In addition, the new franchise operator, as determined by the SRA, does not have the trained drivers to operate the local routes. We are told that we will have bus services, without any consultation with local authorities or Advantage West Midlands, which is doing its best to improve the local economy and to link passenger services to congestion problems at a time when, I am delighted to say, there are huge, much needed roadworks in progress on the A500.

I fear that the SRA is not working regionally. It has no presence in the west midlands, so how does it know the economic, transport and sustainability needs of people in the west midlands, never mind north Staffordshire and my constituency? We have heard about public funds and whether they should be spent by publicly owned companies. Accountability is the real issue that must be addressed in the review. Why is the SRA not accountable for the way in which it runs its services? When the line repairs end and bus services give way to rail services as cab drivers on the franchise through Oxford or elsewhere are trained, I am afraid that there will be low demand for local train services—as was the case with local train stations such as Longport in my constituency and Kidsgrove and Etruria in adjacent constituencies. There is a real danger of depressing the demand for rail travel, because people find the prospect of travelling by bus too much to take.

It is simply not good enough for the SRA to substitute bus for rail without consultation. It should not be allowed to get away with it and it should be made accountable. I am delighted that we have had the debate. I hope that the Minister will talk to the SRA and to north Staffordshire MPs to see how we can integrate our rail services with the transport needs of the north Staffordshire economy.

10.3 am

Mr. Simon Thomas (Ceredigion) (PC): I am pleased to take part in the debate, and I thank the hon. Member for Islington, North (Jeremy Corbyn) for securing it. There is a tradition in Westminster Hall that the Member who opens the debate deals with the broad issues and then everyone piles in with their own local, regional or national agendas, and I am not going to break that.

Although we may differ about the funding of the franchises, consensus has emerged about accountability. There is a lack of accountability in the present system. The Minister has intimated as much in his comments over the past few weeks, and I look forward to his official reply to the debate.

I shall offer a perspective from Wales. The hon. Member for Stoke-on-Trent, North (Ms Walley) offered a perspective of the west midlands, but in Wales we do have a Strategic Rail Authority presence. It has a member who is supposed to be the member for Wales, but that person has no accountability and there is no accountability generally between the National Assembly, the UK Government and the Wales and Borders franchise.

From accountability comes integration. From an environmental and a social and economic development point of view, we want to see integration between services. I detect from the Government that they are starting to wake up to the lack of accountability for the rail system throughout the UK. I would like to see a two-way process in which there is greater regional accountability for rail and passenger needs, so that the English regions and commuter areas can integrate them, and a greater democratic accountability within Wales, in particular, reflecting the greater accountability that we hope Parliament will have for the whole system in the United Kingdom.

My journey to and from Westminster takes me through about half the franchise regions of the United Kingdom. I have a lot of time to think about these services during the five and a half hours I spend on the train. I am regularly bustituted at either the beginning or the end of my journey, depending on whether I am coming or going. Aberystwyth is at the end of the line, and that is where the bustitution often happens; the train service has to start at Machynlleth or Newtown. The hon. Lady is right in saying that bustitution has increased. We used to talk about integration of services. Initially, rail services would end because it was the end of the line, but buses would then link into neighbouring villages and towns. That was the old idea of bus and rail integration. It now seems to be a rather less palatable way forward.

Other hon. Members referred to the Transport Committee report, and it is appropriate for me to concentrate on the Welsh Affairs Committee report on rail services in Wales. It calls for greater accountability for transport services and railways in Wales and for some transfer of power to the National Assembly. I agree that one cannot transfer power from this Parliament if we do not have it in the first place. The first step is for the Minister to get a bit more power over these services and the railways and then to work out how we can do this at a UK level and with the devolved Governments. The National Assembly recently requested that a Transport Bill for Wales be passed to help it to achieve some of its national objectives for passenger integration.

There is also an ongoing review of the devolution arrangements between the National Assembly and Westminster, prompted by the Richard report, which was published a month ago. That report also had something to say about railways. It was fairly neutral about whether there should be further devolution of power, but said that it was obviously possible. The Welsh Affairs Committee report accuses the Strategic Rail Authority of failing in its statutory duties towards the National Assembly and towards Wales. The First Minister of Wales, like MPs from Wales, was not informed of the SRA's decision to cut services in Wales. As the hon. Member for Stoke-on-Trent, North mentioned, some backdoor cuts are now happening, such as scrapping the only direct link between the Eurostar service at Waterloo and our national capital in Cardiff. That was cut without any consultation with Welsh MPs, AMs or even the First Minister. There is no attempt at wider consultation.

Although the National Assembly has control over buses and roads in Wales, it has no control over railways at all. A person has been appointed to the SRA—her name escapes me, but she is supposed to be the person from Wales. She is appointed not by the National Assembly but directly by Westminster, and she is not answerable to the National Assembly. The SRA does not have to take direction from the National Assembly about services in Wales, as it does from the Executive in Scotland about services there. The difficulty arises when we try to improve passenger services as a whole in Wales. The National Assembly can do that only by spending more money on roads. That is a rather ridiculous and environmentally unsound way forward. Indeed, the National Assembly has contributed money towards rail services, even though that is not in its remit. Some £2.5 million of the National Assembly's money is going towards rail services at present, yet it has no say about how it is spent. That is crazy.

Let me give an example of which the Minister may be aware: the Dyfi junction in mid-Wales. It is our equivalent of a bottleneck, where two lines come together. A loop is needed to enable hourly passenger services. This is to go from two hours to one hour and is a big step. The National Assembly has come up with the money, but Network Rail does not have the engineers to do the work. We have been waiting for two years, even though the money is available for that service to go ahead.

In a statement to the House, the Secretary of State for Transport said that the Government were considering how

"more decisions on public transport, including rail"—[*Official Report*, 19 January 2004; Vol. 416, c. 1076.]

could be devolved to the Scottish Executive, Welsh Assembly Government and the regional level in England. The Welsh Affairs Committee report says specifically that we should consider setting up statutory passenger transport boards or consortiums in Wales. That is what we really want. About 3 per cent. of rail investment ends up in Wales, and as Wales has 5 per cent. of the population, the hon. Member for Orpington (Mr. Horam) should not be looking at Wales to get extra resources for his commuter services in London. No doubt someone will point out that we do not have 5 per cent. of the railways, but that was because of Beeching, and we certainly had it historically.

We need transport passenger boards established and the SRA's powers of guidance and direction for Wales to be given to the National Assembly. The Assembly should also be able to appoint directly to the SRA. It is

[Mr. Miliband]

arranged at local level, building on local history, tradition and expertise. However, our starting point must be the quality of the offer to pupils and parents, and we must ensure that it meets their diverse needs.

If the hon. Gentleman wants me to take up particular examples, I will, of course, be happy to do so, but I understood him to be making the more general point that there are communication, auditing and monitoring issues about which we must be zealous. I can assure him that we did not produce the strategy simply so that it could sit on a shelf—we want to work with colleagues in local government to make it happen.

Sitting suspended until Two o'clock.

Probation

2 pm

Jane Griffiths (Reading, East) (Lab): I am pleased to have succeeded in securing the debate, which I applied for following a lobby by staff who work in the probation service and live in my constituency. That lobby was held only last week, so I am pleasantly surprised to have succeeded so quickly.

In January, my right hon. Friend the Home Secretary published the report "Reducing Crime—Changing Lives", which is designed to modernise and reform correctional services. That report is the Government's response to a report by Patrick Carter published at the same time. The consequences of the report for the probation services in Reading caused my constituents to visit me, and thereby me to seek the debate.

In 2001, the Government set up a national body to manage the probation service. There are also local boards, which cover the devolved, local management of the service. The boards were established on the same boundaries as those of police authority and magistrates court areas. That meant that in the local service there was an amalgamation of the Berkshire, Buckinghamshire and Oxfordshire services to form the Thames Valley service.

At the time, the amalgamation was said to be a three to five-year process. That relates to the first concern that staff raised with me. Having just gone through one reorganisation, as well as all the stress and difficulty that that causes, they were understandably concerned about being plunged into another so soon. What evaluation or monitoring of the effectiveness of the previous reorganisation was carried out before the new changes were proposed? Is the further reorganisation even an admission that the previous one failed? Certainly, in the Thames valley, that is not the evidence provided by the staff's performance. I shall give a few examples.

Despite an increase in the target number of drug treatment and testing orders and what the staff describe as the complexities of drug funding in the Thames valley, they have met the target. The target for contact with victims has been exceeded throughout the past two years. The service has exceeded the target set for basic skills for the second half of the year. Nearly 450 offenders have successfully completed an accredited programme in the Thames valley—double last year's number and significantly more than the target set for the service. The service is on track to meet the target of a positive proposal in 90 per cent. of pre-sentence reports on black defendants, which is an important indicator to ensure that black defendants receive as good a service as their white counterparts. That has been of quite serious concern over the years.

Enhanced community punishment has been implemented on time and is on target to meet the number of starts required this year. The latest figures on enforcement within 10 days—for March—were the best achieved, including 100 per cent. for community rehabilitation orders, 93 per cent. for community punishment orders, 75 per cent. for community punishment and rehabilitation orders and 100 per cent. for rehabilitation. That improving performance has seen the Thames Valley service rise up the national performance table in the past year, from 32nd to 29th to

26th to 24th. The staff and I are hopeful and confident of further progress up the performance table. That seems to be evidence that the previous reorganisation is beginning to bear fruit in Reading.

The concern about the need for another reorganisation so soon after the previous one feeds into a further concern. What is the rush? The changes were announced in January, but the national set-up is supposed to be in place by June, with the local set-up in place by next year. The preferred model for the structure of the National Offender Management Service was published only last week, on 10 May, and is open for consultation until Friday 11 June—a rather short period. How does the rush to establish NOMS sit with the statement made by my right hon. Friend the Prime Minister on 29 January at the summit on public services convened by *The Guardian*? He said that

"policy first and explanation later is not the way to do things, and this was the problem with the way the debate on university finance happened. Some MPs felt that university finance measures were sprung on them with too little explanation and too sparse a tilling of the ground of debate and argument about the nature of the problem."

Lembit Öpik (Montgomeryshire) (LD): I very much agree with what the hon. Lady says. Is she aware that the proposals to replace local probation boards in Wales with one all-Wales board have caused similar concerns? Does she agree that one of the great anxieties is what happens to jobs? Those who are pushing the reorganisation need to ensure that the spread of jobs continues and thereby ensures the delivery of criminal justice services throughout Wales, including rural areas. She represents a largely urban constituency, but it sounds as though the same problems are arising everywhere.

Jane Griffiths: I suspect that the hon. Gentleman's point is relevant everywhere in England and Wales. My constituency, unlike his, is urban and densely populated. Jobs are an issue, whether that means recruitment and retention, which is a problem in the Reading area, or the scarcity of jobs in parts of his constituency.

How will the Home Office avoid the mistakes made with the establishment of the Children and Family Court Advisory and Support Service? The Chair of the Lord Chancellor's Department Committee said:

"The committee found that many of these problems stem from serious failings in the establishment and management of the new service. Too little time was allowed for its establishment, leaving the organisation at a disadvantage from the start. Once established, CAFCASS failed to make proper use of the preparatory work that had been done, compounding the difficulties."

Incidentally, I note that an issue of the staff magazine, "Metamorphosis", referring to the changes, states that the legislative timetable prevents a protracted consultation period on the overall shape of the National Offender Management Service. Will a Bill be needed to make the proposed changes to the structure of those services, or can they be achieved through secondary legislation?

That is important, because it feeds into another concern of the staff in Reading, who are worried that changes to the service have been introduced but have not been subject to parliamentary scrutiny. If a Bill is needed to introduce the changes, it will be subject to parliamentary scrutiny and those anxieties will be addressed. However, if such legislation is required, what is the position of people being appointed to posts in the new structure? I would be grateful if the Minister cleared that point up.

What legislative timetable is there for the structure? If it needs primary legislation, will appointments be made before a Bill completes its parliamentary process? Can the service realistically take shape if that does not happen?

Staff who talked to me are concerned about there being another reorganisation so soon, as they are just bedding down the previous one. They are worried about the speed with which the changes are being introduced and concerned that to date the changes have not had parliamentary scrutiny. I would be grateful if the Minister also addressed those concerns.

I spoke earlier about the progress the probation service is making in the Thames valley in some areas covered by the service in Reading. That is not unusual for a complex town such as Reading, which hosts a wide variety of activities. In the Home Secretary's response to the Carter report, the yardstick for success is identified thus:

"Clear integration of effort, spreading of best practice, and coherent management".

The Government's response states that they will

"put the individual management of offenders at the centre of a single system rather than falling in the gap between two different services."

A member of staff in the probation service in Reading asked me this:

"If there is a value in a single, coherent service to deal with prisoners, why is the same logic not applicable to offenders in the community, where they pose the real risk of reoffending, and why is the probation service to be broken up between purchasers and providers?"

That brings me to another concern raised by the staff: splitting up the service into purchasers and providers. I was a councillor in the 1980s and 1990s and I experienced compulsory competitive tendering, under which we were forced to split the council into purchaser and provider. Staff working in the public service were forced to compete against other contractors. Again, that was for competition, which we were told would lead to efficiency, yet on the election of a Labour Government in 1997 we rightly repealed the legislation.

Councils have now put back together the service management with the people employed to provide the service and, in most cases, have found it more efficient. Similarly in the 1990s, a purchaser-provider split was introduced in the health service to provide greater efficiency through competition, and on their election the Labour Government removed it.

The example that staff mentioned to me was the split introduced in the railways. They do not want to become the Railtrack and Jarvis of the criminal justice system. Although we are not taking the railway system back into public ownership as such, although I wish we were, we have moved to reduce the number of organisations and groups playing a part in it. The staff are concerned that the split is a move towards the privatisation of the service. That is again reminiscent of local government in

[Jane Griffiths]

the 1990s, where rather than hear talk of privatisation of local government services, we heard other euphemisms used. In this case, the word is "contestability".

Probation service staff have seen the consequences in the Prison Service. Again, this is familiar from local government in the 1990s. Any profits and savings are made as a result of worsening the pay and conditions of staff working in the service. Prison officer pay is 24.6 to 32.4 per cent. lower in the private sector than in the public, while a Prison Service pension is 10.5 to 13.5 per cent. more valuable than pensions available to those in the private sector. The Prison Service offers 5 to 28 per cent. more leave than the private sector. The fact that few firms are involved in tendering has limited competition, at times leaving just one company bidding.

Staff have also seen the consequences of putting the ancillary services at hostels out to tender. A constituent told me one story that strikes me as highlighting madness. Previously, when a light bulb in a hostel blew, one of the staff went to a convenience store with 58p from the petty cash, bought a new light bulb and put it in. Now, I am told, when a light bulb needs replacing in the Reading hostel, someone in south Wales gets in a van and drives to Reading to do it. If that is true, we must do something about it. Why, when we have moved to remove that split in other services and when we prefer to have people working together for the best service and efficiency, are we introducing such a division in the criminal justice system?

My next point has been debated in the House before. In fact, I was the first MP since 1997, and perhaps before that, to raise in the House of Commons the problems facing public service workers in the south-east as a result of the high cost of living and, in particular, the cost of housing. The probation service in Reading has been no different from the other public services in the town; staffing has always been a problem. There were packages in place to help to recruit and retain staff, but they were lost—unintentionally, I am sure—in the last reorganisation, which introduced the move to the Thames Valley service. Staff also feel that the situation was worsened by the removal by the then Home Secretary in 1996 of the added value of a local training route at Reading university. That had allowed access to local training for local people for the first time.

The result is that the Reading service runs on a staffing level of about two thirds. The impact of that for risk management of the most dangerous offenders, along with the other important jobs carried out by the service, is obvious. Local staff feel that any difficulty in providing coherent services to prisoners relates much more to the fundamental national shortage of probation staff than to the structure of the service. In many cases, there are no staff available until within weeks of a prisoner's release.

The Reading service has 120 unallocated resettlement cases and it views that as a result of lack of staffing. It rightly feels that the skills of probation officers are in demand. They can move elsewhere in the country and receive the same pay, so staff frequently move on to other things or other places—perhaps to rural Wales, who knows? As an example of that process, 12 out of 17 officers in the Reading office were new to the team. Imagine the consequences for the work of the office of having two thirds of the staff with less than a year's experience.

I am pleased to have secured the debate so soon after the lobby of Parliament, and to have had the chance to raise the concerns brought to me by the staff who work in the probation service in Reading. I have asked a number of questions of the Minister about what is happening. I know from yesterday's sitting that he responds positively to matters raised in Adjournment debates. I hope he can do so today.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Frank Cook): Order. We have about 44 minutes left in which to accommodate six contributions from the Floor. We must start the first of the three winding-up speeches 30 minutes before conclusion, as those who are familiar with proceedings in this Chamber will know. I ask hon. Members to bear those constraints in mind when making their contributions and when accepting or responding to interventions. I call Mr. Burns.

2.17 pm

Mr. Simon Burns (West Chelmsford) (Con): Thank you, Mr. Cook.

Mr. Deputy Speaker: Order. When sanctioning proceedings in this Chamber, the House determined that occupants of the Chair should be addressed as Deputy Speaker.

Mr. Burns: Thank you, Mr. Deputy Speaker. I shall certainly keep to your ruling, because I understand that many hon. Members want to speak.

I begin by congratulating the hon. Member for Reading, East (Jane Griffiths) on securing this timely debate, particularly as it comes so shortly after the lobby, during which I had the privilege of meeting several of my constituents who work for the Essex probation service. I am sure that the Essex service is not unique in this country in that it is a first-rate service. I know that it looks after the interests of my constituents and others in the county of Essex. In 17 years as a Member of Parliament, I have never received a single complaint about the seamless service that it provides in the county, which I believe is reflected elsewhere in the country.

The Government's document "Reducing Crime—Changing Lives" lists many achievements of the probation service: an increase in the literacy programme, greater enforcement of community orders, the timely recall of offenders to custody where the rules have been broken, the effective roll-out of drug treatment and testing orders, and so on. For that reason, I find it incomprehensible that the Government want—yet again—to bring in more changes after a relatively short period, and in this case bring in radical changes that will completely transform the whole concept and edifice of the service.

I note with interest the comment, which has already been alluded to, made by the Prime Minister in January.

I agree with him on this point, and he rightly said that

"policy first and explanation later is not the way to do things, and this was the problem with the way the debate on university finance happened."

We are experiencing the same problem in relation to the probation service. The service is working very well and it provides a seamless service, but the Government want to tear it all up, go back to the drawing board and introduce a new system with the Prison Service. I find that unbelievable.

In light of the Prime Minister's comments and Government rhetoric over the past seven years, I find it extraordinary that there has also been no consultation whatever on the issue. If the Government thought that the system was not working, but everyone else believed it was and experience showed it was, one would have thought that at least there would have been consultation on the best practical changes that could be made—if they were warranted at all, let alone on such a scale.

I only hope that this is not a crude, cost-cutting exercise to save the Treasury money, and I trust that the Minister will address that point. It would be unforgivable if the Government were to cause so much damage to the existing regime and service simply to gain filthy lucre for the Treasury coffers.

Why has there been no consultation? I would have thought that its absence means that there has been a failure to conform to the Cabinet Office code of practice on written consultation, which, if the Minister is unaware of it, recommends that consultation should take place with key stakeholders before decisions are made and that there should be a standard 12-week consultation process. That has been totally ignored in this case, and I would like to know why.

The hon. Member for Reading, East raised the question of parliamentary scrutiny. It would seem that the proposals are being rammed through from start to finish in little more than six months, and that there will be no proper scrutiny in the House as well as no way to debate the proposals in detail when one might seek to amend, improve or, if it were the will of the House, reject them outright. That seems odd, and I would like to know why there is to be no adequate parliamentary scrutiny, save for Members raising the issue in Back-Bench debates here, or perhaps in another place.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Does my hon. Friend agree that it is also rather peculiar that the measures have been rushed through so rapidly when there is the potential for legislation on the probation service? If it transpires that the changes require legislation, are we not putting the cart before the horse? There is experimentation with the entire probation service and Prison Service before the legislation has been discussed or scrutinised in this place. Is that not incompetent government?

Mr. Burns: I wholeheartedly agree with my hon. Friend. It certainly seems that the Government are putting the cart before the horse. I was going to say that I find it peculiar that the Government are behaving in that way, but frankly, nothing that the Government do surprises me at all.

It is also interesting to read the comments made by the Home Secretary when he launched this whizzy new scheme in January:

"I am not interested in reform for reform's sake".

That is the most extraordinary statement, because it is apparent to me and many other people who have examined these cockeyed proposals that that simply is what he is undertaking: reform for reform's sake, with little justification whatever.

If one analyses the probation service's performance in England in the last year for which figures are available—2002—one will find that its record is fairly good. It supervised 117,000 people on a criminal case load, and a further 78,000 on pre and post-jail supervision; some 60 per cent. of those on community orders completed their sentences successfully; 18 per cent. of orders were breached because of new offences; a further 10 per cent. of people failed to comply with the conditions of their order; and another 8 per cent. of orders were terminated due to good progress. The statistics also show that 90 per cent. of those placed on licence or parole completed their period of supervision successfully. I will not go through the entire list of achievements, but it shows how the probation service has carried out its duties efficiently and effectively.

I will not claim—I suspect that no one in this Chamber would—that everything is fine and that there is no scope for considering, or indeed need to do so, ways of making improvements and necessary changes that would make the performance and the service even better. However, my basic point is that I do not agree with the wholesale tearing up of the existing regime, merging it and bringing in a new system in little more than six months with no scrutiny or consultation with those directly affected. Those people are worried. They are also fearful for their job security and about whether the service is going to be subject to—to use that extraordinary new word—"contestability", which I think is a polite term for potential privatisation.

All those factors are causing confusion. They are demoralising members of the probation service and making their job more difficult. That is wrong. I would like the Government to extend the time scale that they have set, so that they can consult the probation service and other interested parties, and, in the light of those consultations, be prepared to make changes to what they seek to do.

I am not confident that the Government are prepared to do that, but I see that the Minister is listening intently, so I hope that in winding up the debate he gives consideration to the concerns raised by hon. Members and shows he is prepared to go away with an open mind and have a long, hard think about what his Government and Department are proposing. I think that the proposals are wrong and that they will do more harm than good.

2.27 pm

Mr. Neil Gerrard (Walthamstow) (Lab): I will try to be brief, because I had the opportunity to speak in a debate on the National Offender Management Service not long ago. Many things have moved on since then, however, and I hope that the Minister will be able to address them.

[Mr. Neil Gerrard]

Last week, I was involved, with about 1,200 probation officers from throughout the country, in a lobby of Parliament. After the last debate that we had on NOMS, I received letters from probation officers throughout the country, echoing many of the concerns that had been raised. Something that came across to me clearly in speaking to probation officers last week was a degree of demoralisation. People feel extremely insecure about their future, and there is a danger that we will lose experienced staff who have been in the service for a long time.

It is difficult to think how the probation service will be able to recruit, train and retain staff if it is going to be a year until the final arrangements are in place. The degree of uncertainty is a serious problem. Change is happening at national and regional level, but many people have little clear idea where it is going.

I tabled an early-day motion on the subject, which has received more than 100 signatures from across the House. That shows the concern that many Members feel about what is happening. I suspect that many people who signed that early-day motion did so because they believe that they need to know more, and there has not been enough discussion of the changes in Parliament.

I shall concentrate most of my remarks on the latest Home Office paper, issued by Martin Narey on 10 May, which asked for responses by 11 June. The paper talks about being driven by the legislative timetable, but—I am sure that the Minister will correct me if I am wrong—my understanding is that there is no need for legislation on reorganising service delivery. If the Home Office wanted to change the structures of the probation service and the Prison Service, or to put them together, it would not need legislation to do so.

Legislation is required to deal with some of the management structures, such as probation boards. The abolition of probation boards will be one of the key features of any future legislation; I am not clear what else might be included. We do not necessarily need legislation to deal with some of the structures on the ground.

The implication of what is happening is that by the time we get to debate a Bill, which may be later this year, with a Second Reading in the new Session of Parliament, in November or December, we will have reached a point at which, whatever has happened to the structures on the ground, the regional management structures will already be in place. People will have been appointed as regional offender managers and someone will have been appointed as the national offender manager. We will have a management structure that does not fit with what has been happening, and Parliament will be presented with a fait accompli. I suspect that many Members of this House will not be too pleased about that. Whatever they feel about the Bill, they will be being asked to endorse something that has effectively already happened.

The paper asks for responses to quite a number of questions, and some of those raise even more questions. The structure shows a purchaser-provider split. The whole of the Prison Service is in the provider part, but a 70–30 split is proposed for current probation officers. Roughly 70 per cent. would go into the purchaser side, and about 30 per cent. would be on the provider side, although the purchaser side as it stands would include things such as human resources, finance and back-office support. I have seen comments suggesting that people in those parts of the service, at least, have no guarantees that they will remain on the purchaser side for ever.

I can certainly see the worries for people who think that they may end up on the provider side. Who will they compete with, and on what terms? Might we not even end up with competition between some of the people on that side, who all now work in the public service? For instance, some of the people who are now in the Prison Service might want to put in bids to do what is currently regarded as probation service work.

One of the things that I learnt from dealing with compulsory competitive tendering—and in this case, we are dealing with something much more complex and difficult than a local authority converting to CCT—is that the exercise of drawing up specifications and writing contracts is not neutral. The terms and conditions in contracts, and the specifications, have an enormous effect on who can bid for those contracts and win them. The areas covered, the geographical areas and the size of the contract can all have an enormous impact on who can win the contract. There is also the question of whether the contract is written in a way that makes it possible for in-house staff to bid and successfully win it.

People have been asked for views about the liaison arrangements below the regional tier, how work is carried out with local authorities, and the structures that currently exist. Questions about what should be happening at local and regional level should be answered in the paper, not asked.

We all accept that more needs to be done, although much progress has been made in the probation service. I ask the Minister to think again about the pace of what is happening, the level of consultation, the worries of staff, and parliamentary scrutiny.

2.34 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The hon. Member for Reading, East (Jane Griffiths), whom I congratulate on securing time for this important debate, referred to contestability. The process is, of course, privatisation by other means. One must ask, for example: who will be the probation officers' employer in the long term? What will probation officers be called—"punishment officers"? What safeguards will there be to protect their terms and conditions? We already face a severe recruitment crisis: more people are leaving than joining the service, and there are 1,000 vacancies. What impact will that have?

There is no doubt that the service is currently underfunded, under-resourced and, as we know, was ordered to give back 2 per cent. of its budget to the central directorate last year. It must pay its fines when targets are missed from an ever decreasing budget. For example, 37 services paid £4.3 million in fines for missed targets last year. That is not a criticism of those at the coal face; there are simply too few people doing too much work with too few resources. Some pretty ridiculous targets are now being imposed on the service. The work load has increased by 30 per cent. in the last 10 years. Probation officers no longer have time to rehabilitate people, and in many cases, supervision is an administrative process of getting people to sign a book.

This will be the end of the probation service as we know it. The ties with communities, which have always been recognised as essential to a successful probation service, are going. Local probation boards play a key role in representing local communities, particularly ethnic minority groups. The proposed regional and central structure would jeopardise such contact—and it certainly does not appear to be in line with what the Prime Minister said at a recent summit on public services organised by *The Guardian*:

"Our strategy for continuous improvements through giving power to people involves greater choice, greater voice and more personalised services. But there is one more key element. As you will know, public services are a partnership. Parents are key partners in the education of their children. The co-operation of local communities is vital in tackling crime and anti-social behaviour."

Under the new arrangement, there will be 10 regional offender managers, purchasing prison places and community supervision from a range of public, private and voluntary providers. It is difficult to envisage how that would work in practice. Many tasks undertaken by the probation service, such as public protection panels, are multi-agency, and could not be the subject of tendering and competition.

The National Association of Probation Officers—I am pleased to say that I took part in its lobby last week—is firmly of the view that such privatisation will be disastrous. Individuals will be forced to compete for their own jobs if it is felt that they are under-achieving against a recently imposed target.

Private sector involvement in the probation service has not been very successful hitherto. In 2002, the national probation directorate privatised hostel facilities, including cooks, cleaners and maintenance staff. The contract was awarded to Morrisons and costs rose subsequently by an average of 62 per cent. In 2003, the directorate decided to privatise the management and maintenance of probation premises, which led to an immediate rise in costs of 35 per cent. Both privatised projects have been characterised by a fall in service standards, and staff in hostels have reported a catalogue of problems, including numerous complaints about standards in kitchens.

I shall cite some examples. A Brighton hostel was forced to call in environmental health officers because of the state of the kitchen. There had been no full-time cook for a long time, and when one was eventually supplied, there was no food, so the area manager, who is based in Peterborough, had to buy food at a local supermarket and deliver it to the hostel. In a hostel in Sheffield, there was no regular cleaner for 12 weeks. A London hostel needed a boiler switching on, and Morrisons sent a carpenter from Portsmouth. In contrast, one of the Sheffield hostels needed its roof mending and a boiler man was sent. A call-out from a hostel in Newcastle resulted in a contractor travelling from Chester to mend a broken toilet. If all that were not so serious, it would be an absolute farce.

In principle, the National Association of Probation Officers believes that profits should not be made from the administration of incarceration or of the justice process, and I entirely agree. NAPO believes that there is an overwhelming case for keeping the service public, and I fully support that. The Government's own document, "Reducing Crime—Changing Lives", which has already been referred to, praises many of the achievements of the service. I shall not go through them all, because they have already been mentioned. Indeed, I shall now draw my remarks to a close, because of the number of hon. Members who wish to speak—but I will finish by saying something that has been said many times before, in various Chambers and various debates, which I believe is germane to this debate: "If it ain't broke, why fix it?"

2.40 pm

Mrs. Helen Clark (Peterborough) (Lab): This is the third time that I have spoken recently on this subject. I congratulate my hon. Friend the Member for Reading, East (Jane Griffiths) on securing the debate. As has become clear today, there is a great deal of cross-party concern about the Government's proposals, the way in which they have been introduced, their likely effects on the management of offenders and on the morale, pay and conditions of service of staff in the Prison Service and probation service.

I am glad to have this further opportunity to speak on the matter, and I hope that the Government are listening. The National Offender Management Service proposals should not have had to be debated in Adjournment debates. They should have been given proper parliamentary time and scrutiny. NOMS will take over the employment of thousands of people and will also take over a large part of the criminal justice system. One would expect that parliamentary debate on such a matter should depend on more than a tombola or lucky draw.

In the Adjournment debate on this matter in March, the Minister promised inclusiveness for staff delivering the new service. He said:

"I want staff representation on the board."

He added:

"There will be full negotiation with the relevant trade unions and staff if there are to be any changes to staff's terms and conditions."

He also reassured those concerned about the speed of implementation by saying:

"It will take at least five years from the implementation of the national offender management service on 1 June for the new system to be fully operational."—[*Official Report, Westminster Hall*, 17 March 2004; Vol. 419, c. 92–3WH.]

As I said last week at the rally organised excellently by the National Association of Probation Officers, it is better for there to be some representation and consultation than none at all, better to have the promise of negotiation than to have none, and better for there to be a slow implementation than an unrealistically rapid one. However, we should not be starting from that point. It is the wrong way round: there should have been full consultation first. The consultation is not about whether the new organisation is a good idea, or whether the structure is likely to be able to deliver. It is about implementation of decisions that have already been taken. These changes will occur on top of earlier changes that have barely settled in.

I should like to know how much of the next five years will be spent in sorting out the inevitable mistakes and muddles. That is not just pessimism; bad-mouthing or mealy-mouthing; my view is based on experience of another ill-thought-out, hastily introduced, over-

[Mrs. Helen Clark]

centralised system of which I have had much experience in my Peterborough constituency. That system was also introduced by the Home Office, and hon. Members will not be surprised when I say that I am referring to the National Asylum Support Service.

NASS is operated from Whitehall, has no regional structure, let alone front-line staff and, for the first two years of its life, it had inadequate resources. Its introduction caused huge problems for local authorities and voluntary organisations in the areas to which asylum seekers were allocated and much hardship and misery for the individuals themselves.

I had to introduce two Adjournment debates before we began to achieve any recognition of the reality of the situation on the ground—on the front line where people work or attempt to access the service. It therefore makes me especially sad and angry that we seem to be going down exactly the same road with NOMS. There has been a similar reaction in haste and, sadly, there will probably be similar repenting at leisure.

In the earlier debate, examples were cited by hon. Members of other new organisations and services that were set up without adequate consultation and planning and that have also run into serious difficulties. Reference was made to the Criminal Records Bureau, and the Children and Family Court Advisory and Support Service. The question must be asked: why are changes being introduced in this way?

I believe that we all share the avowed aims of the NOMS reorganisation, which is to reduce reoffending. However, to paraphrase the Minister in the earlier debate, unless it is done correctly, it will simply involve rearranging the furniture. Certainly it will not be done correctly without adequate resourcing.

All the concerns mentioned so far would be enough without those raised by the proposed privatisation. I will not go over ground covered by other hon. Members but I certainly agree with the comments made in the earlier debate by my hon. Friend the Member for Hayes and Harlington (John McDonnell). He said that

"profits should not be made from incarcerating people"

I also share his concerns about the effects on probation hostels, particularly given the high proportion of sex offenders in such hostels. He said that

"we are worried that a market is being introduced, and it is difficult to envisage how it will work. Many tasks undertaken by the services are already multi-agency—for example, public protection panels".—[*Official Report, Westminster Hall*, 17 March 2004; Vol. 419, c. 80–1WH.]

Only yesterday, I was here in this Chamber debating the issue of sex offenders in such hostels. I was extremely heartened by the Minister's response. Surely if public confidence is to be maintained in the service, it must be retained in the public sector. The tasks undertaken by MAPPs should not be the subject of tendering and competition. Yesterday, the Minister said that he had noted the concerns expressed by my hon. Friend the Member for Reading, East and by me about the connection between sex offenders in probation hostels and the proposed National Offender Management Service and was looking forward to further discussions about the wider issues. My remarks today have been necessarily brief, but I hope that the Minister will be able to include those matters in his response.

2.47 pm

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): I will aim to keep to six minutes. I am grateful for the chance to take part in this debate and I compliment my hon. Friend the Member for Reading, East (Jane Griffiths) on the way she has supported her constituents. She has plainly done that very well. I also wish to support my constituents today, and not just because they are constituents. A number of probation officers whom I have met are ex-colleagues. One or two are friends. I have told those friends—and I say to some hon. Friends today—that a great many of the proposals in "Reducing Crime—Changing Lives" are excellent and should be followed through.

We clearly have a long way to go in the management of offenders in this country. We have a severe problem with the large number of people incarcerated in prison. The figure was 74,000 in December. There is also a huge recidivism rate. We have real problems with the co-ordination of services between prison custody and the community. We need to manage successfully some very dangerous, difficult and troubled people in the community if we are to keep our communities safe. There are growing pressures on the services. It is a positive step to aim to join up the Prison Service with the community service.

I disagree with the Government over many aspects of youth justice policy, but I am pleased with the developments that have been made over the sentencing of adults. Innovations such as custody minus and custody plus will be extremely helpful. Drug treatment and testing orders are vital and need to be developed further. Drug treatment is another very important aspect of work that needs to be integrated between the Prison Service and the community service. We also must ensure that people in prison who need help with improving basic skills, housing, mentoring and employment get co-ordinated support when they go back into the community.

Multi-agency public protection has already been mentioned. Again, that is a crucial area, and I know that you have a personal interest in the subject, Mr. Deputy Speaker. We must recognise that the treatment of sex offenders is a crucial child protection issue. We need a network of treatment centres across the country and effective liaison with health agencies to deal with sex offending. We must view protection from sex offenders as vital public health and public protection matters. There are huge issues to be addressed, and they can be addressed only in an integrated way.

I have no real qualms about what other people have referred to as privatisation. This is not about privatisation. I approve of the commissioning structure that has been put in place and the regional structure that is being established. They should result in services being developed in local communities that meet the needs of those communities.

Mrs. Gillan: Will the hon. Gentleman give way?

Mr. Dawson: No, I am sorry. I would love to debate the matter further, but I just do not have time.

My constituents have raised legitimate concerns about resources and the ethos of the probation service, which must be developed. The probation service needs

to change, but its ethos is being lost within the ethos of the larger Prison Service, which certainly needs to change as well. A great deal of work has been done to develop the national probation service, and people are concerned that the effort that has gone into that may be lost. There are huge concerns about bureaucracy and legitimate concerns about the pay and conditions of staff. I regret to say to my hon. Friend the Minister that the light bulb nonsense occurs in Lancaster as well; that is not simply an apocryphal tale.

My hon. Friend the Minister and the Government must involve the dedicated, experienced staff in the process of change far more effectively than at present. They should be allowed to inform and enrich the process. By building on what is in "Reducing Crime—Changing Lives" and with the full involvement of the people on the ground who know what they are doing, we can have a much better service that really addresses the serious issues.

2.53 pm

Julie Morgan (Cardiff, North) (Lab): Thank you, Mr. Deputy Speaker, for calling me to speak. I congratulate my hon. Friend the Member for Reading, East (Jane Griffiths) on obtaining this debate. I, too, have had the opportunity recently to speak twice on the proposals, and this is a chance to raise again some questions that have not yet been answered. I hope that they will be answered to allay the anxiety of the vast number of probation officers who came to Westminster last week to attend the rally in Methodist central hall. There is a mood of depression among probation officers because their future is so uncertain.

My hon. Friend mentioned the fact that the reorganisation is taking place so soon after a previous one. Does my hon. Friend the Minister consider the 2001 reorganisation a mistake? I do not believe that there has been any evaluation of it.

My second concern is over local accountability. Unlike my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson), I have grave concerns about the reorganisation and the proposed structure. I was a member of the South Glamorgan probation committee. I know how many people from the community were involved when I was on that committee and that the South Wales board brings local accountability to the service in the area. It is particularly good—this has already been mentioned—at ensuring that ethnic minority voices are heard on it, which is a major part of delivering a criminal justice system.

I understand that Wales will be one of 10 regions, and I assume that one board will cover Wales. Will the Minister give more details about the position in Wales? I would be concerned if there were no smaller bodies providing local accountability. If we are to get rid of local probation boards, as is implied, how will one probation board covering the whole of Wales link into the different communities represented throughout Wales? There are specific issues relating to rural communities, Welsh-speaking communities and urban areas, such as my constituency. How will one board address those issues? Will there be structures below that board in which local people can be involved? It is important to hear answers to those questions.

Social services departments are managed at a local level, as are links with employees and housing departments—it is important for offenders to get good supported accommodation. How will those local links be developed? Some links have been built up over many years and it is important to ensure that the offender is dealt with in their community, because that is where they will live. Even if an offender receives a prison sentence, they will eventually end up in their local community. It is essential that structures enable work to happen in and with that community.

One aim of the reorganisation is to reduce the prison population, and I completely agree with that. There are many people in prison who should not be there. My hon. Friend the Member for Lancaster and Wyre said that the prison population is 75,000 and rising rapidly. I am concerned that the number of women in prison is rising enormously, because that means misery for families. According to a recent statistic, only 5 per cent. of children whose mother goes to prison stay in their own home. Issues of inappropriate sentencing must be tackled. We should tackle the huge size of the prison population through sentencing policy; that is the way to reduce prison numbers. In particular, we must tackle the issue of female offenders, and I am pleased that some probation programmes are designed particularly for them.

Will the Minister give us more information on the introduction of contestability? Staff in the service who have approached me are concerned that contestability may apply to accredited programmes, such as drink-driving programmes, sex offender programmes and the thinking skills programmes, which are running well in the South Wales and Gwent probation services. Drug treatment and testing orders are effective and above the Home Office targets.

Another concern among probation officers is that low-risk offenders may come under contestability. In the probation service, low-risk offenders can be transferred between probation officers, dependent on the qualifications of the officers. More experienced officers can take on low-risk offenders who become a higher risk. How could we deal with that under contestability?

Concern has also been expressed that resettlement units could be open to contestability. Some of my constituents work in the neighbouring Gwent probation service and they tell me it is meeting 100 per cent. of the Home Office resettlement targets. Staff work from the time of the custodial sentence until release—working closely with the Prison Service, taking part in reviews in prison and considering treatment programmes. They believe that they are effective in protecting the public when the offender is released, and they often deal with high-risk offenders. Probation officers are very concerned about the work they do, which is already of such a high standard in parts of the country, but the way in which the proposed reorganisation has been handled so far has caused them to be undermined—they have not been part of the debate or the proposals.

I hope that we can move forward and that my hon. Friend the Minister gives us some reassurance that the good work in the probation service will not be undermined, but can be part of the forward programme. I hope also that we tackle the real, hard problem of prison overcrowding and other issues as soon as we can.

[Julie Morgan]

3 pm

Mr. David Heath (Somerton and Frome) (LD): I congratulate the hon. Member for Reading, East (Jane Griffiths) on securing the debate. As has been pointed out, it has similarities with the 17 March debate, which was initiated by the hon. Member for Walthamstow (Mr. Gerrard). Many of the same cast are present, and you, Mr. Deputy Speaker, were in the Chair. It is tempting, therefore, simply to refer people to the speeches made then, as little has changed.

The Minister said:

"Ten minutes is not a long time in which to respond to all the questions that have been asked . . . I will write to all hon. Members who have participated in today's debate."—

I have not received a letter yet, but he is an assiduous Minister, so I am sure that one is on the way to answer the points that were raised. If 10 minutes is not a long time in which to answer questions, nine minutes is probably not a long time in which to ask them, so we must rely on the postal service eventually coming up with some answers.

Since that debate, there has been the mass lobby of Parliament by probation officers, which was effective. It sometimes felt like a mass lobby by Members of Parliament, too, given the number from all parties who went across to Methodist central hall to show solidarity and express views. It was right that we did that.

The problem faced by many of us is that, as so often with the Government, they ask some of the right questions and come to some of the right conclusions, but implement the conclusions so cack-handedly that they upset the very people who asked for those things in the first instance. Any sensible person would want integration of management of offenders between probation services and the Prison Service. Any sensible person would seek to reduce our overcrowded prison population and to remove the inconsistencies in the management of offenders. However, I have referred before to the constant revolution in the Home Office. I fear that the Claudio Ranieri of the Home Office, who has to tinker with everything and take off his best players just as they are about to score a goal, has struck again—a potential crisis is developing when we should have a success.

Let us be clear: we have a crisis in the probation service now and a problem with the funding now. The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) referred to the point on the fines system that I think I made in the previous debate. What nonsense it is to introduce a target system that reduces the effectiveness of the service one is trying to improve.

First, let us deal with the crisis in the probation service. Secondly, let us not try to airbrush the probation service out of existence or out of history. The probation service is one of the achievements of the first great radical Government of the 20th century, led by Sir Henry Campbell-Bannerman. I shall stick up for Sir Henry and his achievements, because the Probation of Offenders Act 1907 created something of enormous value. When I read that we are no longer to have probation officers, but will have public sector intervention staff, my heart drops. We had a public service intervention in the main Chamber earlier today. That is not what we are looking for; we are looking for good, experienced and professional probation officers, doing their job effectively.

Mrs. Gillan: I do not know whether the hon. Gentleman has noticed that we now have a director of public service interventions, which shortens to DIPSI.

Mr. Heath: The hon. Lady knows that acronyms are proliferating in this area, and people are now calling probation service officers "GNOMES". That does no one any good, so let us have a bit of dignity and common sense.

We have a process of change that is remarkable only for its rapidity. As has already been pointed out, we have had two reviews—"A New Choreography" followed by "Metamorphosis". I have said this before and will say it again, but my memory of O-level biology is sound, and metamorphosis usually starts with something fairly ugly turning into something fairly beautiful. In this case, there is a great concern that something rather beautiful—the probation service—may turn into something rather ugly. We must prevent that from happening.

There is also a lot of open-endedness and uncertainty. The Minister can still not respond to questions put to him, either in debate or as written questions, with anything other than, "It has not yet been decided." So much has not been decided, but the whole process is proceeding at pace. I say "at pace"; some institutional and organisational changes are happening at pace, but in the 17 March debate he said:

"It will take at least five years from the implementation . . . on 1 June for the new system to be fully operational."—[*Official Report, Westminster Hall*, 17 March 2004; Vol. 419, c. 90–92WH.]

What does that mean? How can we change to a new organisational system when operability will not be effective for another five yeas? Where is, to use a cant phrase, the road map for the transition? Was that not developed before the Government went ahead with the changes? It seems not, because change is proceeding without direction, and that worries me.

We also have the issue of contestability. There must be someone in the Government, probably in the Cabinet Office or No. 10, who searches the dictionary of synonyms for different words for privatisation. Every now and again, they must come up with a new one and run into the office, jumping with joy, to say that they have found another way to persuade Labour Back Benchers that what the Government are doing is not privatisation by another name, but a completely different process. However, that is what contestability and the purchaser-provider split is all about, and we know the effects that privatisation has on public services. Sometimes there are elements of benefit, but more often than not it simply creates people who run around trying to produce contracts that do not work and effectively hands over public services to the private sector with no advantage to service operation.

Mr. Dawson: The probation service has a fine history of working with voluntary organisations. Will contestability not cement that and allow better and more innovative developments from voluntary organisations?

Mr. Heath: If it did, I would be happy, but if that is happening already, why do we need a new system to cement it? I am sorry, but I do not understand the hon. Gentleman's argument.

I want the Minister to respond to this point, because he did not in the previous debate. What is this nonsense about the regional basis? We have it in his written answer that the supervision of offenders

"is best managed at regional level where effective links can be forged and joint strategies developed with complementary services including police, health, education and employment."—[*Official Report*, 9 February 2004; Vol. 417, c. 1269W.]

However, our police service is operating on the basis of police authority areas, our education service is operating on the basis of local education authority areas and our health service is operating on the basis of primary care trust areas. None operates on a regional basis, so where is the advantage in forging joint strategies within a regional structure to which none of the complementary services works? The Minister needs to explain what he means.

We need a debate on the proposals. They are far too serious to be discussed in Back-Bench debates or responses to statements. They are a serious issue for the management of offenders. There should be two objectives: to reduce reoffending and to protect the public. My concern about the proposals and how they have been introduced is that there is a real danger of losing the professionalism, enthusiasm, commitment and unique skills of probation officers, which many of us believe to be extraordinarily valuable in our communities. It would be a tragedy if all that were thrown away to pursue—too quickly and without direction—a process of change for its own sake. There can be a sensible objective and strategy, but the Government have not yet produced that.

3.10 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I start by congratulating the hon. Member for Reading, East (Jane Griffiths) on securing the debate. It gives us an opportunity, once again, to spend a little time considering what are gargantuan proposals to change the probation service, the Prison Service and the way in which they operate. I also congratulate the Minister, because he is, at least, staying in his post, and has been in it for longer than the average prisons Minister. I hope that we get continuity at ministerial level, so that he can deal with the problems.

There is a unique point about this debate and the last one: almost all the speeches—irrespective of the political platform of the Members giving them—have been interchangeable, so I make a serious request to the Minister to listen hard to what we are all saying. There is a theme running through every presentation that has been made to him—whether informal or formal in the form of an Adjournment debate—and it points in one direction: stop, think and slow down.

The lobby that stimulated the debate was one that we all participated in. I was delighted to be invited to speak from the platform, because I think that I became one of the first Conservative MPs to speak to such a meeting for about 20 years—I believe since Willie Whitelaw last addressed one. As somebody close to the Minister said, I was conscious of my position in history. I was also pleased to share a platform with Tony Benn. It is unusual for him and me to see eye to eye, but that again shows, as I hope the Minister understands, that there is a meeting of minds among those on the other side of the fence to him.

I was also delighted when members of Buckinghamshire probation service came up to lobby me. Despite speaking at the lobby, they came into the House of Commons and, in a meeting room below Westminster Hall, I listened at first hand to their concerns, and concerns there are. To introduce the National Offender Management Service with such indecent haste is, I believe, causing concern, whether in the Prison Service, the judiciary, the voluntary sector or the myriad other organisations that are involved in this complex part of our life in this country.

Indeed, the 10 regions, as well as the managers who are in the process of being recruited, are, structurally, causing concern among the people who will have to operate in them. The hon. Member for Lancaster and Wyre (Mr. Dawson) would not let me intervene when he was discussing the local nature of the probation service. I cannot see why 10 regions are better than 42 boards. It seems to me that that means taking the service further from the community, rather than bringing it closer, which is what he argued for.

That phenomenal change will affect thousands of prison officers and myriad voluntary organisations, as well as the private companies that run some prisons. It will affect more than 75,000 prisoners whom the Minister has incarcerated, leave alone the 18,000 probation staff and—give or take 10,000 or 20,000—the 250,000 people who go through the probation service every year. We are talking about not a small constituency, but a very large one.

The budget for that organisation is enormous—it will be some £3 billion—and one man, Martin Narey, will handle it all. He has been put in place and appointed, although I do not believe that there was any contestability for that post. I will let the Minister intervene to correct me if it was advertised, but I do not believe it was. Some appointment mechanism was used and Mr. Narey will be in charge of £3 billion of taxpayers' money being spent on an area that is of great importance to every citizen of this country because it involves public protection. This is about protecting my constituents and those of every Member from criminals.

I am very worried that we have someone in place to run a £3 billion budget who has not been recruited in the same way as the managers of the 10 regions. Their positions have been advertised—put out to competitive tender. I ask the Minister to clarify at some stage the qualifications and expertise that Mr. Narey brings to managing an enormous £3 billion budget.

There is only a very short time in which to raise important issues, and the way in which the National Offender Management Service has been implemented is undermining morale tremendously. The latest letter from Mr. Narey contributes to that. The Minister knows about the 7 May letter, which requires responses

[Mrs. Cheryl Gillan]

by 11 June—a point to which other speakers have alluded. I read it quite carefully and there are points that I would like him to address. The document says:

"Martin Narey, the Chief Executive of NOMS will be accountable to Ministers for reducing re-offending and delivering other agreed outcomes from NOMS, including the preservation of security, order, control and decency in all prisons."

"Including" and "delivering other outcomes" lead me to form the impression that Mr. Narey has other targets already set by the Minister, so I would like him to set those out, over and above reducing re-offending and preserving security, order, control and decency.

Mr. Narey, the document continues,

"will also ensure that there is increased contestability in the provision of correctional services."

One of his aims and objectives is without doubt to ensure that there is much more contestability. How much more? In what areas? When will contestability kick in? Can we have more explanation of the language in the document?

The document goes on:

"The Chief Executive will also be responsible for raising the public profile and reputation of NOMS".

We do not need to raise its public profile much higher for the simple reason that everybody is worried stiff about what will happen to NOMS. As far as protecting its reputation goes, that has already been damaged, and I want to know the Minister's proposals to ensure that we restore the reputations of our first-class probation service and Prison Service, which are rapidly going downhill.

The next paragraph of the document says:

"Within the Service there will be a National Offender Manager . . . reporting directly to the Chief Executive, who will be responsible for the target to reduce re-offending and have control of the total budget for managing offenders."

Exactly how much of the £3 billion budget will the national offender manager be responsible for, or is responsibility for the budget in fact passing from Mr. Narey down to the national offender manager?

Some responses to the questions in the consultation paper are ridiculously short, which shows just what chaos the Minister is in. The questions address not only the fact that the Government do not know what to call the organisation—public sector interventions are not the DIPSI to which I referred in my intervention on the hon. Member for Somerton and Frome (Mr. Heath). More frighteningly, the consultation asks:

"Does the model provide a rational and cost effective means of delivering the NOMS reforms while reducing bureaucracy?"

As the Minister is introducing NOMS on 1 June, the Department should have discussed, examined and consulted on that already.

The lack of consultation, the shortness of time and the urgency with which the paper was sent out are all indicators of chaos, and uncertainty is felt across the board. This is a very serious matter because the public must have confidence in the Home Office, but it is fast ebbing away. Articles in the newspapers have reflected that feeling in the probation service. *The Guardian* article to which the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) referred was headed, "Staff use one word to describe the service: 'Chaos'".

I appeal to the Minister to consider the timing and to rethink the passage of the proposals. It is obvious from the covering letter that legislation is expected, because Mr. Narey said that he was working to a legislative timetable. That means that the Minister is pushing him for short deadlines because he knows that measures on changes to the probation service are proposed.

I ask the Minister to come clean now. Tell us when the legislation is coming and when we will have the opportunity to discuss it, or say that there will be a rethink or even pilot studies in one or two areas, rather than bringing in the proposals across the country and creating more chaos.

3.21 pm

The Parliamentary Under-Secretary of State for the Home Department (Paul Goggins): I join other hon. Members in congratulating my hon. Friend the Member for Reading, East (Jane Griffiths) on securing the debate. This is another valuable opportunity to underline the important work undertaken by the probation service and to update the House on our progress towards implementing the National Offender Management Service.

We have heard an impressive mixture of passion, well-informed opinion and experience this afternoon. I do not want to try the patience of the hon. Member for Somerton and Frome (Mr. Heath), but I apologise for not writing to him after the last debate. If, as I suspect, I will need to write to hon. Members after this debate, I shall ensure that everyone's questions are answered fully.

Yesterday, we debated the role of approved hostels and discussed the success of the multi-agency public protection panels in assessing and minimising the risks posed by violent and sexual offenders. Probation staff are central to our strategies for crime reduction and public protection. Rather than making cuts to the budgets of the correctional services, this year the Government will spend some £900 million more in real terms on correctional services than in 1997. That is helping—

Mr. Burns: Is that prisons?

Paul Goggins: In response to that sedentary intervention, the total for all correctional services—prisons and probation—is £900 million more in real terms, leading to the employment of an additional 5,000 staff in the probation service compared with 1997.

Despite that increased investment, and the dedicated hard work and professionalism of probation staff, far too many offenders continue to be sent to prison for short periods in circumstances where a community sentence would be much more appropriate and effective. However, the reduction in reoffending rates is not what it should be for the £3.5 billion that we spent on correctional services in the current year. We need to do better.

A single National Offender Management Service is needed to ensure better links between those providing services and to help to rebalance the system so that those who commit the most serious crimes are in prison while less serious offenders are dealt with in the community.

Probation has done much already to build up the credibility of community sentences through a range of new programmes and an increasingly rigorous approach to enforcement, of which my hon. Friend the Member for Reading, East gave evidence from her constituency. Almost from a standing start, 9,000 drug treatment and testing orders were delivered last year, and we expect that 13,000 will be given out this year. The intensive control-and-change programme, piloted in 11 areas, will be extended further this year, leading to a full roll-out across the country.

Probation is an expanding service that plans to recruit a further 2,600 staff in the next two years to help to build up the capacity to respond to the new sentences in the Criminal Justice Act 2003. It is worth pointing out that Patrick Carter estimates in his careful analysis of correctional services that, if we rebalance the system, we will be dealing with 240,000 people under supervision in the community by the end of the decade. That is 60,000 more than are currently managed, so there will be no shortage of business.

I am able to set out with some confidence in this Chamber the details of the Government's past investment and their intentions for the future. However, like hon. Members who have participated in the debate, I also visit local probation areas—indeed, I have done so across the country in recent months—and am aware of the financial pressures on the service. As I meet the staff, I see the difference that they make. It is absolutely essential that we keep up the momentum of the improvements they are making.

As a result of those visits, I contacted Martin Narey, chief executive of NOMS, who was appointed to his new job by the Home Secretary. He was previously commissioner for corrections and has effectively managed the £2.5 billion Prison Service budget. I asked him to review the correctional services budget to determine what additional help could be found, and I am pleased to announce this afternoon measures that will give immediate additional financial help to the service, particularly front-line staff.

I am announcing an extra £16.1 million for front-line services in the current financial year. There will be an additional 1 per cent. for all areas and an average increase of 1.5 per cent. for the metropolitan areas, in effect restoring part of the metropolitan allowance that had been removed. Provided an action plan is produced that can deliver the service improvements that are still needed, the London probation area will receive an extra £2.3 million.

Mr. Burns: Will the Minister give way?

Paul Goggins: I must make progress. I need to say a few things before I move on to questions that have been asked.

The increase will be in addition to the £1.3 million share of the extra metropolitan allowance—enough to clear the outstanding deficit for the year. I want to make it clear that that offer to London is a "something for something" settlement.

Mrs. Gillan: Will the Minister confirm that last year the Treasury clawed back £10.2 million from the budgets and that 37 areas missed their targets and were fined £4.3 million? He is giving back what he took away.

Paul Goggins: I ask the hon. Lady and other hon. Members to take this absolutely at face value. I have listened to descriptions of the pressures on probation staff as I have gone around the country and I am responding by announcing a package worth an additional £16.1 million. I hope that it will be seen as another indication of how the Government invest in rather than reduce support for the probation service. The debate will finish shortly, so I must make progress.

The Government are keen to continue communication and debate with hon. Members and with the staff and trade unions. So far, there have been seven regional events on the development of NOMS, which were attended by 1,500 front-line staff. We will continue to make such sessions available. I hope that all who represent work force interests and whom I have invited on to the National Offender Management Board take their place on it. All the responses so far have been positive. That, too, will help communications.

I could comment on many other points, but let me say that the consultation document has gone out. It is in the Library, and I am glad that hon. Members have taken the opportunity to study it. The closing date was set for 11 June, and it would be helpful if replies were submitted by then, if possible, but I make it clear that if any interested party wants to make a contribution but is not able to do so by that date, we will listen to and include in the formal consultation any contribution made up to the end of June.

It is vital that we listen; I am committed to that. I say again to my hon. Friend the Member for Reading, East and to other hon. Members that if there is a need for legislation, there will of course be the normal full parliamentary scrutiny. If there is a change in the organisational structure and we remove local area boards, primary legislation will be needed.

Teenage Pregnancy

3.30 pm

Mr. Andrew Love (Edmonton) (Lab/Co-op): This debate follows a Westminster Hall debate on teenage pregnancy in July 2003, at which my hon. Friend the Minister was present. At that time I brought to the Minister's attention increasing levels of teenage pregnancy in areas such as my outer London constituency of Edmonton. It is a critical matter, as we are daily reminded of the terrible cycle of poverty trickling down the generations, and of the fact that many young women become pregnant between the ages of 14 and 18, often failing as a result, to reach their full potential.

There is a young girl in my constituency, aged 18, living on the 10th floor of a tower block with her baby daughter who has special needs and requires weekly treatment at Great Ormond Street hospital for sick children. She previously had a baby who died. She finds budgeting difficult and has often been in serious debt. She requires support with life skills and the care of her baby, and needs bereavement support to deal with her depression.

Another young woman is aged 17 and lives with her grandparents and extended family. Her mother has a long-standing history of drug and alcohol abuse. That young woman is expecting a child and is determined to provide for that child what her mother could not give her.

How do we persuade such teenagers to heed warnings about under-age sex and the dangers of unplanned pregnancy? It is not an easy issue to tackle, but we must find new and creative solutions, however difficult it may be. That is especially true where unplanned pregnancy is still increasing, as it is in many parts of London. The 1999 social exclusion unit report on teenage pregnancy, describing the scale of the problem, reported that

"there are nearly 90,000 conceptions a year to teenagers; around 7,700 to girls under 16 and 2,200 to girls 14 or under. Roughly three-fifths of conceptions—56,000—result in live births. Although more than two thirds of under 16s do not have sex and most teenage girls reach their twenties without getting pregnant, the UK has teenage birth rates which are twice as high as in Germany, three times as high as in France and six times as high as in the Netherlands."

Although rates are higher in the USA and other comparable countries, the UK now stands out as having the highest rate of teenage births in Europe.

The social exclusion unit report also identified poverty as a contributory factor. It states that

"the risk of becoming a teenage mother is almost ten times higher for a girl whose family is in social class V . . . than those in social class I".

In 2004, according to the Association of London Government, almost 40 per cent. of children in inner London schools are eligible for free school meals—that is a strong indicator of poverty—compared with about 16 per cent. nationally. More than 25 per cent. of London's children live in a household where no one works, compared with 18 per cent. in the UK as a whole.

A 2004 Institute for Social and Economic Research report on teenage childbearing found that teen birth significantly increases the probability that when a woman is 30 her partner—if she has one—will have no education beyond the age of 16, and will be unemployed. The report argues that having a teen birth substantially reduces the probability that the woman will be a home owner at the age of 30. Depressingly, the same report found that daughters of teen mothers are more likely to become teen mothers themselves. It grimly concluded that the children of teen mothers have reduced chances of success in education and employment.

The campaigns officer for the Young Women's Christian Association told me that teenage pregnancy is strongly associated with educational under-achievement, with having been in local authority care and with not being in education, training or work at the age of 16. In London, teenage pregnancy has soared above the national average, with the 2000 and 2002 figures showing a 40 per cent. increase in outer London boroughs such as mine in Enfield. That is why I am here today. One Enfield doctor dealt with 85 more teenage pregnancies in 2003 than in 2001. Locally, those figures have sparked deep concern. This week, the House of Commons Library was able to tell me that the Enfield rate has increased from 42 per 1,000 of the female population aged between 15 and 17 in 1998, to 56 per 1,000 in 2002. As a result, Enfield has gone from being the 98th highest local authority to the 33rd highest in the 148 authorities in England tested during that period.

Other London boroughs have also seen an increase in their rates. However, it is important to note that the under-18 conceptions across England and Wales have fallen in recent years, and continued to fall in 2002. Sadly, those improvements are not shared in my part of London.

I recognise that reducing teenage pregnancy remains a Government priority, and I welcome early signs that Government efforts to reduce teenage pregnancy rates are working, including a 10 per cent. reduction in conception rates in under-18s and an 11 per cent. reduction in under-17s. I also welcome the Minister's commitment to reducing teen births, and, more importantly, the report "Every child matters", which provides a vision of how to help every child and young person fulfil their potential. That is critically important. The Government's commitment to halving child poverty by 2010 will do much, I hope, to reduce teen birth rates. For young women in my constituency desperate to escape an environment of low expectations and life chances, such commitments cannot come soon enough.

Enfield's young people desperately need more education on sex and relationship issues. I know that because I have met young people throughout Enfield and in Haringey next door. They told me how valuable creative, accessible and young people-friendly advice services on relationships and sex can be. When I visited *Exposure* magazine—written for and by young people—I was told:

"experts and statisticians never include in their charts, graphs and formulas that young people are not bound by sense, logic and reason. We can choose for ourselves something we know is harmful and stupid just because we can. Young women who know about sex and contraception, get pregnant because, fully aware of the possible consequences, they are prepared to take a risk."

Jasneth, who is 18 and expecting her second child, said:

"I know about sex and all them things but sometimes you use a condom and sometimes you don't. That's just the way it is."

It is a truism to say that young people are extremely hard to reach. They demand a much more sophisticated message on safe sex education—perhaps more so in London and inner-city areas than anywhere else. I would like to hear the Minister's comments on that.

Services such as the 4YP bus in Enfield reach out to find young people—mostly young men under 18, who are often the hardest to reach in a community—and work extremely hard to educate people with a safe sex message. Relationship education however is only one important element among many in reducing teenage pregnancy rates. London boroughs are crying out for a much more focused leadership from the primary care teams with local authority support to help drive the numbers down. Responding to a written parliamentary question in November last year, the Minister commented that much had been

"achieved through targeted work in deprived localities with high numbers of conceptions by... the allocation of funding to teenage pregnancy partnerships".—[*Official Report*, 3 November 2003; Vol. 412, c. 453W.]

I endorse that view. However, I draw the Minister's attention to a recent conversation I had with representatives from my local teenage pregnancy unit who told me that funding for the teen parents support programmes could run out in a few months and that a lower bid for neighbourhood renewal funding had been submitted. To put it mildly, the future is uncertain. Even if the attempt to secure funding is successful, that funding will only take the team through to 2006.

On behalf of Enfield's teenage pregnancy unit, I seek an assurance that its funding will be secure, and confirmation that it will be safeguarded beyond 2006. That would allow the team to develop longer-term solutions to Enfield's problems. Along with the primary care team and the local authority, it should be able to plan and think further ahead, instead of permanently living from hand to mouth and focusing on survival rather than strategy.

There is also a case to be made for boosting teenage pregnancy co-ordination in London, given that the record in the capital is so grim compared with other parts of the country. The Minister will be aware that although the Association of London Government is working closely with a research team from the straight talking project, who take virtual babies into schools, it does not have a full-time policy officer looking into the incidence of teen pregnancy in London, or indeed someone taking a pan-London approach. Nor does the Greater London authority, or the Mayor of London. Will the Minister consider developing the existing London co-ordinator role to provide, in particular, better help for those boroughs in which the incidence of teen pregnancy is especially high, so that local teams can seek improved guidance and support, and achieve best practice?

At a recent pan-London conference, the capital's teen pregnancy units suggested looking at improving IT systems and the collection of data generally, because at present accurate information cannot be guaranteed on a regular basis.

I have one more request: can we consider boosting best practice pilot projects so that kids can visit advice units regularly? That would be significant in helping to lock in young people's attention and focus when it comes to safe sex issues. More research is urgently needed to understand fully why rates are increasing in Enfield and other parts of London, and there is the particular issue of providing culturally appropriate sex and relationship education to young asylum seekers. Can the Department help to fund that sort of research?

Following my previous Westminster Hall debate, the Minister facilitated a London regional teenage pregnancy seminar in November at London university. The seminar provided an opportunity for all London co-ordinators to discuss the needs of pregnant asylum seekers and the service needs of the group. Debbie Young from Enfield produced a full report for the national teenage pregnancy unit, which highlighted issues and included recommendations from the conference. So far there has been no feedback and no details have been received on how the Department will take that agenda forward. Can the Minister indicate when feedback might be forthcoming and what the next steps will be in relation to meeting the needs of pregnant asylum seekers in London?

The Refugee Council told me this week that it is anxious for the experiences and needs of asylum seekers and refugees to be reflected in teenage pregnancy strategies. It said:

"There needs to be a greater understanding by policymakers and healthcare professionals of pregnant asylum seekers who may have been made pregnant following rape. The Government should actively consider what support could be provided for teenage asylum seeking mothers during labour and in particular consideration should be given to the provision of interpreters where the mother cannot speak English. Health workers also need to be trained to be aware of the needs of teenage asylum seekers". Will the Minister comment on that?

Appropriate sex education is more crucial than ever, particularly in areas such as London where teen pregnancy is above the national average. I accept that abstaining will be the right choice for some young people. However, I do not accept that US-style chastity tour groups, which invite our young people to take a pledge of abstinence until marriage, are always the most sensible or coherent way of educating our young people on sex. The acid test must be their effectiveness in reducing unwanted pregnancy. The Family Planning Association told me this week that the Health Development Agency in its 2003 review found no strong evidence for the effectiveness of abstinence-based interventions. One study even found evidence that abstinence-only approaches had the opposite effect.

I welcome the two-year experiment by 104 schools in the United Kingdom that have pioneered an education scheme called added power and understanding in sex education, which, despite much tabloid flak, is a fairly conservative programme aimed at combating stereotypes that may lead teenagers to believe that early sex is something they have to engage in. Recent press reports have indicated some success and I am interested to hear the Minister's reaction to the APAUSE programme, and the benefits of such a programme in areas such as Enfield or throughout London.

Tackling the issue coherently is crucial to ensure that the vicious cycle of teenage mothers having daughters who, in turn, become teenage mothers is broken once and for all. As the Institute for Social and Economic Research report already referred to commented:

"daughters of teen mothers are more likely to become teen mothers themselves and children born to young mothers are, on average, less successful than children of other mothers."

[Mr. Andrew Love]

That is not acceptable in Enfield, or anywhere else in the UK, in the 21st century. We have to work harder, in a more coherent way to ensure that young people from all backgrounds have every opportunity to achieve their full potential.

Mr. Deputy Speaker (Mr. Frank Cook): Very briefly, Angela Watkinson.

3.46 pm

Angela Watkinson (Upminster) (Con): I am grateful to the hon. Member for Edmonton (Mr. Love) for allowing me the time to make a brief contribution to the debate. Although I share his concern about teenage pregnancy, I believe that the style and content of advice on sexual health to minors is contributing to the rising numbers of unplanned teenage pregnancies and sexually transmitted diseases such as chlamydia. That was brought into the spotlight last week, when we learned of a 14-year-old child who had been advised and helped to have an abortion without the knowledge of her parents. Nowhere in the reporting did I see mention of the fact that sex with a 14-year-old is illegal. The decision was made by a young health adviser that this 14-year-old child could make a rational decision in frightening circumstances. How was the competence of the adviser assessed, bearing in mind that the adviser would not have to deal with the outcome of her own advice? It was disgraceful to exclude from that decision-making process the very person who has the most direct responsibility for a child's welfare, her mother, who is now helping that child to recover from that trauma and who knows what a long-term task that might be.

Children are being force-fed information on sex masquerading as education without being given the strategies and socially acceptable boundaries to cope with it. Some 400 girls under 16 have been given hormone implants that make them infertile for three years without their parents' knowledge, and a further 2,500 have had injections to make them infertile for three months. This drastic action might help to prevent unwanted pregnancy but the cost could be more diseases and promiscuity. This is condoning sex at that age rather than trying to prevent it.

The FPA recommends the provision of non-judgmental information on sex to primary school pupils without any of the firm personal or social guidelines that have stood the test of time such as fidelity and commitment. I am happy to report that the head teachers, governors and parents in my schools are far too sensible to make use of the graphically illustrated FPA pamphlet designed for 9 to 11-year-olds. The organisation receives £420,000 of taxpayers' money every year to run a sexual health helpline. Such information overkill, together with the easy availability of contraception, has led to a rise of 30 per cent. in sexually transmitted diseases and the highest rate of teenage pregnancies in Europe.

School children by their very nature are emotionally and physically immature. They cannot be expected to cope with the endless value-free, morally neutral information in a sensible and mature way. In particular, teenage girls cannot cope with the end of their own childhood, suspended education, pregnancy, childbirth and the responsibility of caring for a baby 24 hours a day without a great deal of moral, practical and financial support. The recognition of the importance of marriage, which so often seems to be overlooked, should be contained in the Department for Education and Skills guidance, as should the discouragement of precocious sexual activity and warnings about the possible outcomes of ignoring this advice. Children deserve to be protected from making unwise decisions, and I recommend to hon. Members the Youth Enquiry Service leaflet "Sex: Yes, No or Maybe", which is full of unexpected, common-sense advice.

3.50 pm

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): I shall take this opportunity to respond primarily to my hon. Friend the Member for Edmonton (Mr. Love), who is a fellow Enfield Member of Parliament. I shall also briefly respond to the contribution by the hon. Member for Upminster (Angela Watkinson). I shall not be tempted to go into some of the broader issues that she raised, although I shall touch on them in responding to my hon. Friend. I would certainly dispute the suggestion that what we are seeking to promote is value free and morally neutral.

What has been described as the Brunts case, after the school in Mansfield, is clearly very sensitive. None of us would have wanted to end up in the position that we ended with there. As I am sure that my hon. Friend is aware, there is guidance on confidentiality and the appropriate procedures to follow. Although it is hard for me to comment on the detail of the case—partly because I am not aware of the immediate implications—it is fair and, indeed, important to say that any health professional who is working in a school, including a school nurse, does so within the same legal framework as they would anywhere else. If a young person requests confidentiality, their request will be respected, unless there are serious child protection issues. Within that framework, there is no obligation to inform teachers or parents.

Of course, health professionals in cases involving a young teenage girl would always try to persuade her to discuss the pregnancy with her parents, and experience tells us that it is very unusual for a young person not to agree to do so. If, as appears to have happened in this instance, she does not agree and is adamant that she does not want her parents to be informed, the health professional must make a professional judgment about that young person's competence. That is a very difficult and sensitive judgment to make, but my understanding of the case is that that the professional made just such a judgment. I also understand that the police are questioning the father, and I could go into further detail, but I shall not. However, I wanted, to give the hon. Lady a response.

I want to update hon. Members on the progress that has been made since the previous debate, which my hon. Friend initiated in July 2003. As he said, our strategy on teenage pregnancy seeks to do several things. It seeks to provide information and advice so that young people have the knowledge and skills that they need to make informed choices. It also seeks to improve access to confidential advice services in young-people-centred

locations and to support measures to remove the barriers that prevent teenage parents and their children from achieving their full potential.

The key lesson that we are learning is that there is no one-size-fits-all solution to the challenge that we face. I shall not repeat what my hon. Friend said about the context of poverty, but it appears overwhelming when we compare the chances of becoming pregnant among teenagers from poor families and richer ones.

My hon. Friend made an important point about educational achievement and access to education, and a significant part of our teenage pregnancy strategy addresses the reasons why young people, including young women, leave education and are not motivated by it at a very young age. School and college reform for 14 to 19-year-olds is important not only for educational and economic reasons but to address social challenges such as teenage pregnancy.

Our national awareness campaign and policies to strengthen sex and relationship education seek to tackle the issues of which my hon. Friend reminded us. Clearly, prevention is critical, which is why I agree with him about the central role that sex and relationship education must play in reducing conception rates. That is why we are committed to delivering the best possible sex and relationship education through personal, social and health education in our schools and why we recognise that a lot more needs to be done if teachers are to feel that they have the confidence and support to deliver. For example, we are looking at how we can train more teachers and community nurses so that they are properly qualified in this area. Last year, more than 600 additional teachers took part in the certification programme in personal, social and health education, and there is funding for up to 3,000 teachers this year. We are also launching a linked programme for community nurses, which was piloted last year. The evaluation of the pilot was positive and we are trying to build on that. We have asked the Qualifications and Curriculum Authority to develop materials that will clarify our expectations about the standards of teaching that we expect and the ways in which schools can better assess the knowledge and skills that young people gain through their sex and relationships education.

Evidence shows that young people are likely to have sex later and are more likely to use contraception if their parents talk openly with them about sex and relationships. Survey evidence shows that parents recognise the value of greater openness in such discussions with their children. An important element in the progression of the children's and young people's agenda will be addressing sex and relationships education. There are many programmes, including the time to talk initiative delivered through Parentline Plus, which gives information to parents who might be unsure about the best way to engage their children in discussion.

Sadly, experience shows that there will always be some young people who will become pregnant. That is why we need to focus on the support that we can give those young people, some of whom my hon. Friend powerfully described in the opening part of his speech. We must see what can be done through programmes such as the Sure Start Plus pilot, through the role of Connexions personal advisers and through the support that we can give to cover child care costs for teenage parents.

I finish by addressing the challenges that my hon. Friend put to me. If we compare 2002 with 1998, there has been a welcome 9.4 per cent. fall nationally. However, in certain parts of London, including the borough of Enfield, the trend is completely the opposite. We must look at why something works in some places but not in others. During the forthcoming months we will examine in more detail those areas in which the rates have gone up and down significantly to identify the particular factors that have led to those results and to use that information to inform the future direction of local strategies. It is critical to have a clear evaluation of what is working, what is not, and what factors lead to geographical differences in results.

With specific reference to my borough, I echo my hon. Friend's comments about the 4YP bus initiative and the *Exposure* magazine in Haringey. He is right to highlight the crucial role of the primary care trust in providing a solution. I assure him that I will consider the various specific issues that he raised, especially those about future funding, because we want to ensure that programmes are sustainable. I am advised that the teenage pregnancy partnership board for Enfield is trying to tackle the issues, but I will come back to him with a response.

My hon. Friend also asked about developing the London co-ordinator role, and we will consider that in the broader context of what must be done in London. He mentioned the conference held in November as a consequence of his debate last July. I understand that a report has been commissioned and is due to be published later this year. I will write to him setting out exactly what the programme is for that and when and how we will publish the report.

This is Every child matters an important area of work. My hon. Friend talked about the Green Paper. If we are to ensure that every child matters and that we give the best possible start in life to children and young people from all backgrounds and communities, we must crack this problem. We have started to do that on a national level, but lessons must be learned from areas that have reduced teenage pregnancy for those where the rate is still increasing. The work is underway but there is a much more to learn to get things right for the future.

Environmental Policy (Economic Instruments)

4 pm

Norman Baker (Lewes) (LD): I am very pleased to have secured this short debate on what I regard as an important concept.

Mr. Deputy Speaker (Mr. Frank Cook): Order.

Norman Baker: You want me to put my jacket on, Mr. Deputy Speaker. It is very warm in here. Perhaps we should try to amend House of Commons procedures as well as address environmental matters in this debate.

I am also pleased that the Minister is present; I recognise that he understands these matters and I was impressed by a parliamentary answer that he provided for me on 26 January, when he set out in three pages what he and his Department had been doing about them. I am glad, too, that my hon. Friend the Member for Twickenham (Dr. Cable) is present; he is the Liberal Democrat shadow Chancellor, and he takes these matters seriously. I hope that we can move towards a cross-party consensus on this important issue.

Sir David King, the Government's chief scientific adviser, said that climate change is the most significant threat that we are facing, more so even than terrorism. That underlines how important it is that all Departments and all sectors of society pull together to tackle it. As a Chinese proverb advises, if we carry on going down the road that we appear to have chosen there is a very real danger that we might end up where we are heading. That should be avoided if at all possible. A business-as-usual approach will not work in dealing with climate change. A change in behaviour is required.

I am a great believer in trying to persuade people to change behaviour rather than forcing them to do so, if that is at all possible. There is a role for particular bans—on highly dangerous chemicals, for example—and for regulation, but there is also a role for economic instruments. They can be both more palatable and more effective on occasions. We should work with the grain of human behaviour; I know that the Minister understands that. If the economic indicators are right and if externalities are properly costed in, it should be cheaper to do the right thing rather than the wrong thing.

I will begin by asking the Minister about GDP. Economic growth is not the only measure of economic success, let alone happiness. He may have seen a MORI opinion poll that strikingly demonstrated that since 1973 GDP has increased in real terms by about 70 per cent. whereas life satisfaction has not increased at all; it has stayed exactly where it was in 1973. That demonstrates that the superficial link that some may perceive between economic growth and life satisfaction—or happiness, in layman's terms—simply does not exist.

It is a fact that a lot of growth damages the environment and undermines sustainable development. The Minister may know that Jonathan Porritt, the chair of the Government's Sustainable Development Commission, has called for an index of sustainable economic welfare. What are the Government doing to develop an alternative to GDP in order to build in sustainability and to ensure that the problems that I have referred to can be countered—particularly the problem that sudden growth can be detrimental to the environment and sustainable development?

There is no question but that using economic incentives or disincentives can work. That is clear from, for example, the differential introduced by the previous Conservative Government on unleaded petrol, which led to a marked shift in behaviour in a short period with people moving from leaded to unleaded petrol. Society and successive Governments have not capitalised on that as much as they might have done.

We appear to raise a lower percentage of our tax income from environmental taxation than many other countries. I refer the Minister to a written answer given by the Minister for the Environment on 6 January 2004 at column 256W. That answer states that 2.85 per cent. of our taxation income came from environmental taxation. That is a lower proportion than in many countries. Even Turkey has a figure of 3.79 per cent., and for the Netherlands it is 3.65 per cent., for Austria 3.01 per cent., and for Denmark 4.7 per cent. That is disappointing, and I would have hoped that the Minister and his colleagues would have done more to advance the idea that taxation, while not increasing as an overall take, can be shifted away from useful things such as employment on to things we do not want such as pollution. I suggest to the Minister that there is scope for doing that. My second question for the Minister is: do the Government agree that a higher percentage of tax should be related to environmental outcomes and objectives and would he consider setting a target as Sweden does to raise taxation in that way?

I come now to some specifics and suggest to the Minister that there are areas where we have failed as a society—I am trying to be non-political here—and where Governments could have done more to ensure the environmental outcomes that they want by means of economic instruments. Waste is a matter that I raised with the Minister briefly at Treasury questions last week, and I have a chance to expand on that now. I said that we all sign up to the Government's waste hierarchy—minimisation, reuse, recycling and then on to incineration and landfill, the two options that are officially classified by the European Union as waste disposal techniques—but that the economic incentives that are in place prejudice the delivery of that hierarchy.

It is still quite cheap to landfill. Although the Government are increasing the landfill tax and I welcome that, it is still an attractive option for many businesses, individuals and councils. There is no tax on incineration, despite the fact that it has been downgraded in the hierarchy by the EU and is now officially a disposal technique. There is a requirement in the EU landfill directive to move away from landfill quite quickly, but unless we have real incentives in place for minimisation, reuse and recycling, councils will inevitably move towards a chain of incinerators throughout the country. It is more attractive financially and it is easier.

The Government should consider variable charging for waste collection, for example. The strategy unit in its report "Waste not, want not" recommended that, but the Government subsequently said that although they did not oppose the strategy unit's recommendation more work needed to be carried out in conjunction with

the Local Government Association before any pilot schemes could be considered. That was some time ago. We have heard very little about it since then. Could the Minister tell us where we are on variable charging?

The LGA appears to have reached the conclusion that nothing will happen for the foreseeable future. Councillor Kay Twitchen, the chair of the waste and environmental management executive of the LGA, said:

"We are disappointed that the Government appears to have decided that direct charging will not be piloted in the current Parliament."

Can the Minister clarify whether that is the case?

Variable charging would have given a direct incentive to householders to minimise the amount of waste that they throw away. It could encourage them to use reusable rather than disposable nappies. DEFRA has given that considerable attention. The previous Minister for the Environment considered it a priority. Up to 4 per cent. of the waste stream comes from disposable nappies, but there is no incentive for individuals not to use them if they can simply throw them away and have them taken to the dump. There is no relation between what they pay and the volume or weight of what they throw away.

Does the Minister have any proposals for a plastic bag tax? He will know that the previous Minister for the Environment recommended it, and the indications from Ireland appear to be that it is successful. I accept that a life-cycle analysis has to be carried out to demonstrate whether there is genuinely an environmental benefit. I suspect that there is, but I am happy to be proved wrong on that. Nevertheless, gigantic numbers of plastic bags are being used in this country. According to a report I compiled recently, the six major supermarkets alone use 17 billion plastic bags a year. That is enough to cover England within three years and that is without the other plastic bags from the other multiples and other users. There is an issue there that the Government need to address.

Transport is an area where the Government have not managed to use economic instruments at all well to deliver their objectives. When they came to power in 1997 they wanted to see a reduction in car use for reasons relating to the environment and social inclusion, and a fair means of making air users pay their way. They also wanted there to be a move towards public transport for social and environmental reasons, but that simply has not happened.

All that the airlines have done is introduce the air passenger duty, which is not an environmental tax. It bears no relation to the number of passengers on a plane, or to the plane's carbon emissions. Does the Minister agree that it would be sensible to replace that duty with something that relates to a duty on each aircraft—freight as well as passenger—so that airlines have an incentive to fill up their planes rather than run them half empty as they sometimes do? Does he also agree that it would be sensible to boost regional airports by deregulating controls and the income of airport operators? Such a move would lead to an increase in landing charges in the south-east, which are already among the lowest in the world.

The Government could do more, but their policy appears to be to wait to see whether the environmental impact of airlines could be dealt with through an emissions trading scheme at European Union level in 2008 and beyond. I happen to be in favour of an emissions trading scheme, and I recognise the good work that the Government have done on emissions trading in other areas. However, what is plan B if that emissions trading scheme does not happen? We need alternatives, but we do not appear to have them.

The Government's surface transport arrangements have also disappointed me and many others. The Minister is facing calls for a cut in fuel duty, which the Prime Minister faced again today in the Chamber. In the past 30 years, the cost of motoring has gone down by 5.2 per cent. in real terms, the cost of travelling by train has risen by 84.3 per cent. in real terms, and the cost of travelling by bus has risen by 70.6 per cent. I would have preferred the Prime Minister to quote those figures earlier today, and to show that those who are worried about the cost of motoring have actually had it very good in the past 30 years. Bus and train users should be the ones who are moaning. A more defensible historical position, not to mention a more defensible environmental position, would be very welcome from the Government. I do not want the Government to be bulldozed into cutting fuel duty, which would be inappropriate given the historical perspective that I described.

Since the Government came to power in 1997, the cost of travelling by car has fallen by 4.8 per cent., the cost of travelling by train has risen by 3 per cent., and the cost of travelling by bus has risen by 8.2 per cent. Economic indicators show that the Government have clearly failed to address transport in general. A big road-building programme is still going on, but an answer from the Department for Transport to me yesterday indicated that Labour has managed to build less than one mile of railway a year since it came to power. Clearly, there are no incentives to bring about a sustainable transport policy.

I accept that the Government introduced a climate change levy, and I say hooray to that as they have recognised to some extent the need to tax emissions. That is, however, an inflexible tax. It does not deliver as much as it might, and it is not as clean as a carbon tax would be. It is perfectly possible to move towards a carbon tax, but in an answer to me on 8 January, the Minister explained that he did not want to do so, mainly because he did not want to affect domestic energy users. I am conscious of the impact of energy costs on the poor, but the Government could deal with that through the social security system, the warm front initiative or other measures that they claim to have going, rather than excluding that whole sector from the carbon tax. The poor should be included.

When the Minister replies, will he say something about the private finance initiative and public procurement? PFI contracts in the private and public sectors seem to fail to take account of environmental consequences. What is the Minister doing to ensure that PFI contracts in the public sector reflect good environmental performance? I am not sure that that is being done. What is he doing to ensure that public procurement also reflects good environmental standards? The Government are the largest procurement agency in the country. In the EU, 16 per cent. of procurement is funded from the public purse. We therefore need to ensure that the Government lead.

[Norman Baker]

If they do so, the private sector will follow. The Government can provide such a real lead, but so far they have shown themselves to have a blind spot on the matter.

Lastly, I should point out to the Minister the cost of doing nothing. It is not simply greenies who are saying how good it would be to improve the environment. The cost of doing nothing is substantial, and the parliamentary answers that I have received from Ministers—copies of which I can give the Minister if he wishes—demonstrate that there is an annual cost of at least £65 billion from not doing the right thing for the environment. That arises from the costs of congestion, flooding, water leakage, agricultural impacts, energy waste, nuclear liabilities, and so on. It is in the Treasury's interest to get this right, as it is in the pole position to lead. The Minister understands the issues, and if the Treasury took the lead even more than at present, we could have not simply a better economy in this country, but far better contributions toward our fight on climate change.

4.15 pm

The Economic Secretary to the Treasury (John Healey): I begin by congratulating the hon. Member for Lewes (Norman Baker) on securing this debate and on the measured way in which he has introduced it, although perhaps it is less of a debate and more of an extended Question Time. Rather than reading from the script and notes that I prepared earlier, I shall do my best to deal with the range of points and direct questions that he put to me. I pay tribute to him and his active interest in such issues, not just in terms of his Front-Bench responsibilities, but as a Back Bencher. I was pleased to be invited to the all-party parliamentary environment group last week, which he chairs, and was honoured to be the guest at its recent luncheon.

The hon. Gentleman is right about the seriousness of the problems that we face with the environment, the role of the market and the case for policy interventions where there are failures of the market or where its operation has serious environmental consequences. He is right, too, that our record since 1997 demonstrates that economic incentive and instruments can work in achieving environmental aims. He attributed the policy of the change in duty on leaded petrol to the previous Government. I am not so certain about that, but I should say that since 1997, we have made very direct and effective use of marginal differences in duty rates, in order to transform the market for fuel to ultra-low sulphur diesel and petrol.

From 1 September this year, there will be a 0.5p per litre differential in favour of sulphur-free fuels. Having worked with the industry, and recognising all the work that the industry has put in over the last couple of years to prepare for that, we expect that that will lead to an almost universal overnight switch to sulphur-free diesel, and that in a few months' time—definitely by the end of the year—there will be a universal switch to sulphur-free petrol. That is a good example of the use of an economic policy or instrument driving behavioural change to achieve environmental ends.

I turn to the series of questions that the hon. Gentleman put to me. On the alternative measure of growth, the most productive area here is not looking for an alternative to the policies for growth, but ensuring that in preparing economic policies—particularly those to support the growing, stable economy that we have put in place since 1997—environmental concerns play a mainstream part in that process. I shall explain how that is formally built in to the way that the Treasury has dealt with such issues since 1997.

The question of taxation and the environment is an interesting point that is capable of being debated for a longer time than we have available. However, it is not sensible simply to focus on the proportion of GDP, or the total sums, taken by environmental taxes. First, it does not include all environmental taxes, particularly tax incentives such as enhanced capital allowances, our new scheme for energy efficiency among private landlords, and VAT reductions. Secondly, if environmental taxes are effective, we have to expect the revenue from them to decline over time. Thirdly, some of the most significant environmental tax reforms have been about restructuring existing taxes, rather than introducing new ones, and have included graduated VAT, changes to the company car tax and, to some extent, the proposals on company van taxation in the current Finance Bill. Those have either been broadly neutral in revenue terms or have led to a reduction in Government revenues, although it is misleading to interpret that as not supporting environmental objectives or succeeding in having an environmental impact.

I turn now to waste and the question of incineration. I noted the hon. Gentleman's welcome for the landfill tax and the projected increase in its rates, particularly from next year onwards. Part of the purpose in making that decision and signalling it early was to help drive the diversion away from landfill and to encourage the market to think more about reuse and reduction of waste. Currently, less than 10 per cent. of municipal waste is incinerated while almost 16 per cent. is recycled or composted. The rate of increase in recycling is far greater than the rate of increase in incineration, which suggests that the mechanisms that we have in place, far from incentivising the incineration that the hon. Gentleman mentioned, are having the impact on recycling and local authority targets that we seek.

The hon. Gentleman will be aware of the study that the Government recently published into the health and environmental impacts of waste management methods. He will know that it is essentially a review of the scientific base and that a second report is due shortly to assess the economic impact of policy measures. I hope that that will give us a better base and sense of proportion for the policy debates that we need to have to ensure the best future mix of policy instruments required to deal with the waste management challenges and targets.

The hon. Gentleman's point about aviation and the EU emissions trading scheme was put to me last week at his all-party parliamentary group lunch. As I said then, we believe that the aviation industry should be included in the second stage of the scheme. We have started working hard to achieve that end and have identified it as one of the priorities for the UK presidency of the EU in the second half of 2005. As I confirmed to the lunch and as can be seen from the Budget and pre-Budget documentation and in the aviation White Paper, we are continuing work on whether any short-term measures

are necessary to try to make the aviation industry pay its way for the environmental costs that it brings and improve its environmental performance.

On motoring, I noted that the hon. Gentleman's argument was essentially in favour of raising fuel duties further. He mentioned public procurement, and I was at Customs house this morning, as the Minister responsible for Customs, to take the keys of the first of 42 dual-fuel petrol-electric Hondas, of which Customs was taking delivery. That is a significant step in greening the car fleet and a good example of how public procurement can have environmental objectives and how a concern for the environment can become part of mainstream Government procurement decisions.

More broadly, there is probably no difference between the hon. Gentleman and me. The quality of the environment affects everybody's quality of life and we all have a responsibility to safeguard the environment for our children and future generations, and for the country as a whole. To meet that obligation, the Government have the clear aim of improving the quality of the environment, both now and in future, as part of the wider strategy of achieving sustainable development.

The term sustainable development is often used, but it is rarely properly defined. For me, it means meeting four objectives at the same time—social progress and recognising everyone's needs; effective protection of the environment; the prudent use of natural resources; and the maintenance of high and stable levels of economic growth and employment.

Delivering sustainable development is obviously a cross-Government task. However, it is a core feature of economic policy, and it is a goal to which the Treasury is formally and publicly committed. Indeed, one of our departmental objectives is

"to protect and improve the environment by using instruments that will deliver efficient and sustainable outcomes, through evidence-based policies."

In other words, we will be using policies that the hon. Gentleman described as going with the grain of the market.

The Government believe that markets provide the best means of allocating an economy's resources. However, many markets are subject to imperfections and failures, and that is particularly true for environmental matters. Markets fail when the private returns that an individual or a firm receives for carrying out a particular activity are at odds with the benefits for society as a whole. That means that environmental objectives can sometimes be achieved only through society acting collectively rather than by people acting individually. Indeed, the hon. Gentleman ended by stressing the cost of doing nothing.

Evidence of the nature of market failure may mean that we have to use a range of policy instruments, including economic instruments, and the Government are committed to using such a range of policy levers to pursue environmental objectives when appropriate. In some cases that may be done through taxation, in others through trading schemes; it could also be done through tax credits or public spending. In some cases, it may be done by regulation or through voluntary agreements; and in many cases they will be supported by information publicity campaigns.

Norman Baker: I am grateful to the Minister for answering my questions and responding positively; it does not always happen. Will he say how the Government view the widening gap between transport costs? Motoring is getting cheaper, even now, and the cost of using trains and buses is increasing. Not only is that bad for the environment, but it is bad for the Government's social inclusion policy. What will the Government do about that; or is it a matter for market forces, and outside the Government's control?

John Healey: It is absolutely not only for market forces. I listed the range of policy interventions at our disposal, and the hon. Gentleman did not mention the huge investment in public transport that has been made under this Government. One cannot get a full, clear and accurate picture to support such a contention unless one takes those sorts of factors into account.

In many ways, the UK is now rightly regarded as a world leader in the development of economic instruments for the achievement of environmental objectives. For instance, we had the first economy-wide emissions trading scheme, and our climate change levy broke new ground, as did our aggregates levy and the sustainability fund associated with it.

There is more to come. The landfill allowance trading scheme is to be brought in next year; and the EU emissions trading scheme is due to start in January 2005. However, the Government continue to believe that in certain situations, where specific behaviour changes are required, voluntary agreements should also play a part.

When necessary, we have demonstrated that we are willing to go through extensive processes to ensure that we get our policies right—or at least get the best possible balance between the competing interests that inevitably come into play. In our policy making, including on the environment, we will always consider the wider implications for businesses, communities and other stakeholders, and we will continue to consult widely.

We will continue to work at the local and the international level to improve awareness of the environmental challenges faced by the world, and we remain determined to help drive the commitment needed to face those challenges together.

Question put and agreed to.

Adjourned accordingly at half-past Four o'clock.

Westminster Hall

Thursday 20 May 2004

[MR. EDWARD O'HARA *in the Chair*]

War against Terrorism

[Relevant documents: Foreign Policy Aspects of the War against Terrorism, Second Report from the Foreign Affairs Committee, Session 2003–04, HC81, and the Government's response thereto, Cm 6162.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Gillian Merron.]*

2.30 pm

Donald Anderson (Swansea, East) (Lab): The Foreign Affairs Committee continues to give the highest priority to its work on international terrorism. The war against terrorism and the attacks on the British consulate-general and the HSBC bank in Istanbul remind us, if reminders are necessary, that fighting international terrorism is as essential for British security and interests as it was immediately after 11 September. Therefore, I welcome the opportunity to introduce to the Chamber the Committee's fourth report on the subject since 11 September, and its second report of this Session. I hope that it will provide a useful background for this debate on the war against terrorism.

The Committee's previous reports have dealt with a range of issues, some with a regional focus. This time the main focus is on Iraq and the middle east. Our analysis and conclusions were informed by a series of visits to Syria, Jordan, the occupied territories and Israel and, separately, to Iraq—most members of the Committee have now been there—and Iran. Those visits have informed this report. The report was printed in January and the Government responded in March. Much has happened since then.

I shall endeavour to provide an overview of our report and to comment on some subsequent events. First, I shall speak about Iraq, which is covered by paragraphs 1 to 23 of our conclusions and recommendations. On security, we concluded that the decision by some of the Security Council's five permanent members, and other countries with the capacity to assist us,

"against contributing forces to help to establish security in post-war Iraq ... can only have increased the pressures on US and United Kingdom resources, both civilian and military, which in turn, may have exacerbated the difficulties encountered by the Coalition in establishing and maintaining security in Iraq."

The Government stated that they

"do not believe this is a major cause of difficulty in maintaining security. The Coalition and Multinational Forces in Iraq are adequately resourced for the task. In addition to the US/UK forces, there are 16,000 other Multinational troops ... from 32 nations."

Although 30 other countries may be represented in Iraq, the numbers are small and no Islamic countries have yet committed troops, which is regrettable. How do we encourage greater involvement? Does it require the stimulus of a further Security Council resolution? Clearly, we must do more, not only to reduce the strain on UK and US forces but to internationalise the security presence and, importantly, to make it more palatable to the Iraqis. What the Government told us has been overtaken by events, as we might see in the next few days, with the possible commitment of 3,000 more of our forces to the area vacated by Spain. Whatever our differences over the war, it should be a matter of consensus that we have an interest in providing stability for the new Iraq.

In respect of de-Ba'athification, our conclusion was that

"the early decision to disband the Iraqi armed forces was entirely understandable in the conditions prevailing at the time, but that the re-establishment of such forces is an essential component of creating a new, safe and sovereign Iraq."

The Government's response stated that the training of new Iraqi armed forces was a "high priority". When we saw the Foreign Secretary on 5 May, he robustly defended de-Ba'athification and denied that handing over Falluja to an Iraqi force under a former Iraqi general constituted a change in policy.

That is certainly contrary to the evidence that the Committee heard, and frankly, it seems at odds with the facts. On reflection, it seems a wise change of policy, and if it is, why not say so? As we saw in South Africa, and earlier in Nazi Germany, in a post-conflict situation there is the traditional problem of dealing with members of the old regime. Many Ba'athists naturally saw party membership as a means of getting on, and it is highly relevant that the new Iraq should use its skills and experiences to rebuild the country, so long as those guilty of human rights abuses are excluded. Perhaps the motto should be, "Those who are not against us are for us."

As for the political process in Iraq, handover is due on 30 June. Still at this late stage, however, there is uncertainty about how that will happen, the powers that will be handed over and the members of the Iraqi body that will receive sovereignty. Security poses a particularly difficult problem, especially with the United States' traditional view of being subject to an international force or leadership. The Brahimi report, which is the only one in town, will now be acted upon.

During our visit to the United States, the Committee's impression was that there had been little in the way of planning for the post-conflict situation. We understand from events over the past few days that there is a recognition that there was perhaps too great a reliance on Mr. Chalabi—who was the darling of the Pentagon at the time—and certain other exiles.

In the United States we heard the memorable phrase, "6.30 and wheels up", the interpretation of which is that on 30 June there would be the possibility of departure. There are far more question marks about the significance of 30 June now, and the US, after its earlier reluctance, is being forced to give the United Nations a far stronger role. On 5 May, the Foreign Secretary told the Foreign Affairs Committee:

"Do not underestimate the symbolic importance of this"—

that is, 30 June—

"Symbols are very important in politics as in life".

I hope that the transfer will be more than just symbolism.

The situation has clearly deteriorated. I am thinking not only of Falluja but of the Mahdi army and of the violence throughout the country. The aim should be

[Donald Anderson]

maximum transfer of power to the new Iraqi authority, recognising that the real transfer will find more legitimate authority after the elections in December or January. Perhaps after the revelations of the abuses in the prison, the United States should be more on the defensive and readier to listen to its allies. If there is an exit strategy, the emphasis should be, as I think *The Times* said, on strategy rather than exit.

The Committee concluded that the United Nations has the potential to play an important role in facilitating political transition in Iraq and in conferring legitimacy on the process. We further concluded that the attack on the UN headquarters in Baghdad and the subsequent withdrawal of UN staff has had a serious, but it is to be hoped temporary, detrimental effect on the process of transition to a new Iraqi Government. When the Committee had the honour of meeting Kofi Annan again in New York, it was clear that he was not prepared to risk UN forces again without very adequate security. That is understandable.

We also met Lakhdar Brahimi, the current UN envoy to Iraq. His plan for the transitional phase in Iraq is the only plan on the table, so everything appears to rest on him. There remain many uncertainties over whether it will be accepted and how it will be implemented. As we understand it, the possible timetable is that a draft resolution could be tabled within about 10 days, involving, it is said, full sovereignty but rather less than full authority. That is an interesting phrase, but the executive authority must be seen to be in the hands of the Iraqis. The most difficult aspect will be the relationship between the interim government and the multinational force. Marc Grossman was clearly in great difficulty when he recently explained that in evidence to the Senate Armed Services Committee.

UK military and civilian personnel in Iraq are making a vital contribution to the administration and reconstruction of the country, despite having to do so in most difficult and dangerous circumstances. Their performance deserves the highest praise and appropriate recognition. We welcome the appointment of Edward Chaplin as our ambassador in Iraq from 1 July, and we thank those who have played significant roles in the earlier period, notably Sir Jeremy Greenstock, David Richmond and John Sawers.

Andrew Mackinlay (Thurrock) (Lab): My hon. Friend is rightly listing the people who are entitled to receive the thanks of the House for their stewardship in most difficult circumstances. Would he include in that list Mr. Segar, who has been holding the line with regard to British interests in Baghdad?

Donald Anderson: Of course. The problem when one starts to enumerate is always that one is in danger of omitting some key figures. Mr. Segar looked after those of us who visited Iraq in December extremely well.

I would like to say something about the detainees. That matter has arisen since our report was produced, although at least one member of the Foreign Affairs Committee did raise the subject. Whatever the truth is about the various allegations of mistreatment of detainees, the pictures have been immensely damaging. Abuse by US and UK forces has been on the front pages of newspapers throughout the middle east for several days. That has clearly had a very negative effect on public opinion in the middle east and the wider Islamic world. There may be scrutiny and appropriate punishment, but the damage has been done. Our US allies, and ourselves, face an enormous problem in seeking to repair not only a moral outrage that brings shame on us, but a public relations disaster.

I have a final thought on Iraq and what is at stake there: this is an undertaking that we dare not lose. If we were to lose, we would leave a failed state and a centre for terrorism in the region and beyond. That would be an immense victory for the forces of terrorism. It has been reported in the press today that the al-Zarqawi group has claimed responsibility for the assassination of the chairman of the Iraq governing council. It is of paramount importance that the wreckers in Iraq should not be seen to prevail, and it is in all of our interests to ensure that they do not do so.

I now turn to the Israel-Palestinian conflict. The prospects for the implementation of the road map, to which both sides claim to be attached, look increasingly bleak. The prospects for the region as a whole look even bleaker, unless the impasse between Israel and the Palestinian Authority is broken. The Foreign Affairs Committee identified failures on both sides that must be addressed. One of the more depressing aspects of meeting representatives of both sides is that both sides are prepared to give a recital of the sins and misdeeds of the other side, but are wholly unwilling to see any fault on their own side.

The faults and failures of the PA include the fact that although reform of the Palestinian security sector is central to success, there has been a lack of progress on that. We expressed our concern about it, and recommended that the authority redouble its efforts to ensure the success of its reforms. The PA needs to do more to arrest and bring to justice those responsible for the recruiting, training and launching of suicide bombers, and to prevent the honouring and encouraging of suicide bombers and their masters by the Palestinian media. We also recommend that the Government, with their EU partners, apply further pressure on the PA to stop the terrorist attacks.

Failures on the part of Israel include, of course, the new killings in Gaza, the targeted assassinations, the collective punishment—likely to be wholly counter-productive—and the conditions under which many Palestinians now live, which, as we say, contribute to their radicalisation and undermine support for moderate Palestinian leaders. Israeli action in the west bank is making the Palestinian economy unviable. We recommend

"that the Government continue to urge Israel to help 'create a climate within which moderate Palestinian leaders can prevail.'"

We visited the security fence—or wall, as we saw it—in Qalqilya. The report says:

"the case for building a security fence along the Green Line would be strong . . . but to build it within the West Bank"

is not justifiable. The fence and the settlements in occupied territories constitute severe impediments to efforts to secure a peace agreement between Israel and the Palestinian Authority. Those impediments, along with settlement policies, make the eventual

establishment of a contiguous and viable Palestinian state increasingly difficult. We therefore recommend that the Government and our EU partners put further pressure on Israel to implement the commitments that it made under the road map.

There is clearly an urgent need for a breakthrough; there is little positive to report since the Committee reached its conclusions. The speech of Prime Minister Sharon on 18 December caused deep concern, and if over the next 18 months or so progress towards implementation of the road map is further delayed, the two-state solution will become increasingly difficult to achieve. Early progress towards a negotiated settlement between the two sides is a necessary component in the Government's efforts to promote stability within the wider middle east.

The hon. Member for Stratford-on-Avon (Mr. Maples), a distinguished member of the Committee, recommended that the Government state their policy on chapter VII of the United Nations charter, and on imposing a settlement along the lines of Taba, where it is generally agreed that there was apparently relatively little difference between the two sides. The Government have not given a full response to that, and we shall probe further. Have they seriously considered that option, given the failure of a negotiated settlement between both sides? What are their opinions on that, and what are their reservations?

The latest development since our report was Prime Minister Sharon's proposal to leave Gaza. That proposal was repudiated in part by a vote in the Likud party—although, interestingly, it was endorsed by the Quartet in its statement of 4 May. The Quartet recognised—as did the Prime Minister in his press conference with President Bush—that the suggestion is not bad if seen as part of a process, and it would perhaps even reinvigorate the peace process and the road map. The aim is clear: security for Israel and justice for the Palestinians. However, there are massive roadblocks in the way.

Other threats to security in the middle east are covered in conclusions 41 to 51. We considered Iran and Syria, both of which we visited. Both have the potential to be destabilising factors in Iraq, and there is also the issue of their links with terrorist organisations more widely. Although neither has taken as many steps forward as it might—for example, in taking a more constructive approach to the Israel-Palestine conflict—we conclude that the United Kingdom's approach to those two countries has already yielded some positive results, particularly, we think, in Iran. We are thinking of our commendation of the Government's decision to work with our French and German partners on the nuclear problem, but clearly the jury is still out on that, and the International Atomic Energy Agency will address the issue further next month.

We were concerned about the pursuit by Syria of weapons of mass destruction, but recommended that the Government pursue a policy of constructive engagement and further dialogue.

Clearly, there has been good news on Libya, and we commend the Government for their role in bringing about Libya's decision to relinquish its programme of weapons of mass destruction. Interestingly, the world community was not aware of that, and it is remarkable that the negotiations were kept secret for more than nine months without being leaked to the press.

However, we need to monitor Libyan compliance closely, and the Committee expresses its concern about that country's lack of political reform and poor human rights record. Those issues have to be addressed in our policy of engagement. However, so far, so good. During visits to the United States, I have learned how surprised people there have been at the remarkable degree of compliance shown by Libya with its undertakings.

Mr. David Drew (Stroud) (Lab/Co-op): I agree entirely with what my right hon. Friend has said. However, there is a problem. Libya has now taken on the mantle of human rights and positions within the UN, and we see that at its worst in relation to Sudan. The Libyans have simply blocked some of the moves towards a full investigation of the genocide that is going on there. Does my right hon. Friend agree that if the Libyans come into the big tent, they have to play a role that is above reproach, rather than being somewhat two-faced?

Donald Anderson: Of course. We have expressed concern and dissent elsewhere about the readiness of all African countries collectively to join together and prevent criticism. We have seen that in Zimbabwe, for example, and we have mentioned the role of South Africa in that. Although the Committee has not addressed the issue, I am sure that my colleagues will be very concerned that, on the principle of Buggins' turn, Africa put forward Sudan as a member of the United Nations Commission on Human Rights. That must put an enormous question mark over the credibility of that organisation.

My hon. Friend is absolutely right in saying that there are still parts of the old Adam in Libya. We should not expect a change overnight; all we can hope for is substantial progress in the right direction, and we should remind Libya when it fails to live up to what we hope will be its change.

Time does not permit me to go over the whole issue, but the headings we covered on the wider war against terrorism included security strategy. After the Istanbul attacks, we welcomed the Foreign and Commonwealth Office review of security strategy, which was announced in December. The issue needs to be dealt with urgently.

We considered other aspects related to international co-operation: the United Nations Counter-Terrorism Committee, the inadequate response of NATO in this field, the funding of terrorism, proliferation, and the European Union security strategy and its difference in tone from the security strategy of the United States. We touched also on the reform agenda in the Arab world, although I concede that that was only in passing. We turned to the issue of Guantanamo bay, which is also relevant to Iraq in relation to the treatment of detainees.

We say that this is a struggle for values, and we must maintain our own moral values if we are to be true to ourselves and give the right image and message to others. We have to show a real difference from our ideological adversaries. The detentions at Guantanamo bay, and—more so—the abuse of prisoners in Iraqi jails are shameless, wrong and highly embarrassing.

In conclusion, the Committee recognises, having reported at the start of this year and having received the Government response in March, that this is a moving

[Donald Anderson]

target. Much of relevance has happened in the two key areas that we covered—Iraq and the middle east—since we reported. The Committee can take some pride in the fact that this is its fourth report on the war against terrorism since 11 September 2001.

We are already engaged on the next chapter—our next report. Last week the Committee visited Afghanistan and Pakistan, and we are hoping to publish our report, which will include our reflections on the position in those two countries, in July. I commend this report to the Chamber, and look forward to the debate.

2.55 pm

Sir John Stanley (Tonbridge and Malling) (Con): I want to cover the middle east, Iraq and Afghanistan, and I am trying to do a quick calculation of the number of hon. Members who are trying to catch your eye, Mr. Deputy Speaker. I shall confine my remarks accordingly, and I hope that all hon. Members who are present and wish to contribute to the debate will be able to do so.

On the middle east, the Prime Minister said yesterday during Prime Minister's questions that the road map

"is the only possibility for the future in both Palestine and Israel."—[*Official Report*, 19 May 2004; Vol. 421, c. 974.]

I differ from that view. I do not believe that the road map is the only possibility for the future that is on the table, although it may be the one that we all want. There is another possibility that is much more on the table than the road map—Mr. Sharon's disengagement plan, which is a piece of verbal chicanery more accurately described as a plan to bring about the de facto annexation of what in military terms are the most desirable parts of the west bank, because they have the commanding ground, and access to water.

The Israeli people as a whole are in no doubt that Sharon's so-called disengagement plan is very much in Israel's interests, and gives it a good deal. The opinion polls in Israel make that clear; only the fairly blinkered religious zealots in the Likud party cannot see that for themselves. By virtue of being a good deal for Israel, the plan is a very poor deal for the Palestinians.

Sharon's so-called disengagement plan involves making concessions that give Israel no significant pain at all. Those concessions involve getting out of a token handful of small settlements in the west bank and getting out of Gaza, which, as everybody knows, has been a significant international political embarrassment for the Israeli Government, and is self-evidently a military nightmare for the Israelis. Any situation in which there are just 7,000 Israeli settlers among 1.2 million Palestinians is bound to be a serious security problem.

Prime Minister Sharon has done well for the Israeli Government, in selling his disengagement plan, apparently successfully, to the US Administration. He has done more than simply sell it, he has done so in return for American acquiescence in a great benefit for the Israelis—significant progress towards the de facto annexation of much of the west bank. The American Government have acquiesced in that programme and, most surprisingly, the British Government seem to be acquiescing, too.

It is extraordinary that Mr. Sharon has been able to persuade so many people that getting out of Gaza is the first stage in the implementation of the road map. I do not see any evidence whatever of that. As I see it, the process of the disengagement plan is not implementation of the road map, but a further step towards its destruction. The reality is what is taking place on the ground in the west bank. It is happening day by day, week by week, and month by month, as the security wall and fence extend through the occupied territories illegally, and make the prospect of an economically viable Palestinian state ever more remote.

The road map is being destroyed by the existing permanent settlements being made ever more permanent, and by the considerable number of outposts on the hilltops in the occupied west bank, which some Committee members have seen. At present they are temporary structures, but water, electricity and telephone connections are being made surreptitiously, so that they can become the next generation of permanent settlements. That is the reality. That is what is happening on the ground in the west bank.

Although everybody likes to talk as if the road map was the central imperative of middle east policy, I do not believe that that is the case. The central imperative for policy is how to stop the so-called disengagement policy—the unilateral annexation of substantial parts of the west bank—from being pursued any further. I understand why Ministers, their counterparts in the United States, the Quartet and others wish to keep talking about the road map. It is the comfort zone in the discussion of a very difficult situation, it is fair and reasonable, and everyone wants to see it implemented. However, it does not reflect the reality of what is happening on the ground.

The central and most imperative issue in middle east policy is how to stop the de facto annexation of the west bank. That was specifically referred to in the Foreign Affairs Committee report that we are discussing, and was made the subject of a recommendation. With reference to the Sharon disengagement plan, in paragraph 175, we said:

"We recommend that the Government, in its response to this Report, set out what steps it is taking to dissuade the Israeli Government from taking such unilateral action."

We studied the Government's response, but I must say to the Minister that on that point, it is absolutely silent. There has been no response from the Government as to the precise steps that they are taking, not merely on their own, but in conjunction with others, to try to stop the unilateral de facto annexation of large parts of the west bank. That appears to be an extraordinary lacuna in their middle east policy, and perhaps in his response, the Minster might be able to start up to fill that significant gap.

I will now discuss Iraq. Sadly, the situation there is going from bad to worse. In the past 24 hours, we have seen the appalling carnage that was caused by the apparent shoot-out involving an Iraqi wedding party, which included the deaths of considerable numbers of women and children. This morning, we were all appalled to see on television the latest images of an American serviceman and servicewoman grinning, with thumbs up, over the body of an Iraqi detainee. Those are shocking events, which are doing damage beyond any quantification to our interests as democratic societies in that part of the world.

None of us, myself included, know what the outcome will be in Iraq, but when the history books are finally written, I would not be surprised if the decision is seen as the worst foreign policy misjudgement by the British Government since the days of appeasement. However, we shall see. We certainly know now that before the war we disastrously misjudged the extent of the threat that Saddam Hussein's weapons of mass destruction posed. Since the war ended, we have also discovered that we have seriously misjudged the extent to which British and American forces would be welcomed inside Iraq.

I acknowledge fully that there are no easy solutions to the difficult position that we are in, and I accept totally that there is no way in which we can responsibly cut and run from the present situation. We are there: we took the decision to invade, and we must now discharge our responsibilities to the Iraqi people, as long as the forthcoming Iraqi Government wish us to be in that country.

I should like to put two points to the Minister. First, I hope that the Government will stay focused on the top priority for Iraqi people—and much as we might wish it were otherwise, the top priority for Iraqi people is not the establishment of a multi-party democracy. I am in no doubt from the visit that I made to Iraq with other members of the Committee, from discussions and reports by journalists and the other media in Iraq, and from Iraqis who have visited us in this country, that the top priority for Iraqi people is security. That is what they seek and expect from the coalition, above all else. They feel exposed to the worst possible type of criminality—robbery with violence, kidnapping, rape and murder. The Iraqi people, like people in any part of the world, look to their Government, or those who are temporarily in control of them, to discharge that security responsibility to them. That is their overwhelming priority.

I read a report the other day of the kidnapping of the daughter of a Baghdad businessman, for a ransom of $100,000. The Baghdad businessman sent his son to negotiate with the kidnappers, and the son ill-advisedly ended up killing up one of the kidnappers. The daughter was returned—or rather, her head was returned, in a sack. I am afraid that such events are not unknown, unusual or even infrequent in Iraq today. It is a truly violent place, where many people are deeply concerned about their security. Until the coalition can convince the people of Iraq that we can provide for their security, we will have neither their confidence nor credibility with them.

Mr. John Smith (Vale of Glamorgan) (Lab): I share the right hon. Gentleman's views about the need to deal with the security situation in Iraq. However, does he recognise that such barbarity existed in that country prior to the intervention of the coalition forces?

Sir John Stanley: I agree that Saddam Hussein's regime was utterly vile. Appalling barbarities were committed by that regime and in the name of that regime. However, I also believe that when the people of Iraq overwhelmingly welcomed our removal of the Saddam Hussein regime, they did not expect in turn to be exposed to the degree of insecurity and personal risk that they face today.

My second point to the Minister about Iraq is that the men and women of the British armed forces, who are in a deteriorating security position now, expect the Government to discharge a real responsibility to them. They want the Government to ensure that they have sufficient forces in Iraq to provide for their self-protection.

I do not believe that Members of Parliament of any party, or the British public at large, will easily forgive the British Government in a situation of deteriorating security if they allow our forces in Iraq to be spread too thinly for their own protection, or do not agree to meet in full requests by the chiefs of staff for reinforcements in Iraq that will provide security, as far as possible, for our forces there. I hope that the Minister will give us an unequivocal assurance that the Government will not agree to any overstretching or over-thinning that would mean high risk, in military terms, in our area of operations in Iraq, and that such reinforcement requests that the chiefs of staff consider necessary to discharge our responsibilities in Iraq will be met in full.

I fear that we are currently going backwards in the middle east and Iraq. This time last week, members of the Foreign Affairs Committee were in Afghanistan, where things are absolutely in the balance. The next few weeks will be critical. The situation in Afghanistan is unstable. Terrorism continues, although mercifully at a relatively low level. It is worrying that the all-important so-called DDR programme—disarmament, demobilisation and reintegration—is currently stalled. Undoubtedly, the warlords with their militias are in a thoroughly independent position in both security and political terms in that country. As we were fully briefed in Afghanistan, the warlords have staggering sums coming to them both from the drugs traffic and from ordinary customs dues. In those circumstances, there is a critical requirement to ensure that two things happen: first, the promised NATO expansion must take place, and secondly, the September elections must also take place.

As we were told in no uncertain terms by the top NATO general in Iraq—a Canadian, and an excellent man—the state of the delivery of the NATO expansion is currently very disturbing. The United Kingdom is the only country that has made its contribution to the enhancement of phase 1. No other country has. As for phases 2, 3 and 4 of the NATO expansion, no progress has been made in making commitments to provide the necessary forces. NATO has made a commitment to bring about a substantial expansion in Afghanistan, but currently we have virtual non-delivery. Action is crucial to NATO's credibility in the United States. As hon. Members know, the European members of NATO are meant to be providing for the relevant NATO expansion. I cannot say too clearly to the Minister that I hope that when the Prime Minister visits Istanbul for the NATO summit, he will be beating the drum loudly and clearly, and saying that NATO member states must deliver on their commitments to Afghanistan.

Finally, there is the critical issue of the elections this September. It is vital that they take place. The credibility of the Karzai Government rests on that, and it will be a profoundly significant step for Afghanistan to experience a democratic election for the first time in its history.

[Sir John Stanley]

In Afghanistan, we were deeply concerned to hear from those with direct responsibility for the election that, although donors have promised the funding for the election in September, the UN has not made the cash payments. Is the Minister aware of that? If he is not, I urge him to speak to the Foreign Secretary and to make certain that the UN donors deliver their cash payments within the next few weeks, to ensure that the September elections can take place.

I hope that the House found our report, which was published at the beginning of February, of interest. As our Chairman, the right hon. Member for Swansea, East (Donald Anderson) said, this is crucial, ongoing work for the Foreign Affairs Committee, and we look forward to presenting a further report to the House before the summer recess.

3.16 pm

Mr. Mohammad Sarwar (Glasgow, Govan) (Lab): Allow me to congratulate the Foreign Affairs Committee on its hard work in producing this comprehensive and useful report. However, the notion of a war on terror is meaningless. Such a war cannot be won; it has no obvious enemy, and risks alienating even more people around the world. It is simplistic to talk, as President Bush does, about the forces of freedom and civilisation—meaning the United States and Britain—battling the forces of darkness, barbarism and irrationality, which often seems to mean Islam, or Islamic countries that disagree with biased US foreign policy.

After the attacks in New York and Washington in September 2001, President Bush, invoking the language of the cold war, asked every nation in every region to decide "either you are with us or you are with the terrorists". That is dangerous rhetoric, and completely ignored the struggles of poor and oppressed people around the world. According to Muslim Council of Britain Secretary-General Iqbal Sacranie, British Muslims are much more frustrated than the general population with US foreign policy.

The Muslim population throughout the world is on the receiving end of trouble and bias in terms of US foreign policy. In a recent report, the charity Christian Aid revealed that

"Some of the world's poorest people are already paying for the War on Terror, as the giving of aid by the world's richest countries becomes ruled by the rhetoric of 'with us or against us'."

Already, it says, programmes designed to help the poorest people have been cut, budgets have been reallocated and hopes dashed as donor priorities have switched to addressing the needs of global security.

The Christian Aid report criticises the British Government for diverting to Iraq aid intended for poor communities in middle-income countries, particularly in Latin America, despite assurances that that would not happen. In Uganda, it says,

"the government's manipulation of the War on Terror has led to an intensification of the conflict in the north of the country and the displacement of hundreds of thousands of people."

Christian Aid concludes that

"it is not too late to rekindle the noble, humanitarian aim of aid—to eradicate world poverty."

It also warns that

"if the rich world fails in this endeavour, then our future security will also be undermined."

That is from "The Politics of Poverty: Aid in the New Cold War", dated 10 May 2004.

Much of the Committee's report is devoted to the Government's role in the invasion and occupation of Iraq. It is clear that the premise given for war in Iraq was misleading. No weapons of mass destruction have been found. No link has ever been established to al-Qaeda or global terrorism in Iraq. Few regret the overthrow of Saddam Hussein; I think that everyone in this House agrees that he was a brutal dictator who killed, and used chemical weapons against, his own people, and who waged a war against Iran in which millions lost their lives. However, when he was committing those crimes he was, I regret to say, supported by our Government and that of the United States of America.

It has been suggested that the treatment of Iraqi prisoners in the now notorious Abu Ghraib prison was the direct response of a few ignorant American soldiers who believed that they were punishing the perpetrators of the terrorist attack on their country. We pride ourselves on our defence of human rights and other values, and I believe that the treatment of prisoners in Abu Ghraib prison has brought shame on us all. However, I appreciate the good work that all the other soldiers are doing, and in difficult circumstances, too—we should not ignore that. We should accept that our troops are engaged in a battle there on our instructions. The behaviour of a few soldiers should not undermine the hard work that our brave soldiers are doing. I want to put that on record. Nevertheless, the general public, in both the US and Britain, deserve to know that the war on terror never had anything to do with the invasion of Iraq; that was a separate issue.

When our Prime Minister undertook to involve Britain in the American-led invasion of Iraq, he rightly linked military action in Iraq to renewed efforts to solve the ongoing and increasingly violent Palestinian-Israeli conflict. However, the MPs and members of the public who voted for the war thinking that after the invasion of Iraq and the removal of Saddam Hussein there would be serious efforts to deal with the problem of Palestine are disappointed, because nothing has changed.

As hon. Members are only too aware, the situation in the occupied Palestinian territories is now graver and potentially more destabilising to global security than ever before in the history of this tragic dispute. People in Rafah in the southern part of the Gaza strip are attacked and terrorised daily. As we heard, only yesterday the Israeli army opened fire on an unarmed civilian demonstration, killing 10 people and injuring more than 60, many of them children. Surely, if anyone is guilty of terrorism in this situation, it is the Israeli Government, which seems to have adopted a policy of terrifying the Palestinian population into leaving its land—yet the international community is silent.

I accept the state of Israel's right to exist, and I think that Yasser Arafat and the Palestinian Authority do, too. The Palestinians want back their land that was occupied during the 1967 war. All they want is those pre-1967 borders, but unfortunately, the international community remains silent.

Israel has established more than 120 checkpoints along the west bank. It is continuing to build its apartheid concrete barrier through villages and

agricultural land, in defiance of international law. Everybody knows that this so-called security wall is causing hardship, poverty and economic ruin to tens of thousands of Palestinians. Is that not terrorism? Extremist policy on the part of both Administrations has encouraged Israeli Prime Minister, Ariel Sharon, to believe that he can dictate the outcome of this conflict. He has made the realisation of basic Palestinian rights dependent on good behaviour, but that will not work. It is obvious that there will be no peace, prosperity or stability in the middle east until Israel fully implements United Nations Security Council resolutions 242 and 338, and withdraws from all occupied Palestinian territories.

I shall now move on to talk about the shame of Guantanamo bay. The case of prisoners held without charge or trial at Guantanamo bay continues to be an international scandal and a shame to so-called civilised nations. Approximately 650 men continue to be detained without charge or access to legal representation. It is imperative for the European Union, including Britain, to put pressure on the Untied States to end this appalling abuse of human rights. How does the US expect to gain sympathy for its war on terror if it shows such scant regard for the norms of international law and proper conduct? Once again, I congratulate the Foreign Affairs Committee on its report.

3.27 pm

Mr. David Chidgey (Eastleigh) (LD): The Chamber will recall that in earlier contributions, right hon. Members, who are colleagues on the Foreign Affairs Committee, spoke of their experiences when they visited Iraq. I cannot do that. In recognition of the situation there, we planned to send the Committee to Iraq in three separate teams. I was supposed to go in March, a year after the war, but could not because the situation had deteriorated to such an extent that our safety could not be assured, let alone guaranteed.

Instead, I draw hon. Members' attention to the recommendations of the Select Committee report. We concluded that, since the removal of the Iraqi regime, a dangerous alliance of foreign fighters with terrorist allegiances and elements of the former Iraqi regime has been forming. That was noted back in February, and events have proved us to be correct.

In response to our report, the Government took the view that the capture of Saddam Hussein would have a demoralising effect on former regime elements. It is a matter of record that in the weeks and months following Hussein's capture, attacks by terrorists, battles with the former Iraqi regime elements and the extreme violent criminality escalated beyond any extent that we could have imagined. The key primary objective of restoring security in Iraq as a foundation necessary to install democracy, kick-start lasting sustainable economic development and administer Iraq under the rule of law is as far away as ever.

Three issues are determining progress. One is the reaction throughout Iraq and the rest of the region to the sad event of the maltreatment of Iraqi detainees. The second is the competence and capability of the Iraqi police and armed forces. The third is the continuing role and responsibilities of coalition forces.

The maltreatment of Iraqi prisoner has been mentioned. Records of maltreatment have completely undermined any semblance of a moral case for us launching the war against Iraq in the first place. Sadly, it has sullied the reputation of coalition forces as being well disciplined and highly trained and as respecters of human rights. It has delivered the most powerful recruiting package imaginable to terrorist organisations.

What progress has been made on the investigations into allegations of mistreatment and deaths in custody against some—a minority, no doubt—of members of the United Kingdom armed forces? Why have those investigations been allowed to drag on for so many months when rapid action could well have prevented handing a propaganda coup to our enemies, which has been exploited, so greatly endangering our forces' well-being? What changes have there been in the detention practices set out in armed forces rules and regulations? What has been done to prevent any repeat of the sort of abuses that took place?

On the competence and capabilities of the Iraqi police and armed forces, the disbanding of the Iraqi forces immediately after the invasion had a negative effect. Everyone accepts that. They were sent home with their weapons. Initially, they were unpaid, so they were unable to support themselves, let alone their families. Disbanding them left a vacuum in security and stability and in the rule of law. The situation was not helped by what was Saddam Hussein's almost last act, which was to empty the prisons, so releasing thousands of genuine criminals into communities throughout Iraq.

The Foreign Affairs Committee recommended that assistance in establishing the new Iraqi police force should be intensified before the transfer of sovereignty on 30 June. In reply, the Government stated that just under 100 UK police officers were engaged in training in Jordan and near Basra. The Government expected that, by the end of March, 2,000 new recruits and 300 existing police officers would be retrained every three weeks. Have those targets been met and maintained? What assessment has been made of the size that the new Iraqi police force should be? What is the rate of retention of newly trained and recruited officers and armed forces personnel since the training period started? What progress has been made on introducing training in modern investigative crime detection and resolution, so that that can be employed instead of continuing Saddam Hussein's regime's practice of torturing confessions out of suspects?

As for the continuing role of the coalition armed forces in Iraq, I do not think that any hon. Member of any political persuasion will disagree that there is no alternative to the occupation in Iraq at the moment. It is a consequence of the military action, which I opposed. I was against sending troops to Iraq in the first place, but to withdraw them now would be extremely destabilising. It would not make ordinary Iraqis more secure and the result would be chaos. Basra would not be made safer for its citizens. Electricity and water supplies would not be maintained. Aid agencies' operations would be impeded. Most importantly, UN efforts under Lakhdar Brahimi to achieve a smooth transition to Iraqi rule would have little chance of success.

The withdrawal of the troops would create a vacuum in which all opposed to creating a free and stable state would flourish. The coalition needs to be able to hand over authority to another entity. The best way to bring

[Mr. David Chidgey]

the occupation to a close is through democratic elections. We owe it to the Iraqi people to bring them about as soon as possible.

One does not have to have been a supporter of the invasion to recognise that we have a moral responsibility to try to bring stability and security to Iraq and to hand over to another authority. We cannot leave a power vacuum in Iraq. I have a few key questions about the transitional Administration. Can such an Administration have legitimacy? Yes, but it will be a bit tricky. The wider participation of Iraqi representatives, with the full co-operation and authority of the United Nations, is the best way to ensure that the transitional Administration is legitimate. I am sorry to say that if the representatives appear to have been hand-picked by the United States, the Administration will not be accepted and the violence will continue.

Should we send more troops? It is not clear that more troops would help. However, if commanders on the ground think it necessary, they should go. If asked by the US to take over certain areas, the United Kingdom should insist on political as well as military control of those areas in which UK forces are deployed.

The Foreign Affairs Committee recommended that the coalition armed forces be scaled down only as Iraqi forces demonstrate the capacity to establish and maintain security, and subject to the wishes of the new Iraqi Government. In their reply, the Government agreed, but since then the Prime Minister has said that our troops will pull out immediately should Iraq ask them to. Will the Minister explain what is planned? When is the new Iraqi army expected to be up to strength? What is that strength? When will it be fully trained and equipped? What will be the command and control structure for the new multinational force that is to replace the coalition force after 30 June?

Andrew Mackinlay: What would be the status of the coalition force, especially the British armed forces, after 1 July? The Minister must tell us what the rules of engagement will be and whether our commanders will have a free hand. He must also tell us about those employed by private military and security companies. They are paid for by the British taxpayers and commissioned by the Government. Will they be subject to military law or United Kingdom law? If any of them commit ordinary criminal offences—heaven forbid!—to which law will they be subject? I do not mean it facetiously, but the Government have dodged the issue and should address it this afternoon.

Mr. Chidgey: I am grateful for that intervention, and I am more than happy to pass that question on to the Minister. We, too, want clarification on the laws under which private military companies operate in Iraq.

The Committee recently visited the Afghanistan, and it was quite illuminating. In our report, we call for greater international co-operation on the United Nations mandated measures against al-Qaeda and the Taliban. We recommend that the Government set out their plans to improve security in Afghanistan by extending the provincial reconstruction teams. They responded in some detail, for which we are grateful.

We can confirm from recent inquiries that the work of the UK armed forces is held in the highest regard. We were incredibly impressed, not only by their work but by the way in which it was received and recognised, not just by Afghanis and the other nations comprising the coalition forces, but by Pakistanis over the border. That should be recognised. Indeed, when we met President Karzai, he said that he wanted his gratitude for the work of the UK agencies to be recognised. I am glad to pass that on. However, to echo earlier comments about the Iraqi people, he said that in his travels around his country, his people said that their highest propriety was to have an Afghanistan without guns. They wanted a secure and safe country, despite the fact that it has a long tradition of being armed.

The British provincial reconstruction teams in the north of the country are operating in a peace-supporting role. It is important to understand the difference between that and peacemaking and peacekeeping. The force is not that strong. It has only five patrols, each with six personnel, covering an area the size of Scotland. That is a pretty formidable task.

As was picked up in an earlier point, the NATO-led efforts to roll out the programme over the rest of the country are being thwarted by a total lack of delivery of promised resources. That is NATO's first out-of-area operation and it is a great opportunity to show that it has a post-cold war role to fill. Yet NATO members have failed to honour commitments that were freely made and, as a result, the operation is on the point of failure. In Brussels only this week, a senior military official commented:

"Failure will completely damage NATO's credibility in finding a role in the post cold war era."

The general we met in Afghanistan made the matter very clear. He said:

"We are asking for less than 10 helicopters and NATO has over 1,000."

We had a similar conversation in Kabul, where we were told:

"NATO has over 1 million armed forces personnel."

I cannot check that figure, but I think that it is probably right. All he wanted was a few thousand to do the job and nothing was forthcoming. Frankly, it is a disgrace.

Finally, the inherent dangers in allowing the Afghanistan operation to remain a forgotten theatre mean that the warlords, funded by their drugs profits, will continue to flourish. They will operate freely across the borders of the north-west frontier. Al-Qaeda will be following a similar pattern, often with the tacit support of the hill tribes. Attempts by Pakistan to win the hearts and minds of the villagers will continue to be undermined through the lack of international support or co-operation.

The United Kingdom has a distinguished record in addressing such problems. We now need a commitment from our allies in the international community to join us in securing success in an overarching campaign to eliminate that international terrorism at its source. We could do it if we had the will and the co-operation. I trust that the Government are pressing that matter whenever they get the opportunity.

3.42 pm

Mr. Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): It is more than four months since the Foreign Affairs Committee produced its report. However, far from the passage of time leading to a loss in topicality, the unfolding of events since publication serves only to underline many of the conclusions in the comprehensive report.

That continuing validity is particularly true of conclusion 23, which is one of the report's most significant. It states that

"the war in Iraq has possibly made terrorist attacks against British nationals and British interests more likely in the short term."

Like other hon. Members, I do not want to engage in another debate about the decision to go to war in Iraq in the first place. However, hon. Members on both sides know that one factor that motivated those who, like myself, voted against the war was the view that there was a strong possibility that the outcome of military action might undermine the world community's unity in its efforts to combat terrorism. As a result, the risk of terrorism would be increased, rather than reduced.

The events of the past few months in particular seem to be a powerful argument in support of that conclusion, for a number of reasons. That is not just because the obvious instability in Iraq, combined with the insensitive and, at times, brutal way in which the USA has implemented its occupation, has resulted in terrorist acts and the presence of terrorist groups in Iraq that had not previously existed or been able to operate there. It is also because the obvious difficulties, and the weakening of the position of the coalition occupation in Iraq, have made it less likely that in the future—certainly in the near future—the world community will act in a unified fashion in response to the threat of terrorism.

The way in which events have developed in Iraq will surely mean that most states, including those that were or are involved in the coalition occupation, will be much less likely to take part in any future collective action designed to combat a terrorist threat, even if it is based on a stronger case and has the UN endorsement that the intervention in Iraq did not possess. Even one of the fall-back positions, as they might be described, that were enunciated by those who originally backed the war in Iraq—that at least it has encouraged other states to reject terrorism and the development of weapons of mass destruction—has begun to lose much of its strength. I am prepared to accept that one of reasons why Libya decided to return to the international fold and reject weapons of mass destruction was a fear that its leadership might go the way of Saddam Hussein. However, given that presumably even Donald Rumsfeld, or at least George Bush, would now have second thoughts about too hastily taking military action in Iraq and elsewhere, even that argument must have lost some validity.

The greatest negative consequence of how the Iraq intervention has developed is that it has severely undermined the ability of the Governments of the countries that went to war in Iraq, including the UK, to obtain the consent of their peoples for future action against international and domestic terrorism. Similarly, their ability to gain the consent of their peoples for activities designed to help with the reconstruction of places such as Iraq has been undermined.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Before my hon. Friend moves from discussing Libya, does he have a view about whether Pakistan would have been open about accepting its responsibility on nuclear proliferation if it had not been for the action in Iraq?

Mr. Lazarowicz: Possibly not—probably not. However, the situation has moved on. That might have influenced the decisions of those Governments some months ago. However, the logical conclusion of any Government who, seeing the obvious difficulties in Iraq, were minded to get into the game of weapons of mass destruction would be that it is a lot less likely, because of the difficulties that the coalition is facing in Iraq, that even the current US Administration would do to them what they did to Iraq. The situation has developed in the past few months because of those difficulties.

If the war on terror has been undermined by the Iraq invasion, we should not be surprised if, in future, people in our country are sceptical, not just about some of our country's policies on international security, but when we attempt to deal with the threat of terrorism here. That is a real threat. Recent events not so far away have illustrated the vulnerability of our society and political system to such threats. All that underlines the continuing validity of the Select Committee's second conclusion in the paragraph to which I referred earlier, which states:

"A successful transfer of power to an internationally-recognised Iraqi government, which has the support of the Iraqi people and which is recognised by Arab and muslim states generally, offers an important opportunity to reduce that threat and to assist the process of reform and stabilisation in the region."

For the purposes of today's debate, I emphasise the point made that it also reduces the threat of terrorist attack against British nationals and British interests.

Since the Select Committee reached that conclusion, events have served only to strengthen the arguments in its favour. Such a transfer of power is no longer an important opportunity: it is clearly the only way out. Our Government must make it clear to the US that we want a genuine transfer of sovereignty and authority with no qualifications, not occupation in another guise, with the political and security process under the overall supervision of the United Nations.

I hope that I do not disagree with any hon. Member present, no matter what their views on the war in Iraq, when I say that there was certainly never overwhelming public support for the military action and that the war and its aftermath are now extremely unpopular with large sections—almost certainly a clear majority—of the British public. I am sure, too, however, that hon. Members who have told us today that Britain should not draw back from the responsibilities that it has acquired in Iraq by intervening are speaking for the majority of British public opinion. That opinion recognises, as do Members of the House, that having gone into Iraq, we have responsibilities that we cannot shirk. However, I believe that British public opinion would not be happy with more troops being sent to Iraq—certainly not if that was done in support of new

[Mr. Lazarowicz]

responsibilities or moves into new areas, rather than to support a transfer of power, responsibility and authority along the lines that I have described.

We need a fundamental change of policy, particularly by the US Administration, not just in Iraq but elsewhere in the middle east. As hon. Members have said, that is needed above all in Israel and Palestine. This debate is taking place the day after atrocities in Rafah—yet another criminal act by the Sharon Government. Before it, I checked the news to see whether the international condemnation of the Israeli Government had perhaps resulted in a drawing back of their forces from the actions that they have been taking in the past few days in the Gaza strip. However, far from withdrawing, it appears that the Government were intensifying their actions there earlier today.

It has been said hundreds of times in this Chamber, and I reiterate it, that the continuing Israeli occupation of the west bank and Gaza and the failure to move towards a long-term peace settlement between Israel and the Palestinians is one of the most significant factors in creating fertile ground in which terrorism can flourish, and from which terrorist groups can recruit not only in Palestine and the middle east but many other parts of the world.

I welcome the fact that the United States Government have made some strong criticisms of Israeli actions in Gaza in the past few days. However, the occasional rebuke from Colin Powell is not good enough. Without concentrated and continued pressure on Israel from the USA, there is no real prospect of a peace settlement in the area. That concentrated pressure from the US Government has not been forthcoming. Everyone in the Chamber knows that.

Despite the UK Government's genuine commitment to the middle east peace process, any objective analysis must conclude that we are going backward on the road to a settlement, not forward. Is it not time to conclude that, far from maintaining a policy of close co-operation with the US Administration, we could do no worse if we were more critical and more independent of their policies? I do not mean that we should be hostile or try to set ourselves up in opposition. We cannot do that, and it would be dangerous if we could. However, if we were more critical and independent of the Administration's policies, might we not also more successfully influence that Administration?

3.54 pm

Mr. John Wilkinson (Ruislip-Northwood) (Con): I express my appreciation for the work of the right hon. Member for Swansea, East (Donald Anderson) and his team, who have produced an illuminating report of great benefit to the work of the House.

I want to make six points. First, the Select Committee is entirely right to stress, in paragraph 5, its regret

"that some members of the Security Council Permanent Five and other countries with the capacity to assist have decided against contributing forces to help establish security in post-war Iraq. We conclude that this failure to share the burden can only have increased the pressures on US and United Kingdom resources, both civilian and military, which in turn may have exacerbated the difficulties encountered by the Coalition in establishing and maintaining security in Iraq."

I would go further. Our NATO alliance must, at a time of crisis, show complete solidarity. The fatal effect of the clear division among NATO members in Security Council debates and in the councils of international debate was to demonstrate to Saddam Hussein that he could perhaps get away with it for longer than was prudent, that the invasion would be controversial and that there would be sniping from sides from those who should be our political allies. Schadenfreude has, to some extent, manifested itself since. Such dissent is profoundly dangerous when we are dealing with dictators and terrorism.

As for the aftermath of the invasion and the horrendous acts in Madrid, the reaction of Spain set a deplorable example, which can only have given encouragement to those who believe that pursuing their objectives with political violence and terrorism will achieve dramatic political results.

Secondly, we must distinguish between the capabilities necessary for war fighting and those needed for post-war pacification and reconstruction. Secretary of Defence Rumsfeld went into the war believing that a lean, mean fighting machine could, by mobility and firepower, and the deployment of precision munitions and modern intelligence and communications systems, achieve rapid and effective military results. That was of course absolutely true, but he overlooked the fact that reconstructing and pacifying the country needed different skills and a different force balance. That was a mistake; it is easy to say that from the sidelines, but it is worth bearing in mind for the future.

Thirdly, it is important in counter-terrorism to have a single authority. It would have been better if our American friends had had someone of a MacArthur-like stature, who had military experience and political clout. My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) was correct when he said that the supreme criterion in such situations is ensuring security. If the security situation can be got right, political development and social reconstruction are more likely to ensue. Therefore, the necessary qualities are, above all, military. We need military people with highly toned political sensitivities and the antennae and experience that come from working with a civil power, but who nevertheless have the discipline and force of character that come from a military background. That is something to be borne in mind for the future. If we consider the British experience, we think of people of the calibre of Field Marshal Templer in Malaya, who was instrumental in overcoming the communist insurgency there, and of Field Marshal Harding in Cyprus, in the campaign against EOKA.

Fourthly, it is fatal to allow political disputes to fester. By that I mean profound, deep political disputes. The issue of Kashmir is a case in point. Since 1948, it has always been put to one side and left for the neighbouring countries to resolve among themselves. The international community has never exerted itself to ensure that the UN resolutions were implemented. The same goes for Security Council resolutions 242 and 338, with regard to the near east and the Israel-Palestine problem. It would have been much better if the UN resolutions on Iraq had been implemented soon after the first Gulf war rather than as late as they were.

Coming closer to home, we may consider the Northern Ireland question. That, too, has demonstrated the necessity of addressing a deep-seated political divide, and doing so in a way that allows a minority to express its rightful political ambitions, but nevertheless allows majority democratic opinion to be heeded.

Then there is Kosovo: it does not represent a terrorist problem now, but has the potential to blow in the future. There was an outbreak of violence on 17 and 18 March; the region's status is still unresolved, and the majority clearly wish for independence. That is awkward, because we do not like to change the status quo of the Balkans, for understandable reasons. However, the longer that matter is left politically unaddressed, the worse things will be.

My fifth point concerns the need to address poverty and the serious imbalance of wealth and economic expectation. That is an underlying phenomenon, which goes hand in hand with terrorism, although it is not its necessary concomitant. As we know, much terrorism is based purely on ideology or religion. However, the Palestine problem is exacerbated by deep-seated poverty among the Palestinians, and, as my right hon. Friend the Member for Tonbridge and Malling knows, there is hideous poverty in Nepal.

In Colombia, the FARC and the ELN have their own reasons for maintaining their struggle—control of the drugs trade and so on—but inequalities of wealth distribution were initially fundamental to those organisations. Such inequalities were also fundamental to the Sendero Luminoso in Peru, and, during the cold war period, to the insurgencies in Guatemala, El Salvador and Nicaragua.

We need a trade and aid policy that addresses such fundamental inequalities. It makes me profoundly sad that Her Majesty's Government should be closing embassies in central America today, and that Department for International Development activity in the Andean region is diminishing. Only two days ago, I learned that DFID is to withdraw from Peru. Next door, in Bolivia, social unrest has led to the removal of an elected president. There are dangers that can be foreseen and that need to be addressed, certainly by the European Union, which does great harm through the maintenance of a highly protectionist common agricultural policy.

Last but not least, we have to address the transition from having a military presence to introducing a self-sustainable Government in situ. The west has to provide security guarantees to the new Government in Iraq when they are elected. That will be a continuing responsibility, but it need not be so much on the ground; there are dangers in maintaining a presence on the ground for too long.

I looked at the precedent of air control, which was brought into being by Air Marshall Trenchard when we had the mandate in Mesopotamia, and which we exercised through the no-go, no-fly zones in northern and southern Iraq when Saddam Hussein was in power. If Saddam was too horrendously brutal towards the Kurds in the north or the Marsh Arabs in the south, we were prepared to intervene with air power. Likewise, if there are reversions under the new democratic Government to the sorts of practices perpetrated under the Saddam Hussein regime, we could intervene to restore a more equitable situation.

We cannot walk away; we must face the issue for the long haul. However, the war against terrorism involves a multi-faceted strategy and the Select Committee report bears that out very well.

4.4 pm

Andrew Mackinlay (Thurrock) (Lab): I have been prompted to speak by some of the contributions of colleagues and by the fact that, with no disrespect to the Minister, I find that time and again Ministers work from their briefs and ignore the contributions made. I want to test that this afternoon, to establish whether there has been any change and whether the Minister will show innovative thinking and answer some specific questions. I note from the Minister's body language that he seems a little hurt by that comment. If I have done him an injustice, I beat my breast—mea culpa, mea culpa, mea maxima culpa.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): I have taken copious notes so that I can respond properly to this debate and do not read from a brief.

Andrew Mackinlay: Will the Minister expand on the point on which I intervened on my hon. Friend the Member for Eastleigh (Mr. Chidgey)? From 1 July, we need an armed forces service agreement and military services agreement. What stage have discussions reached on that? At midnight on the vesting day of sovereignty, something has to be in place. Otherwise our military personnel—the commanders and, one might say, the politicians as well—will be vulnerable. They need mandates buttressed by international law, but they also need to know what freedom of movement they have and whether they must defer to Iraqi commanders on action.

We also need to know whether the agreement—if it is achieved—will be between the Iraqi Government and the coalition or whether there will be bilateral agreements between the Iraqi Government and United Kingdom forces? I understand that the coalition is not a legal entity, but if I am wrong, may we have some clarification? I do not want to labour the point but a plethora of private security and military companies have been commissioned and paid for—directly or indirectly—by the United Kingdom Government. We need to know precisely what status they will have after 1 July.

I do not assume that we will need to know the answer to the following questions in many cases, but when large numbers of people are involved in things, some inevitably let the side down. Would an ordinary criminal act—or a severe criminal act—be subject to Iraqi law or British law? If a military offence or excess were alleged, who would conduct any trial? Would it be a United Kingdom court, a United Kingdom military court or something else?

We need to know that such a measure will be in place, triggered at midnight on sovereignty day. I raise the point, because when my hon. Friends accompanied me to Iraq, we discussed the matter with the coalition

[Andrew Mackinlay]

people. I thought that they were dismissive and felt that we could not begin to discuss the point until we had an Iraqi Government, in which case there will be a hiatus. I do not find that position satisfactory.

My second point is about the Iraqi survey group. I have been told in a reply to a parliamentary question that just under 50 British personnel are members of the Iraqi survey group. Which Vote are they paid from? Is it the Foreign Office or the Ministry of Defence, or is it some source that we are not supposed to know about—some cocoa tin that holds the slush fund for our special forces? Who pays them and, more importantly, to whom are they answerable?

When my hon. Friends and I went to Iraq, we probed no lesser people than Ambassador Bremer, General Sanchez and Sir Jeremy Greenstock, and we asked about the Iraqi survey group. From what they said—and I think that they were quite candid—I gather that they have absolutely no intercourse with the Iraqi survey group. When I pressed the Foreign Secretary in the plenary session of the Foreign Affairs Committee, he took a deep breath, swallowed and said, "CIA." He did not elaborate on that, and there is nothing wrong with the CIA. They are delightful people. We see more of the CIA than we see of the British secret services. However, the Iraqi survey group is apparently answerable to the CIA. Is that so for the British personnel? Are we paying them? What is their mandate? I may put these questions in terms of apparent levity, but I stress that I take the matter most seriously. We were told that there were weapons of mass destruction; we are entitled to know when and to whom the people we rely on to find out what has happened are answerable.

That is a raw point, because the Congress of the United States has at least had some written communication from the Iraqi survey group. As far as I can make out, the dear old House of Commons has been furnished with nothing whatever. It is time that the Government provided at least an interim statement on the group's work, given that the United States Congress has been told that the Iraq survey group found, among other things, that there were serious breaches of the United Nations sanctions before the war and that they happened with the "collusion" of Governments. The House is entitled to know who was involved and to what extent. Was it Russia? Was it France? Was it the Ukraine? Was it somewhere closer to us? We are entitled to know; this cover-up will not do. The Minister looks a bit bewildered, and I will be pleased to give way if he wants to explain what the problem is.

Mr. Rammell: Will my hon. Friend repeat his point, because I do not quite follow? Collusion with foreign Governments to what end?

Andrew Mackinlay: A United States Congress document exists in which it is said that there were breaches of the United Nations sanctions just before the war. The Iraq survey group found evidence that serious breaches happened in respect of armaments with the "collusion" of Governments. I raised the issue with the Foreign Secretary, who took a gulp and said something like, "I'll tell you in camera some time." The House of Commons should have at least some clarification on some issues and be given—in public—at least the same limited information as the United States Congress. That is all that I ask—I am not asking for anything that would put our folk in jeopardy. I would welcome far more opportunities for candid discussions in camera on some issues, but all I that ask for now is a degree of candour comparable with that in the United States. I have not embroidered what I have told hon. Members this afternoon; I have said precisely what the position is and what words have been used.

Come the summer, there will no doubt be seven days of great interest in the Butler inquiry, followed by the usual headlines—one could write them now—about a whitewash and about people's disappointment. Then, we will go into the summer recess, and things will move on. Beyond the Butler inquiry, there should, however, be some explanation of how the pyramid of information worked. That information suggested that there were weapons of mass destruction in Iraq before the war, but the pyramid of information has never been explained, and we do not need a Butler inquiry sitting in secret for that. A person or handful of persons must have acted as the main conduit of the view, which then went through Whitehall, that there were weapons of mass destruction in Iraq, but no light has been shed on the matter. I do not think that the issue will go away.

Finally—I have probably bored my colleagues on the Foreign Affairs Committee about this, but they can survive another 15 seconds—I find it outrageous that we do not have an ambassador in Kyrgyzstan, which is in a very sensitive region. Kyrgyzstan is small beacon of democracy among the "stans". To the extent that one can talk of democracy there, Kyrgyzstan is quite entitled to make that claim. Nevertheless, Sir Michael Jay and, therefore, Ministers do not see the issue as a priority.

Mr. Wilkinson: May I support the hon. Gentleman? Has he ever asked how many diplomats are assigned to the European Union and to EU capitals, because few are assigned to the "stans" and other such places?

Andrew Mackinlay: I take the point, but I will resist the temptation to debate the issue, as the hon. Gentleman invites me to, because he and I take a different view of the European Union. Nevertheless, his point, which he consistently puts, is valid.

I know that the relevance of this issue to our debate will exercise you, Mr. Deputy Speaker, but it does relate to the war on terrorism. Clearly, one of the great areas for potential terrorist activity and planning is in the region to which I refer, where there is an appalling problem with human rights abuses, which is relevant to the debate. Yet, we do not give the small independent republic of Kyrgyzstan the dignity of a UK ambassador, and cultural diplomacy is non-existent because the British Council is not there. That is foolhardy in the extreme, and it is wrong and unfair. I hope that the Minister will take those comments to Sir Michael Jay and the Secretary of State.

Mr. Gary Streeter (South-West Devon) (Con): I recently visited Kyrgyzstan, and I agree with the hon. Gentleman. Although it is the smallest of many of the central Asian

countries and has no gas or oil, it is none the less strategic in other ways, and a strong British presence would be welcome.

Andrew Mackinlay: I am grateful for that intervention. It has made coming along this afternoon worth while. In the absence of anyone disagreeing with those sentiments, I hope that the Minister will take them to be the mood of the House.

4.16 pm

Mr. John Maples (Stratford-on-Avon) (Con): I hope that my hon. Friend the Member for South-West Devon (Mr. Streeter) will forgive me if I do not follow him down that road.

I want to pick up on a theme that was developed by my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley), and which was mentioned by the hon. Members for Glasgow, Govan (Mr. Sarwar) and for Edinburgh, North and Leith (Mr. Lazarowicz)—that of the middle east peace process. We spent some time on that subject in our report.

I think we all acknowledge that the peace process is tremendously important to the attempts to achieve stability in that region because, rightly or wrongly, Arab nations use it as an excuse for all the things that they cannot sort out for themselves. If we could remove that crutch, they would have to face up to some of their problems. However, there is genuine and terrible injustice in the region, and a problem with continuing violence. I suggest that we approach the problem in a different way. Too many people come to it with advocates of one side or another, and there is then a quarrel between A and B.

We all know that there is terrible violence on both sides. Hon. Members have gone into some detail over what happened in Rafah this week, but last week Palestinian terrorists murdered an Israeli woman and her two children in cold blood. The most awful suicide bombings are going on in Israeli cafés and pizza bars in Jerusalem and Tel Aviv, in which innocent people are killed. The violence is happening on both sides, and neither side has the claim to all the moral high ground. One must try to escape the trap of being an advocate for one party and suggest a way in which both parties might move forward.

The road map is dead. I do not see how the British Government or the American Administration can claim that it is even on life support. President Bush stood next to the Prime Minister of Israel and endorsed the Israeli unilateral withdrawal from Gaza, which I think will help to achieve a settlement in the region, and went on to say, "The road map is the only way we are going to achieve peace, and if anybody comes up with an idea other than the road map, we, the United States, are going to squash it very firmly."

That was not part of the road map. The road map has been around for about two years. Its first step was that by March 2002—I think that that year is right—Palestinian terrorist attacks and suicide bombings in Israel should cease and Israeli settlements created after March 2001, when Sharon became Prime Minister, should be demolished. Neither of those things has happened. There are more settlements, and even more are being built, and the terrorist and suicide bomb attacks are worse.

Neither side has taken those first steps, and, of course, each blames the other. The Palestinians say to the Israelis, "The reason we have not stopped the terrorist attacks is because you have not dismantled any settlements," and the Israelis say, "Well, the reason why are not moving down the road on the road map is because you are continuing the suicide bombings."

We have to get away from that and see whether there is another approach to the situation. We have been attempting to make the peace process work by trying to get both sides to negotiate, certainly since 1967, and probably since 1948. My knowledge of the history of the region is not good enough to know the exact dates, but it has been a long time—at least 35 years. There have been various notable occasions, including: when they all came together in Madrid; the Norway, Camp David and Taba processes; the talks at Sharm el Sheikh; and the Wye river accords.

The relevant parties have got together on endless occasions, along with their representatives and proxies. Each time, we think that there will be some progress, but there is not. The most hopeful such occasion was that of the Oslo accords. For a while, it looked as though there would be some progress, but then Rabin was assassinated and the Peres Government gave way to Netanyahu's Government, and that all died.

We must ask ourselves a big question. Even if we could lock the parties in a room with the most intelligent interlocutor in the world, do we honestly believe that they would reach an agreement? That nearly happened in the Camp David and Taba process. No one could say that President Clinton did not put everything he had into trying to find a solution, but he said that he found Arafat to be an unsatisfactory negotiating partner.

This morning, the right hon. Member for Swansea, East (Donald Anderson) and I met a delegation of Palestinian legislators who agreed that a solution had nearly been reached at Taba, but that it was right at the end of Barak's time as Prime Minister and that he had perhaps foolishly left such matters until then and tried to deal with Syria first. Nevertheless, an agreement was nearly reached. We all know the agreement will be a two-state solution with a limited right of return, with compensation probably on both sides for displaced refugees, a Palestinian state with its capital in east Jerusalem and a return approximately to the 1967 borders with some adjustments here and there, but not a net transfer of territory to Israel, which would perhaps keep settlements close to the border. It would give up territory elsewhere.

If a solution is found, the Palestinian Authority know what it will be as do the Israeli Government. The problem is not negotiating the fine print of the solution, but the lack of willingness to do it. There are extremists on both sides who consider that they should have the whole of Palestine to themselves, but the majority of ordinary Palestinians and ordinary Israelis just want to get on with their lives—if I can use those descriptions; I do not mean to be patronising—and would make that deal tomorrow. Most Israelis desperately want peace. I know that from Israeli and Jewish friends who live in London, and it is obvious that most Palestinians in the occupied territories want that, too. They want to get on with running their farms, bringing up their children and having something approaching a normal life without the dreadful presence of violence.

[Mr. John Maples]

The Quartet group, far from trying to pretend that the road map is still a going concern, should make a decision and Britain could take a lead in such matters. We have some credibility in the north Atlantic alliance now, and rather more than the United States. Most of the mistakes that have been made in Iraq were made by that country, not Britain. Most of the really bad maltreatment of the detainees has been by America, and the mistakes that were made at the beginning of setting up the coalition provisional authority were made mainly by America. We should have said that earlier and tried to arrange matters better. As a result, we have a right to say to the United States, "You are getting the middle east peace process wrong. We have to approach it from a different direction."

I apologise to right hon. and hon. Members who have heard what I am about to say before. I have said it many times, but if I persuade one more person to think about it as a possible solution, it is worth my saying it again. The Quartet group should take what was agreed at Taba and talk to both sides—not try to get them together—about the fairest deal that could be reached on outstanding issues, such as the right of return, the territory transfer, Jerusalem and the settlements. All such matters must be resolved. I want it to iron out the differences and produce a solution. I put that to the Foreign Secretary who said that resolutions cannot be achieved if there are vetoes. I agree that such matters depend on the United States. There will be no solution to the problem without that country. We need it to become focused on such matters in a practical and constructive way.

The Quartet should take its resolution to the UN Security Council and ask it to implement it. If it passes it as a resolution under chapter 7, it will become international law. *[Interruption.]* I am sorry that I have lost the Minister's attention because I want his response to that point. The Quartet's solution should be embodied in the UN Security Council's resolution. There will not have to be more negotiation between the parties about whether 4,000 or 5,000 refugees can return or whether the border is 1 or 2 km to the east or west. The decision will then have to be made to implement the resolution. It should insist that separate referendums are held in the occupied territories of the west bank and Gaza and Israel to see whether the populations of those countries endorse the decision. The matter would then become a domestic, political issue for the Governments of the two countries.

I suspect that those who are standing in the way of peace are some political leaders from both sides. Such a solution would bypass them. We should then say, "We are not going to enforce the solution or put troops in to do so, but if you decide that you want to adopt the solution, we shall do everything that we can with our power, money, goodwill and good offices to make it work for you. We shall provide peacekeeping forces and development money."

We need to grasp that the majority of the Arab world would accept that as a solution. The Beirut summit—I think that it was the one in 2003—endorsed as a solution a deal that would offer Israel a Palestinian state in exchange for the recognition of Israel and a normalisation of relations. I think that that would have been endorsed again had the Arab League summit not collapsed over what was happening in Iraq. It is an acceptable deal—the key countries to which it has to be acceptable are Saudi Arabia and Egypt. The idea came from the Saudi Foreign Minister, so I think that it would be acceptable to his country if Egypt and the United States could be brought on side. Then we would have the bare bones of a solution.Shimon Peres spoke at an open meeting in Portcullis House soon after the road map was announced and said that it is all very well having a road map, but if one does not have a vehicle it is pretty pointless. It has been clear that there has been no vehicle. If we kid ourselves that the road map is a going concern, that we are going to get the parties together somehow and that they are going to negotiate all those things and agree them, then the violence will continue and we will not find a solution. However, if we are brave enough to take a lead in the Quartet group and with the United States—with which we are in credit over foreign policy, now that it looks as though it is in the process of messing up significantly—and to say, "Listen to us, you are not getting it right, try it this way," perhaps it will work. It certainly will not work if we pretend that the two parties will negotiate a solution, which is the view to which the British and American Governments keep returning. They will not negotiate a solution, but it might be possible to impose one on them.

4.27 pm

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale) (LD): This has been a very important debate. I, too, as another non-Committee member, congratulate the Committee members on the excellent report and on the consistency of purpose that they have shown in following the issue through several Sessions of Parliament since the terrible events of September 2001. It is a reflection of the complexity of the issues encapsulated in the war against terrorism that the report takes a broad sweep touching on many global problems. The debate has underlined the importance of the document.

The Minister will have a list of questions to answer, and it is invidious to pick out those on which I am particularly interested to hear his reply. However, the questions from the hon. Member for Thurrock (Andrew Mackinlay) about the Iraqi survey group are important, and I hope that he will be able to shed some light on them.

There are a few dissenters regarding the need for the international community to combat international terrorism and many of the other problems that the world faces. While some have taken issue with the idea of a war on terror, few would disagree that in recent years we have faced a new global situation—one that is completely different from that which predated 2001. It is linked to the proliferation of weapons of mass destruction and the growing problem of rogue or failed states across the globe. Increasingly, and sadly, all that has come together in Iraq in recent months. As others have said, the latest pictures on international television screens underline the seriousness of the situation regarding the abuse of Iraqi prisoners. The reports of carnage at a wedding—I understand the Americans have denied it was a wedding party—have further emphasised the difficulties for coalition forces, and for

the outside world in forming a perception of what is going on. If the Minister has any further information on that issue, we would all be glad to have it.

Many right hon. and hon. Members have properly focused on the difficulties that appear as we approach the handover on 30 June. The key issue, surely, is that a real transfer of sovereignty is needed. That is important both for the credibility of the transitional arrangements in Iraq and for Iraq's neighbours and the wider Muslim world. Much now rests on the shoulders of Lakhdar Brahimi—particularly with respect to what he may propose as an interim solution in Iraq. There remain difficult negotiations to take place, particularly against the backdrop of the murder this week of the chairman of the Iraqi governing council, and further bombings and deaths across the country.

We believe that the role of the United Nations is critical and fundamental to prospects of success. We believe that any resolution—and one is required—should be as broad as possible in its scope, so that it will underpin the reality of the proposed transfer of sovereignty, to its full extent. As my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) said yesterday at Prime Minister's questions, the resolution must cover the control of revenues from the oil supplies in Iraq, and judicial matters—most importantly, the control of prisons. We welcomed the Prime Minister's positive response to that question yesterday and hope that the Minister can echo that today.

A fundamental aspect of any resolution will be the manner in which it covers the security situation in Iraq. We have argued that a resolution along the lines of the model used in the first Gulf war offers the best prospects for the right solution, recognising that the Security Council will give the security forces their remit, and that those forces will, at least to begin with, reflect the existing coalition forces in the region, but that they will be required specifically to carry out their responsibilities and report to the whole Security Council about their progress, at agreed times.

We recognise that there will be a continuing and heavy burden on existing coalition forces, and we need to plan for that. We certainly do not advocate any blue beret arrangements at this stage. The security situation is clearly unsuitable and the transition cannot possibly be far enough advanced for that to be practicable or sustainable. However, as others have pointed out, it is crucial for us to understand what the terms of engagement will be, for United Kingdom forces in particular, once the 30 June deadline has passed; we also need to understand what the status of forces agreement will say about their legal status and how they will relate to the Iraqi authorities as well as to the United Kingdom.

Real sovereignty will surely be properly enjoyed in Iraq only when security is back in the hands of the Iraqis themselves. They must believe that there is a prospect of that, however distant it might seem to be. We therefore think that it is important to be prepared to discuss and carry out a phased withdrawal of United Kingdom troops after the proposed elections. That must depend on a more stable security situation. It will also need a broadening of the international forces in Iraq and, clearly, growing capability among indigenous Iraqi forces.

Like the Government, we do not want a precipitate withdrawal from Iraq. That could not only be disastrous for our armed forces but destabilise the existing precarious security situation in Iraq. The key to making progress has to be the basic matter of ensuring practical sovereignty and the end of occupation by the coalition forces in Iraq.

There is also the hovering question of whether additional troops will be deployed to Iraq in the near future, perhaps as a first stage before we get to those hoped-for democratic elections. We need to see the details of what has been widely commented on in the media; I hope that we will get a statement on that before the House goes into recess. If there are to be further deployments of United Kingdom forces, it must surely be in response to requests from United Kingdom commanders in the field, and it is they who must drive the process.

It would of course be entirely appropriate, for force protection purposes, to protect the supply and communication lines in Iraq, and to fulfil obligations under United Nations resolutions, including any that may be passed in the next few weeks. If troops are to go under those conditions, they must also be under the operational command of British officers, and should remain within an area currently under United Kingdom control.

Others have commented on the situation in the middle east; the hon. Member for Stratford-on-Avon (Mr. Maples) has proposed a bold initiative, and it will be interesting to hear the Minister's response to it. We debated the vexed question of the middle east in this Chamber not that long ago, in the context of the tragedy of the murder of an Israeli mother and her four daughters. Since then, the already confused picture in Gaza has become even bloodier. Operation Rainbow by Israeli defence forces has led to many further deaths on both sides, although predominantly among Palestinians. Yesterday's killings in the Rafah refugee camp have been condemned by people across the world, and we certainly welcome the swift passing of a United Nations resolution condemning it. It is of course notable and welcome that the United States did not on this occasion veto it.

The Israelis have apologised for killing innocent people in Gaza, but given the current situation, many there and around the world will find that hard to accept. We understand that Prime Minister Sharon will submit a revised disengagement plan for Gaza soon. I hope that the Government will in the meantime continue to press Israel and Palestine to recognise that the only sustainable plan for the region will be based on the road map or some variation on it.

We all want a two-state solution that allows Israel to exist within secure borders and Palestinians to enjoy a secure, viable state, but the Committee is right to warn that the time in which to create a viable Palestinian state and continue with a two-state solution may run out if things do not change quickly. We still seem a million miles from the end point, and the continued incursions into Gaza seem to fly in the face of the Israelis' stated intention of withdrawing from the Gaza strip as part of the disengagement plan.

Earlier this year, my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) suggested that the EU should respond to the illegal

[Mr. Michael Moore]

construction of the security wall within acknowledged Palestinian areas by suspending the trade association agreement with Israel. We now have the breaches of the Geneva convention, highlighted by the United Nations resolution yesterday, to add to the illegality of the wall and the continuation of the creation of settlements. Now is the time that the European Union should take action.

It is encouraging that we have seen progress in Libya in the past few months that was unimaginable even a year ago. I repeat the congratulations that I have offered in the past to the Government on that substantial step forward. We must never lose sight of the tragic death of WPC Yvonne Fletcher or the horrors of the Lockerbie bombing, but if, while gritting our teeth, we have made progress in Libya, and perhaps in other parts of the world, we can be more optimistic.

In Iran, we have seen collective action by European Union Ministers, which is highly commendable. Iran still has heavy responsibilities to satisfy the international community that its intentions for its nuclear programme are peaceful, but the British Government should be encouraged in their work.

On a slightly more worrying note, there remain big differences on Syria between what the United States thinks is the correct course of action and what the United Kingdom and others have proposed. I hope that the Minister will comment on that. We should not put Syria in a box in which it feels its back is to the wall and the international community is seriously against it.

The report is impressive. It has examined in some breadth and depth many of the key issues facing the world. I endorse the sentiments of others who have said that they hope that the Committee finds time to continue its important work and keep us so well served and informed.

4.42 pm

Mr. Gary Streeter (South-West Devon) (Con): I commend the Committee for this excellent report, which builds on earlier reports on the important issue of terrorism. I also commend the right hon. Member for Swansea, East (Donald Anderson) for his chairmanship. Like him, I have read the report recently and have been struck by the changes that have happened since it was filed, and even since the Government responded to it in March, just two months ago.

We have seen several significant developments, such as the full ramifications of the Madrid bombing, including the change of Government that it seemed to inspire and the withdrawal of Spanish troops from Iraq. Sadly, we have seen an escalation of violence in Iraq, including the stand-offs in Fallujah and Najaf. We have suffered the shocking revelations of the unacceptable abuse and torture of Iraqi detainees by coalition forces—several hon. Members have commented on that. In the middle east, we have witnessed the unfolding of the detail of the Sharon plan, and the surprising welcome it has been given by the US President, our own Prime Minister and others. That was followed by the plan's rejection by Likud, presumably with the next instalment to follow shortly. Sadly, as we have all said, violence in the middle east has continued unabated in the meantime.

All of that is a reminder that in the war against terror our enemies are real, events continue to unfold at an alarming pace, and we must be ever vigilant. Many right hon. and hon. Members have demonstrated their expertise and knowledge in speeches and contributions on these extremely complex issues. We have had a high-quality debate. Many questions have been asked of the Minister, and to give him his due—to shield him from the slightly unfair attack of the hon. Member for Thurrock (Andrew Mackinlay)—this Minister, with whom I have debated several times in the past few weeks, does try to answer the questions put to him. We will give him plenty of time to do so today, so he will have no excuse not to.

It is more than two years since 9/11, and the defeat of the Taliban in Afghanistan. Osama bin Laden and the al-Qaeda terrorist organisation are still at large, believed to be based somewhere in the rugged mountains of north-west Pakistan. Al-Qaeda has correctly perceived Iraq to be the focal point in the US-led war on terrorism. By pursuing a war of attrition, fought using terrorist means, these terrorists aim to provoke the withdrawal of coalition forces from Iraq, making the country ungovernable. In a recent message, purportedly from bin Laden, 10 kg of gold was promised to anyone who killed administrator Paul Bremer, as well as UN envoy Lakhdar Brahimi and UN Secretary-General Kofi Annan.

The insurgents bomb soft targets such as markets, and kill prominent officials who are essential to the rebuilding of Iraq. A chilling example of that was the killing on Monday of Mr. Salim, the head of the Iraq governing council. The insurgents are attempting to weaken the resolve of coalition forces to rebuild Iraq and to improve the lives of its citizens. If the insurgents win, Iraq will sink into further chaos and become a den of terrorist iniquity for men such as al-Sadr, the rebel Shi'a cleric, and al-Zarqawi, reputedly responsible for the gruesome beheading of Nick Berg.

There are some—no one in this debate, I have to say—who call for coalition forces to withdraw immediately. I understand that call, but I reject it because I think that it is wrong. If we were to withdraw now, the country would descend into civil war and chaos, the terrorists would win, and the standing and credibility of the west, which are already under pressure, would be in tatters. The terrorists must not be allowed to win. We have to stay the course and see this through.

The handover on 30 June must go ahead, and momentum towards wider elections next year and reconstruction must not be lost. I echo the words of my right hon. and learned Friend the Member for Devizes (Mr. Ancram), who said in the House on Monday that we need to return Iraq to the Iraqis under a representative and democratic Government. As others have said, it is essential that the transfer of power on 30 June be real and not cosmetic. If the Minister answers only one question—although I know he will do a lot better than that—will he give us as much up-to-date detail as possible on the Brahimi handover plan and answer some of the specific points that have been put to him about that? There are five weeks to go, and this whole operation is still clouded in mystery and uncertainty. We do not even know to whom power will be handed over in five weeks.

The Conservative party will continue to support the Government in seeing this process through. However, there are two points that the Government cannot avoid in the longer term. First, there must be an acceptance that, despite their assurances to the contrary, there was an absence of a coherent plan for post-conflict Iraq. The report's conclusions and recommendations recognises that in paragraph 11, where it refers to

"insufficient anticipation by the British and American governments".

That is well phrased. In their response in March, the Government seemed to brush that crucial conclusion under the carpet. Many of the post-conflict issues were foreseeable and foreseen. I ask the Minister again, why was not a more comprehensive plan in place?

Secondly, the Government cannot for ever also sweep under the carpet the basis on which we went to war. In the run-up to war, we were told that Iraq had weapons of mass destruction. To eliminate those weapons was a primary purpose of the war, and it is increasingly clear that there are none. Whether they do it in their response to the Butler inquiry or at some other time, the Government must deal with that important issue and give a full explanation. There is one crucial reason why: if our electorate are to be expected ever to trust their political leadership again when their support is requested for future military action, this matter must be resolved.

Since the production of the report, pictures of abuse of Iraqi prisoners by US forces have been published. That was a massive setback in winning over the hearts and minds not only of Iraqis but of Muslims worldwide. The Committee showed great foresight in paragraph 15 of the report, because even then it was rightly concerned about the handling and treatment of detainees. The first step on the slippery slope was perhaps the mistreatment of suspects held at Camp X-Ray. The assertion that the detainees were not prisoners of war in the conventional sense and therefore did not fall under the remit of the Geneva convention was never acceptable to the international community. It is clearly wrong to hold people for a long time without access to due process of law.

Although sometimes inconvenient, it is vital that coalition forces respect international law and human rights at all times. The pictures emanating from Abu Ghraib poured oil on a fire that was already simmering. It is vital that those responsible are dealt with swiftly and openly. Sentencing Jeremy Sivits to one year's imprisonment was an encouraging sign that the process of investigating allegations of prisoner abuse will not be a whitewash. Justice must be done—and, particularly in Iraq, it must be seen to be done.

Much positive work has been achieved during the past 12 months in Iraq, but it is rarely apparent from media coverage. Many parts of the country have a more positive tale to tell. We can take comfort from a demonstration last week in Najaf, where 1,000 Shi'ites peacefully protested against al Sadr and his violent methods. It proves that many moderate Iraqis are galvanised in their opposition to terrorism and violence. They want to get on with their lives. Winning the hearts and minds of those people will be the most effective bulwark against Iraq descending into chaos.

Once again, I pay a warm tribute, as others have done today, to the skill, courage and professionalism of British troops in and around Basra, who acquit themselves with such distinction.

The report rightly points out that the Israel-Palestine conflict is a source of immense anger for millions of Muslims worldwide. It is a catalyst for terrorism. It follows that a lasting solution in Israel is a prerequisite for victory in the war against terrorism. The clearly identified answer, which many have touched on today, which is supported by the international community and based on the proposals outlined in the road map, is the two-state solution, with a secure Israel living alongside a viable Palestinian state.

I am taken with the suggestion and comments made by my hon. Friend the Member for Stratford-on-Avon (Mr. Maples). He was right to say that it is easy for us to hide behind the road map and simply to call for the road map to be put back on track—as I am doing now. We need to be more practical and come up with a solution that has a chance of success. I would like to hear more about his interesting suggestion.

We all know that progress on the road map has been stalled in favour of the unilateral disengagement measures proposed by Ariel Sharon, including the disbandment of Israeli settlements on the Gaza strip. Although those initiatives might be seen as a step in the right direction, what we need most is not unilateral action but negotiation and agreement. The rejection of Sharon's proposals by the ruling Likud party has given the plan an uncertain future. A real and lasting peace will be achieved only through mutual agreement over those divisive issues.

Donald Anderson: It is significant that, in a statement made on 4 May, the Quartet said positive things about the plan. It said:

"The Quartet took positive note of the announced intention of Israeli Prime Minister Sharon to withdraw from all Gaza settlements and parts of the West Bank. The Quartet welcomes and encourages such a step".

Mr. Streeter: The right hon. Gentleman is correct. It has to be seen as part of the ongoing process of the road map. We have made that point to the Government and to the Minister time and again.

President Bush recently stated that, given the setbacks, achieving a Palestinian state by 2005—one of the time lines under the road map—was no longer realistic. I wonder whether the Government agree. Will the Minister touch on what has happened to the other time lines so clearly set out in the road map? As my hon. Friend the Member for Stratford-on-Avon said, many of them have already been missed, and it seems that yet more are likely to be missed. Is it now intended that those time lines will be renegotiated?

Although Israel is rightly concerned about the threat that it faces from terrorism, that does not permit the construction of a security fence on its current route inside occupied territory. Paragraph 30 of the Government's response describes it as

"a severe impediment to efforts to secure a peace agreement between Israel and the Palestinian Authority and to the creation of a viable Palestinian state".

Surely, that is right.

[Mr. Streeter]

Israel has the right to self-defence. We all accept that—the first duty of a state is to protect its citizens—but Israel must step back from the use of disproportionate force. As others have said, this week has been particularly depressing for those of us who wish to see the peace process revived, following Israel's launch of Operation Rainbow, under which hundreds of Palestinian homes have been flattened, essential water and electricity supplies disrupted and several dozen civilians, including children, killed.

The attacks on women and children yesterday at the Rafah refugee camp provided a further shocking example of heavy-handed tactics that will do little to pacify the Palestinian people, will lead to further escalation in the endless cycle of violence and are, as the Prime Minister and the Leader of the Opposition both stated unequivocally yesterday, unacceptable to the international community. It has to be said that there is, of course, an equal obligation on the Palestinian Authority to bring under control the terror of the suicide bombers. If we are to find the elusive way back to the road map, there must be action on both sides.

I turn to wider issues raised by the report. The Committee has drawn its inquiry on a broad canvas and has rightly linked broader, non-proliferation events in the wider middle east with long-term regional stability and global efforts to counter terrorism. Libya's recent decision to terminate voluntarily its weapons of mass destruction is welcome as a step against WMD proliferation. What has happened in Iraq should send a clear message to would-be proliferators, and those who threaten the region with such weapons, that there are severe consequences for defiance of the UN and the international community. Libya's cautious reintegration into the international community demonstrates that there is another route that brings benefits all round. I hope that Iran and North Korea will also take heed of that route. We support a policy of constructive engagement.

Proliferation aside, while Iraq and the Israeli-Palestinian dispute remain the backdrop to much popular sentiment in the middle east, the issues that affect the region are far broader. The Arab world is facing challenges revolving around demography and the need for economic diversification, and an aspirational middle class in many countries is demanding greater participation in government.

The challenges are great, and it is for us to help reform processes that are already under way in many countries, rather than seeming to hector or lecture. Reform that moves forward at its own pace, and for which the impetus comes from within, is more likely to be deeply rooted and effective. It is in all our interests to help the nations of the middle east face their reform challenges.

Although it is uncomfortable for those of us whose instincts are profoundly pro-American, as mine are, and uncomfortable for us to admit it, one of the biggest obstacles in winning the war on terrorism is the rampant anti-Americanism that prevails across the world. The majority of respondents in recent polls in Jordan and Pakistan viewed Osama bin Laden in a more favourable light than President Bush. How is it that so many American values, such as individualism, upward mobility and freedom are admired the world over, yet America's foreign policy provokes such a negative reaction? How can we explain the enthusiasm of Iranian teenagers to watch smuggled Hollywood movies, while their clerics criticise America as the great Satan?

The US must consider the tactics at its disposal to improve its global standing. It would do well to reconsider Joseph Nye's thesis on the dichotomy between hard and soft power. In a nutshell, soft power is based on people's ability to achieve positive outcomes by attracting and persuading others to adopt their goals. Hard power is when people use the carrots and sticks of economic and military might to make others follow their will. The current US Administration has been quick to exercise its hard power capabilities, but it might pay more attention to the soft power tools at its disposal, including displaying greater cultural sensitivity, encouraging exchange programmes and mutual understanding, exercising better public diplomacy and improving international broadcasting. The entire US diplomatic budget for the whole Islamic world is $150 million, which is the equivalent of a few hours' worth of the defence budget. Only through a two-pronged approach combining the assertiveness of hard power and the effectiveness of soft power can this bout of anti-Americanism be curbed. That is an essential ingredient in crushing the malaise of global terrorism.

Britain, so much more skilled at exercising soft power, must play its full part in working for global stability. Our much-respected diplomacy, NGOs, peacekeeping skills, commitment to democracy and the rule of law, global heritage and networks are all assets that equip us to play a unique role in influencing the world. We also enjoy a special relationship that equips us to be a truly candid friend to the only global superpower. We must make better use of that privileged position, as we have in the past, and help the USA to play a more constructive role in the complex issues that face us all.

Sadly, the war against terror will be with us for some time to come and the Committee has done us all a service by keeping such a seasoned eye on its progress. I hope that it will continue to do so.

5.1 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): It gives me pleasure to respond to the debate. I congratulate the Select Committee on Foreign Affairs on a very detailed report. I genuinely believe that that process of scrutiny helps the Government in their work, although that is perhaps not the first sentiment that springs to mind as I rise to respond to such detailed questioning.

Andrew Mackinlay: It is good for you.

Mr. Rammell: Absolutely. I think that the process is extremely worth while.

I will do my best to answer hon. Members' questions. If there are some that I do not answer, and hon. Members make me aware of that afterwards, I will follow them up in writing.

Clearly, the situation in Iraq has been the focus of much of the debate, which, nevertheless, has been wide ranging. That underlines the extent of the continuing concern about the battle against international terrorism. Terrorist attacks continue at very significant levels. For example, in the past two weeks, two Britons were among six shot dead in Saudi Arabia, and attacks on mosques in Karachi killed 15 and injured more than 100. Several hon. Members referred to the recent murder of the US contractor, Nick Berg, which demonstrated to the world the type of enemy that we face in the fight against international terrorism. It sickened everyone who witnessed the news footage. Unfortunately, those are just three examples of terrorist acts, and I could list more. In the past two weeks, more than 30 people have been killed by terrorists.

Al-Qaeda and associated groups will remain a grave threat for the foreseeable future and we must accept that, as we find ways to counter them, they evolve in their response to the threat that we pose to them. They are not monolithic and that is one of the immense challenges that we face. Any notions of al-Qaeda as a hierarchical or coherent structure against which we can fight a conventional war can be forgotten. The fundamental threat is not so much from organisational networks but from networks of ideas. Although we can and will go after terrorists to prevent attacks, our core activity for the longer term will have to be countering the underlying ideas that are used by terrorists to justify their action and the underlying conditions that lead some to believe that those ideas are acceptable. Undoubtedly, that will take a long time.

The scope of the terrorist threat means that we must maintain and enhance our international counter-terrorism co-operation. As the Government's response to the latest Foreign Affairs Committee report sets out, we are doing that—or, certainly, trying to do it—in several ways. For example, in the past year we have spent more than £3 million developing the counter-terrorism capacity of key priority states. We have worked with our partners in south and south-east Asia, the middle east and Africa to deliver counter-terrorism assistance to build legislative and administrative capacity. Our counter-terrorism assistance programme is fully consistent with our human rights obligations.

Multilaterally, where key progress needs to be made, we continue to develop and implement international counter-terrorism standards. In the wake of the murderous attacks in Madrid, the European Council adopted a declaration on terrorism. It renewed our commitment to fight against terrorism, which has never wavered. It also appointed a new EU counter-terrorism co-ordinator, who will draw together the many strands of the EU's work on counter-terrorism. Those are measures that we welcome.

I want to take this opportunity to update hon. Members on an issue that the Committee raised in its 10th report. In March, the Security Council adopted resolution 1535 to strengthen the counter-terrorism committee. This week, the Secretary-General of the United Nations appointed the first executive director to lead the strengthened expert team. That is a significant step forward and it is a success for the UN structure in taking forward and tackling this issue.

Ms Stuart: Will the Minister clarify whether Mr. Gijs de Vries, the counter-terrorism co-ordinator, reports to the Commission or to the Council?

Mr. Rammell: I understand that he reports directly to the Secretary-General and that the reports go to the Security Council. However, if I am wrong, I shall write to my hon. Friend.

Working together, the international community has had some successes in combating terrorism. Only this month, the Turkish police disrupted a plan to bomb the NATO summit in Istanbul. In April, our colleagues in Jordan foiled an attack in Amman and six individuals were arrested in the Philippines this month for planning to mount an attack during the Philippine elections.

The Foreign Secretary said in his foreword to the Government's response to the Committee's report that "the threat from terrorism is very real."

As I shall make clear in my response to individual questions, however, the threat from terrorism did not begin when we took action in Iraq. The biggest terrorist outrage that we have seen—all hon. Members will recall this—took place on 11 September 2001. That occurred not after the conflict with Iraq, but 18 months before it. Terrorism was also not the result of intervention in Afghanistan, but what led to that intervention. I shall return to that issue.

My right hon. Friend the Member for Swansea, East (Donald Anderson), the Chairman of the Committee, referred to one of the report's key conclusions, which is that not as many countries as we might have wished have contributed to the multinational force in Iraq. That is arguably the case. We made it clear in our response that we think that there is sufficient commitment. However, from a political point of view, we would undoubtedly want an increase in the number of nations committing to the multinational force. We are working on expanding that multinational force under the auspices of the UN, which is why the forthcoming resolution is so important.

My right hon. Friend also raised the key questions of what will happen on 30 June, what the interlinkages will be and what the authority will be. I shall try to answer some of those questions, but I cannot answer them all, because the detail is being worked on, in the form of the UN resolution that will oversee and give authority to the process. That is not ducking the question, but reflects the reality of the political situation that we face. However, the occupation will undoubtedly come to an end on 30 June. On that date, the coalition provisional authority will dissolve and Paul Bremer, the administrator, and David Richmond, the UK special representative, will leave Iraq, to be replaced by ambassadors. That will be a fundamentally different political and legal situation.

The new Security Council resolution should signal the end of the occupation and confirm the assumption of authority by a sovereign Iraqi interim Government on 30 June. The resolution's key elements are likely to be the political and security arrangements and the UN role in the transition period before elections. As I said, the

[Mr. Rammell]

detail is being worked on. There will be a Cabinet of Iraqi Ministers, who will be responsible for the day-to-day running of Iraq and ensuring the provision of services. A priority for the interim Government will be to help to prepare for the elections in January 2005, working with the soon to be formed independent electoral commission.

I repeat: that Iraqi Government will be sovereign. Iraqis themselves will decide on any limitations on powers. There will probably be some constitutional and administrative checks on the interim Government, to ensure that they deal with day-to-day matters and do not take long-term decisions of significant constitutional import. However, that will be self-imposed restraint. That view has come forward strongly in consultations with the leading politicians in Iraq and has been reflected by Mr. Brahimi. Fundamental, far-reaching constitutional decisions should not be taken in the interim period, before an elected Government.

The governorates will be run by Iraqi provincial councils and the governors elected by them. Some 11 Ministries have already been transferred to full Iraqi authority. That is a key point.

Mr. Chidgey: That is fine, but how will the security in Iraq be managed, and who will be responsible for that?

Mr. Rammell: The hon. Gentleman anticipates the point that I was coming to. As the Foreign Secretary and the US Secretary of State have made clear, the interim Iraqi Government, who will assume authority on 30 June, will be a sovereign Government. The multinational force envisaged in the forthcoming UN resolution will remain in Iraq at the behest of the Iraqi Government.

The multinational force, which will include British troops, will continue to operate according to the mandate set out by that resolution. That begs the question of what would happen if the interim Government said that they no longer wanted the force to be there. But if that happens, it happens. However, I see no indication that that is what the interim Government are likely to want. Direct indications from politicians and all the reputable, independent opinion poll evidence of ordinary Iraqis' views show that a multinational force is wanted, to continue to help and to work with the Iraqis to build on the security situation.

My right hon. Friend the Member for Swansea, East asked about the situation in Falluja, the Falluja brigade and whether there has been a change in Government policy. There certainly has not been a change in Government policy. We are considering a temporary arrangement to prevent further insurgent activity. We are very conscious that we need to give a firm response in that extraordinarily difficult situation, but that we also need to act with political sensitivity. That is what we are trying to do. The brigade is not part of the main Iraqi army, and it will be disbanded in future without being recruited into that army. That makes it clear that our policy has not changed.

The right hon. Member for Tonbridge and Malling (Sir John Stanley) raised a number of detailed questions. He argued that the road map is not the only possibility for the future in the middle east, and a number of other hon. Members reflected that view. Several referred to Prime Minister Sharon's disengagement plan, and the right hon. Gentleman referred to "verbal chicanery" and the annexation of land through that.

I reiterate the point made by our Prime Minister and President Bush when Prime Minister Sharon made those proposals. We welcomed those proposals, not as an endgame or a final-status situation, but as a step along the road towards the implementation of the road map. As the Chairman of the Foreign Affairs Committee, my right hon. Friend the Member for Swansea, East said, that has not been a unilateral US or even a US and British position. The view was recently endorsed by the Quartet, which said that if the proposals were a step along the road, we should welcome them, but—and this is the critical "but" that the Prime Minister and the President made clear—that does not alter the need for final-status negotiations, particularly with regard to borders and refugees.

The right hon. Member for Tonbridge and Malling also said that he felt that the conflict with Iraq may well have been the biggest foreign policy mistake since appeasement. I have traded blows with him on this subject before. When it last happened, I walked out thinking that he was among the minority of Conservative Members who had voted against the war. I subsequently checked and found out that that was not the case.

In deciding whether we have made the correct decision, we should not make a judgment based on what the situation is now, but on what the situation would have been had we not taken action in March 2003. There was clear evidence to virtually every intelligence agency in the world of Saddam's weapons of mass destruction capability, there was a 173-page dossier of unanswered questions put together by Hans Blix, and there was the unanimous Security Council resolution 1441, which gave Saddam a last chance to comply. If, despite all those things, we had turned around and said that we were not going to do anything, I genuinely believe that the situation would be worse and more dangerous today. That is difficult to prove because we cannot turn back the clock, but I think that we would have given the green light to aggressive nations and terrorists all over the world. I am sure that this debate will go on and on.

If we had not taken action, I question whether Libya would have taken the correct decision and moved towards ridding itself of weapons of mass destruction. I am not sure whether Iran would have engaged as it did in dialogue about concerns about its nuclear capability. I even doubt that we would be having the third round of the six-party talks on North Korea. So we are talking not only about Iraq, but about the wider international benefit that may have flowed from the decisions that we took.

The right hon. Gentleman also talked about security being the top priority for the Iraqi people. That is undoubtedly the case. The key question is how we build on that security. I am not sure that there is an alternative to the option that we are pursuing, which is the greater involvement of the United Nations, further Iraqisation of policing and security procedures in Iraq, and a political solution that leads to handing power over to the Iraqis and their representatives. That is the best way of tackling security in Iraq.

The right hon. Gentleman asked about the middle east peace process and what steps the Government are taking to influence the Israeli Government to stop the unilateral annexation of land. We consistently make it clear to the Israeli Government that any withdrawal of settlements should not result in settlers being resettled. We also consistently ask both sides to make progress according to the road map so that there is a two-state solution along the lines of the 1967 borders.

The right hon. Gentleman and the hon. Member for Stratford-on-Avon (Mr. Maples) asked why we did not pursue a chapter VII UN resolution with regard to the middle east. There is an argument for that, but I remain unconvinced, because any settlement must be political and negotiated. I am not sure that such a settlement has ever been imposed successfully from the outside in such an historic conflict. All sorts of arguments could be advanced about the progress that is being made according to the road map, but I believe that it is the best opportunity that we have. We should pursue it with vigour and urge each party to do likewise.

The right hon. Gentleman also asked about the possibility of the military being over-stretched. We have always said that commanders on the ground are best placed to advise on troop levels, but that Ministers should take the decisions. We constantly keep under review the numbers of troops that we are contributing. If and when we are in a position to alter that contribution, we will immediately make that clear to the House.

My hon. Friend the Member for Glasgow, Govan (Mr. Sarwar) said, I believe, that it was nonsense to talk about a war on terror. Let me make it clear that we are not involved in a war on Muslims or on Muslim nations, but we have a huge problem with individuals and groups throughout the world who are prepared to use terror on a massive scale to pursue their political ends. We need to do everything in our power to oppose that. I believe that there is consensus across the House on that, which is reflected in the report. Certainly, we need to consider greater security co-ordination and the counter-terrorism strategy agreed by the UN. We also need to investigate the sources of funding for terrorism and to examine the root political causes of terrorism. We cannot deny that we need a strategy to counter terrorism. That may not have been my hon. Friend's direct suggestion, but that is what he implied.

Mr. Sarwar: What I am saying about the war on terror is that I accept that there is a serious threat and that we need to deal with it, but we need an even-handed approach. The focus is to a great extent on people involved in individual acts of terrorism. I condemn the loss of any innocent life, but hypocrisy and double standards are coming out of the United States. What about the state terrorism in which thousands of people are losing their lives? What about the legitimate struggle, and the demands for implementation of UN resolutions 242 and 338?

Mr. Rammell: I certainly want all UN resolutions to be implemented. My hon. Friend refers to the middle east, and we all need to do everything in our power to move the process forward.

I take issue on one significant point made by the hon. Member for Eastleigh (Mr. Chidgey). I think that I am correct in saying that he said we have lost all moral authority because of the recent allegations of prisoner abuse. I ask him to think about that and reflect on whether he wants to pursue those arguments. We cannot pretend, as the Prime Minister made clear a couple of weeks ago, that we can stop bad things happening, even in the most democratic, civilized state.

The key determinant of whether we are a responsible, democratic, civilized state, is the manner in which we respond to the allegations of abuse. There is a fundamental difference between the way in which we are responding, as a nation, and the way in which Saddam Hussein's regime responded in Iraq, where torture, brutality and killing were the nation's mission statement. We are not responding in that way. All allegations of wrongdoing by our troops are taken extremely seriously and are dealt with through the military disciplinary system.

The hon. Gentleman asked me for the figures. There have been 33 investigations since the arrival of British troops in Iraq. Twelve are still under way. In 15 of the 21 completed investigations, it was concluded that there was no case to answer. Recommendations about the other six incidents are being considered by the military authorities. That is the right and proper way to proceed. My reply to his question on why the process has taken so long is to ask him, rhetorically, how long he thinks a military disciplinary investigation should take, if it is to get at the facts and produce an outcome in which we can all be confident. We are going through the right and appropriate procedures.

The hon. Gentleman referred to the situation in Afghanistan and what he called the lack of contribution from NATO. I know that the Foreign Affairs Committee was in Afghanistan last week, because I was there the week before and will have had discussions similar to those that it took part in. In Afghanistan, we are working both within NATO and bilaterally, with NATO and non-NATO members, to generate the resources required for NATO to expand beyond Kabul and Kunduz. Once those resources are provided, the expanded NATO presence will, I believe, help to underpin our efforts in meeting our key obligations in Afghanistan. We need a greater NATO contribution and are pushing strongly for it, as we shall continue to do.

The remarks of my hon. Friend the Member for Edinburgh, North and Leith (Mr. Lazarowicz) went to the heart of the debate, in a sense, in focusing on our relationship with the United States of America. He asked the Government to be more publicly critical of United States foreign policy. Although we are strong allies of the United States, there are certainly things on which we disagree, and we should not have a problem in saying so. Cuba, the International Criminal Court and our attitude to the Kyoto protocol are examples of that. However, we should be conscious of the way in which we conduct such discussions. I hope that my hon. Friend will at least accept that there is a judgment to be made about the degree of public criticism that is consistent with influence and leverage. That is at least an arguable case, and not as easily dealt with as he suggested.

The hon. Member for Ruislip-Northwood (Mr. Wilkinson) referred to the closure of our embassies in central America and the recent DFID reductions in parts of Latin America. As the Minister responsible for that area, I do not want reductions, but

[Mr. Rammell]

this debate is about the key priorities of terrorism and tackling the problem of the proliferation of weapons of mass destruction. We live in a very different world from the one a few years ago, with increasingly dangerous circumstances. That sometimes means that we must take difficult decisions that we would not otherwise take.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) asked about the armed forces. I think that I answered that in my earlier remarks.

Andrew Mackinlay: I hate to offend the Minister, but I do not think that he did. The body language of every Member in the Chamber speaks of bewilderment. If I have missed something, I apologise, but will he answer the question about the military service agreement? When will it be published, with whom will it be signed, and will it be triggered at one minute past midnight on vesting day—sovereignty day?

Mr. Rammell: I made it clear to my hon. Friend that the detail of that is under negotiation. It will be overseen by the UN Security Council resolution that is being worked on. In terms of body language, I am receiving nods from hon. Members.

My hon. Friend the Member for Thurrock also asked about the role and position of the Iraqi survey group. I shall try to be specific about that. It is a US-led operation; the UK has contributed by providing personnel, mainly specialists on weapons of mass destruction. The Ministry of Defence has paid for that as part of Operation Telic, and the UK deputy brigadier responsible reports directly back, according to the UK military chain of command.

My hon. Friend asked about the lack of ambassadorial representation in Kyrgyzstan. We have looked at that issue from time to time, and in the past we have considered whether it would be possible to open an embassy. We have increased our representation of posts by a net number of 10 in the past few years, but it all comes down to a question of money and resources. I heard the hon. Member for South-West Devon (Mr. Streeter) offer a blank cheque, with a commitment to opening an embassy, but it is not that simple. We will keep the situation under review.

The hon. Member for Stratford-on-Avon rightly said that in the middle east peace process disputes neither side has the moral high ground. Significant criticisms can be made of both. I agree that in terms of the road map, which I still believe is the best way forward, not enough progress has been made since the commitments from both sides. We need to push for that progress. However, I reiterate my earlier point: on the basis of historical precedent and experience, I am genuinely not convinced that the hon. Gentleman's suggestion of a UN resolution imposed from the outside would work and lead us to a better political situation.

The hon. Member for South-West Devon talked about the failure to find weapons of mass destruction. Let me take Members back to March 2003 when we had clear intelligence information, as did virtually every other intelligence agency in the world. As a Foreign Office Minister, I saw that intelligence and it was convincing. More importantly and more publicly, we had the 173-page dossier of unanswered questions that Hans Blix had prepared. We gave a last chance to Saddam and the regime to comply with the resolutions, which were the culmination of resolutions that had been around for 12 years. He failed to comply, and in those circumstances we were right to take the decision that we did. As I said during the debate in the House on Monday evening, in terms of weapons of mass destruction, there was the apparent discovery at the weekend—although I am not making too much of this—of a chemical weapon as part of old munitions in Baghdad. Had that been found immediately before we went to war, it would have been in breach of resolution 1441.

We have had a good debate and a good opportunity to discuss the issues. I congratulate the Select Committee on a thorough report, and I hope that we have shed some light on the issues. If I have missed any questions or queries, I am happy to follow them up in writing.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Five o'clock.

Westminster Hall

Tuesday 25 May 2004

[MR. EDWARD O'HARA *in the Chair*]

Specialist Health Services (West London)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Gareth Thomas.]*

9.30 am

Mr. John Randall (Uxbridge) (Con): I am grateful to have the opportunity to raise issues that are important not only to my constituents but to people in the wider area of west London—perhaps I should say Middlesex.

When London's specialist health services are mentioned, people tend to think of the famous names—for instance, the Great Ormond Street children's hospital, Moorfields eye hospital and the Royal Marsden hospital. However, the area of which I speak, although designated as west London by the national health service management, is outside that central, inner core.

I am delighted to see my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) here today and, in our part of west London, Harefield and Mount Vernon hospitals and the Royal National Orthopaedic hospital at Stanmore come to mind as beacons of excellence. All are situated in beautiful and peaceful rural surroundings—the antithesis of city life—and all are efficient, respected and valued. Having spoken to many patients, I would say that they are loved and cherished.

None of those hospitals is more famous than Harefield; under the leadership of Sir Magdi Yacoub and his team, it has pioneered advances in heart care, and has carried out more heart transplants than any other hospital. The result is that the name of the English village in which it is situated, from which it takes its name, is known all over the world. Sir Magdi Yacoub's heart science centre is also on that site, ensuring that bed and bench—patient and research—are near each other, to the benefit of all.

Last August, Harefield's clinicians again demonstrated that they remain in the forefront by performing the first heart bypass in this country with a local rather than a general anaesthetic. We should congratulate them on such a wonderful advance. Risks will be fewer for such patients, and recovery times will be shorter, which will ease pressure on hospital beds.

Despite such advances in patient care outside London, two of the specialist hospitals that serve my constituents and so many others are under threat. They are Mount Vernon and Harefield. The public reaction to that threat was anger tempered with disbelief, made more so by the fact that the views of patients and the public have been ignored. The way that they have been treated, and continue to be treated, makes a joke of the Government's policy of patient and public involvement in health care.

Those who are fighting for Harefield's survival have tried to gain the ear of the Secretary of State for Health. However, the request by my hon. Friend—the hospital is in his constituency—that the Secretary of State meet the hospital's representatives has been refused.

Mr. Andrew Lansley (South Cambridgeshire) (Con): My hon. Friend refers to patient and public involvement in health. Last week, I sought the names of the members of the patients forum at Addenbrooke's hospital in my constituency, only to be informed by the Commission for Patient and Public Involvement in Health that such names were not yet available. Indeed, the commission said that it proposes this week to write to members of the forum to ask whether their names can be made public. As the forum has existed for some time, and as its role is meant to be representative, that seems rather remiss. Has my hon. Friend had any greater success?

Mr. Randall: I am hardly surprised by that lack of success. My hon. Friend may be interested to know that, as a result of a recent parliamentary question, I found that the turnover of members of such forums has been surprisingly high, with a large number of resignations. Perhaps the commission cannot give the names because members do not stay long enough.

As I was saying, the request made by my hon. Friend the Member for Ruislip-Northwood to meet the Secretary of State for Health with the representatives of Harefield hospital was unfortunately unsuccessful. A similar request, made by the chief executive and chairman of the hospital, was ignored by his predecessor. However, my hon. Friend has previously given us much of the history, so I shall move on to the issue that interests me: the business side of the Paddington health campus scheme.

By taking its work, the Paddington health campus would close Harefield hospital. My interest in the issue grew after I learned that the project costs had escalated from £360 million in 2000 to £800 million in 2003. By then, the press were beginning to compare the campus to the millennium dome and estimated the eventual cost at £1 billion. The doubling of the costs in that short period is equivalent to a financial fire alarm going off—it means that the original business case is bound to have been flawed.

When it also became clear that the Paddington scheme did not have planning permission, despite having applied for it in 2000, I asked a question in the House. NHS management does not have expertise in schemes such as the Paddington health campus, so they must make use of external advisers. Given that so little visible progress had been made, I wanted to know how much had been spent on advisers. The Minister's response in November 2003 was that £3.177 million had been spent on external advisers up to the end of March 2003. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) later asked a question on the same subject and found that more than £5.5 million had been spent by the end of December 2003. That is well over what was spent on the new patient centre at Harefield hospital.

On 23 March 2004, I asked the Minister for a progress report on the Paddington health campus. I noted that

[Mr. Randall]

the word "progress" was rather a contradiction in terms when applied to the scheme because there had, quite blatantly, been none. I said:

"seldom has so little been done by so many at such great cost to the public purse"—[*Official Report*, 23 March 2004; Vol. 419, c. 695.]

I respect the Minister, who takes these matters seriously, but I am afraid that on that occasion—perhaps because he was in the bear pit of Question Time—he rejected my concern on the grounds that I was against the project. I am not, however, against the project per se—I am against wasting public money on a project that has lacked viability since September 2002.

I was surprised that the Minister rather brushed aside such legitimate concerns, given that the doubling of the costs has led to an independent inquiry. The Department is one of the participants, and the others are the Treasury and the National Audit Office. The inquiry is reviewing not only the rise in costs but how the situation arose. Given that it is supposedly independent, I thought that the Minister might have given a slightly different answer—that he was aware of the concerns but would reserve judgment, pending the independent inquiry's report. However, I have never reached the dizzy heights of being a Minister so I do not understand quite how such answers are produced.

The Minister did not inspire great confidence when he did not appear to know that the Treasury and the NAO were involved in the independent inquiry into the project, which he said his Department was reviewing in conjunction with local health bodies. I would not describe the Treasury or the NAO as local health bodies. Furthermore, the statement that the Minister expected to make before the end of March about the future of the Paddington health campus has not yet materialised.

Sadly, no amount of spin can disguise the fact that the project is in crisis. We cannot ignore the fact that if the Government had listened to the solid arguments that well-informed bodies raised against the scheme, it would not have gone ahead. By informed bodies, I mean the community health councils of Harrow, Brent, Hillingdon and South West Hertfordshire, all of which objected to the scheme, but all of whose objections were dismissed. Barrie Taylor, then the chief officer of South West Hertfordshire CHC, which covers Watford, pointed out that should the project go ahead, it would lead to a diminution in patient care.

Mr. John Wilkinson (Ruislip-Northwood) (Con): My hon. Friend makes some exceedingly important points. Does he remember the extraordinary fact that the health council that promoted the Paddington basin project was the one that was charged with analysing the results of the consultation? That is an amazing state of affairs. Everything was geared up from the start to produce the result that the Government desired, namely that the Paddington health campus project should go ahead regardless of public opinion, fairness or objectivity.

Mr. Randall: My hon. Friend is absolutely right. However, I am never surprised these days. I came to this place free from conspiracy theories, but the longer I go on, the more cynical I become, and the more inclined I am to believe such things. Perhaps one day I shall have my innocence restored to me.

Perhaps hon. Members representing the area should concentrate on ensuring that Paddington's local hospital, St. Mary's, which desperately needs attention, is improved. For a fraction of the cost of the project, both Harefield and Mount Vernon hospitals could be expanded and improved, and so retain invaluable staff. That would also solve the problem of space on the Paddington site. That is what Sir Magdi Yacoub counselled in May 2000, when he welcomed progress in London, but not at the expense of Harefield. Over the last four years the need has grown to retain specialist hospitals outside the capital. They are far less likely to be disrupted by threats of terrorism and transport problems.

Any building development, NHS or not, is governed by whether it is practical, affordable and good value for money. Paddington health campus does not meet any of those criteria. By September 2002, those managing the project knew that they were nearly one fifth short of space on the designated site and that it was impossible, within existing planning regulations, to accommodate such a shortfall on an inner-London-constrained site. There was also the knock-on effect of the £360 million estimated cost having been shattered by the need for more space.

Correspondence shows that, instead of stopping and reassessing the viability of the project, the management attempted to keep knowledge of the shortfall out of the public arena: it depicted the 17.5 per cent. shortfall as a 17.5 per cent. rise in the elderly population in the Paddington area. That is not borne out by census statistics. The term that is often heard in such circumstances is cover-up. However, why should one occur if there was no mismanagement? How could a project team put in its third amendment to a planning application, get a "minded to grant" in August 2002, and then realise the following month that that was useless, due to there being nearly 20 per cent. too little space? The only rational explanation is that the project team did not take into account the need for greater space in hospital planning, due to the higher consumer standards introduced by the Department of Health. Whatever the reason, by September 2002, the project had more problems than it had had at the outset.

Further losses could have been prevented by a reassessment of viability. Instead, the project management team ploughed on, seeking extra space off-site in the Paddington area, which would only add further cost to the project. It is self-evident that those who spend public money have a duty to ensure that it is spent wisely. Inability to get planning permission for a project on a designated site equates to the end of that project when the development is tied to that site. I do not think that I am painting too harsh a picture of the failure of the management of the project. A recent edition of *Building* magazine described it as problematic and the "PFI from hell". When those with knowledge of the construction industry make such severe criticisms, they cannot be brushed aside as being against the project.

An equally critical article in *Construction News* in March commented:

"Faced with burning millions bidding for a scheme that has not got planning permission, many firms will turn and run."

The conclusion must be that such an ill-fated scheme has brought the NHS and Government policy on PFI builds somewhat into disrepute. However, such remarks are

perhaps rather unfair to PFI in this case, because no PFI partner was involved, neither has a PFI partner been advertised for. Whatever blame there is falls, I am afraid, on the management team.

Since 2000, the proposed Paddington health campus has been hard sold as an everything under one roof development for specialist services in west London. Harefield hospital is one of the most successful hospitals in the world, but the fact that it would close if the development were built has been ignored. Relocating Harefield is impossible, because its staff will not work in London, but that has also been ignored.

In response to a staff survey conducted as early as 2000, only 10 per cent. of Harefield's nurses said that they would be willing to work in the capital. In the latest independent staff survey the figure fell to 8 per cent., while the figure for all Harefield's staff was 7.1 per cent. In 2003, the Institute of Employment Studies reported that 19 per cent. of respondents intended to move, 46 per cent. had said no, and 35 per cent. were unsure. However, those percentages hide big differences between the Royal Brompton hospital and Harefield hospital. At Brompton, 24 per cent. of respondents said yes, 35 per cent. said no, and 44 per cent. were unsure. At Harefield, 8 per cent. of respondents said yes, 64 per cent. said no, and 28 per cent. were unsure.

When senior NHS management of the trust concerned has so obviously failed to persuade its staff that the project is worth while, there is a lesson to be learned. It is bad management to consider moving an organisation that employs skilled staff if they will not relocate and there is little or no possibility of replacing them in the proposed new area. The lack of management skills is compounded when the area chosen to relocate to is extremely expensive, making reasonably priced accommodation, whether rented or bought, an impossibility. Firms are relocating out of London, not into it, for that very reason. The shortage of NHS staff in London is well known. It results in huge agency costs, which strain NHS finances. Adding to that problem is irresponsible. Retention of staff is as important in the NHS as recruitment.

When permission was given to plan the project, certain undertakings accompanied it, including one to continue surveying staff attitudes to the proposed move. Rather than carrying that out and discussing the results sensibly, however, in 2002 the survey was evaded. In the latest staff survey, trust management refused to include the one question that was suggested on behalf of Harefield's staff by Heart of Harefield, which is an organisation fighting for the hospital's survival. The question was on retention of staff and simply asked what Harefield staff would say if the project did not go ahead. The probable answer to such a key question in assessing staff attitudes to the Paddington health campus made it unacceptable to those promoting the project. The *Health Service Journal* described it as a hair-raising question. NHS staff are its most important asset and we should treat their opinions with respect.

It is also unacceptable for those hard-selling the project to promote their scheme by denigrating the facilities at Harefield hospital. Harefield has a new patient centre, with the most up-to-date technology, two new operating theatres and new pathology labs, and ongoing plans to remove its older, disused buildings. There is still room for improvement, but Harefield is at a stage when patients ask whether the intention to close it down is due to the money being spent on it.

A Paddington health campus briefing note of 19 December 2003 gave the opposite impression of Harefield, however. Those reading it would be misled into believing that the hospital was almost contravening health and safety regulations and was so short-staffed that it would soon be closed. Such allegations are untrue. The briefing said that should Harefield hospital remained open for a longer period, it would

"require significant investment to remain safe and viable. This will exacerbate the already acute staffing and clinical governance problems that this site prevents".

It is disgraceful that a deliberate smear tactic against Harefield hospital should appear in a briefing document from the Paddington health campus project. It would have remained hidden, giving Harefield no chance to refute it, had the briefing note not been leaked to Mrs. Jean Brett, who leads the campaign to save this great hospital.

When such distasteful tactics are used, the Paddington health campus loses all credibility. Desperation and misinformation have now become its hallmarks. Misinformation also reared its head when the project team sought to make up the shortfall in space by leasing the Point building, a prestigious office block on the other side of the canal to St. Mary's hospital. The cost of leasing it would be enormous, and it was absolutely ludicrous for the project team to describe it as an investment, because money would be going out with no prospect of a return.

Leasing the Point building would incur costs in addition to the £800 million already on the table, yet in two presentations in 2003 the Point was talked up as the ideal solution for the decant of St. Mary's hospital and to the space problem. The most important fact was not mentioned, which is that the Point is the least suitable building for decanting a hospital.

The terms of the lease forbade any in-patient treatment, meaning that no patient could stay in the Point overnight. As unclear was the fact that the only access to the main Paddington health campus site from the Point was by a public footbridge over the Grand Union canal. In addition, only 25 per cent. of the Point could be used for medical purposes, and within that was a restriction on any substance abuse clinic. It needs to be remembered that we are talking about the Paddington area of London. Just as oddly, the use of the ground floor, which is the most accessible, for patient care was denied for clinical purposes. There are different ways of being economical with the truth—misleading by the omission of relevant facts is among the worst.

Such details mean that we have a fatally flawed project, where saving face has become more important than openness, accountability and a willingness to admit that serious mistakes have been made. Since February 2003, the project team has been made aware by Westminster city council that it has to put in a new planning application in order to make any progress. Fifteen months later, that new planning application is still not in. If there had been a viable solution to the space problem, it would have been found.

[Mr. Randall]

Can the Minister confirm whether his answer of October 2003 about the number of beds in the Paddington health campus scheme still holds? The House was assured that the project would have 1,088 in-patient beds—80 more than those provided by St. Mary's, the Royal Brompton and Harefield hospitals. Will he also confirm whether the assurance still stands that the Paddington health campus now planned

"is 20 per cent. larger in size and will treat a higher number of acutely ill patients"?—[*Official Report*, 20 November 2003; Vol. 413, c. 1407W.]

The bottom line is that there has been an arrogant determination to force through this project, despite the lack of viability. The same arrogance of attitude was displayed in dealings with patients, members of the public and the objections of the community health council. The public consultation process was a farce. Before it had even started, a planning application for the project had been put in to Westminster city council. Planning applications for complex schemes take time, trouble and expense. Clearly, the public consultation process was to be cosmetic.

The lack of respect for the public consultation process was underlined when the post of project director was advertised before the consultation had ended. That is shocking and inexcusable. Events have now overtaken those planning the destruction of Harefield hospital. Two years away from its original completion date of early 2006, the Paddington health campus has not only made nil progress, but it is in a worse position than when it started. The completion date now varies between 2012 and after 2014, depending on which statement of the project is referred to. Its capital costs are unaffordable, its space problems insoluble and a supposedly independent review into how its £360 million outline business case was so flawed is still ongoing.

It is time to draw this tale of inefficiency to a close by abandoning the scheme. It was always described as a vision. I have no problem congratulating people on having a vision and wanting to achieve it, but I am afraid that that vision has turned into a bit of a mirage.

The clinical argument that every specialty needs to be under one roof, adjacent to accident and emergency departments, is as flawed as the management skills of those running the Paddington health campus project. Accident and emergency departments feed into Harefield—not the other way around. Due to advances in the skills of paramedic ambulance crews and the equipment that they carry, cardiac patients who need specialist care will be taken straight to Harefield. That has already happened, and it increases patients' survival chances.

Also flawed is the argument that because differing health problems sometimes appear in the same patient, other specialties should be on tap. It is well within modern technology for clinicians to confer on a patient visually without being in adjacent buildings.

The gross mismanagement of the Paddington health campus demands that there should be an independent inquiry, alongside which there should be an inquiry into why the public consultation process was such a mockery. I would welcome an explanation as to why, in December 2003, the Minister assured a London MP in writing that the Secretary of State had written to the Chief Secretary to the Treasury expressing confidence in the project and making it clear that he expected it to go ahead. There could not be greater interference during an independent review than for one of the involved parties to pressurise another.

I make no apologies for concentrating on Harefield hospital because of its link to the flawed Paddington health campus scheme, and because it illustrates how plans for major private finance initiative schemes can implode. The if it's not broken, don't mend it argument applies equally to Mount Vernon and to Stanmore orthopaedic hospital.

It is ironic that the chief executive of the excellent hospital at Stanmore was, for years, one of the main drivers for the Paddington health campus. Stanmore does not have an accident and emergency department and, like Harefield, is a specialist stand-alone hospital. However, instead of promoting its closure, its chief executive, Andrew Woodhead, is promoting a PFI plan to improve it. Those who support Harefield's retention agree with London clinicians that the bed and bench should be together for the benefit of all, as at the Harefield site. The research could not be led by a more eminent clinician than Professor Sir Magdi Yacoub. The Government's contribution to the heart science centre at Harefield contradicts any decision that could result in the loss of the adjoining hospital.

When the right hon. Member for Darlington (Mr. Milburn) was the Secretary of State, he officially opened the second phase of the Harefield research centre. That was greeted by applause from the assembled Heart of Harefield campaigners, but a far bigger cheer will go up when Harefield hospital is saved. The relocation of Harefield hospital is a euphemism for its destruction. The core problem is that its success has made it vulnerable to what might be termed clinical takeover bids from London.

In my seven years in this place, I have tried to take the middle line on most things, but with my business experience, and having looked at all the options, I am quite angry about this project. The Government would show great courage by putting an end to this project, and would save the public a lot of wasted money that is desperately needed in the NHS. It would be apt for the Government to remember that when the Home Secretary was the shadow Secretary of State for Health, he described a threat to Harefield hospital as vandalism. Vandalism does not cease to be vandalism just because there has been a change of Government.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Hon. Members wishing to participate in the debate should bear it in mind that the Front-Bench speeches must commence not later than 10.30 am.

9.59 am

Mr. John Wilkinson (Ruislip-Northwood) (Con): We owe a deep debt of gratitude to my hon. Friend the Member for Uxbridge (Mr. Randall), who has taken a sustained interest in NHS services in west London as a whole. His presence, his exposition and the attendance

of the hon. Member for Harrow, West (Mr. Thomas) demonstrate that concern about the future specialist services in the NHS in west London extends far beyond my constituency, in which Mount Vernon and Harefield hospitals are located.

Since 1997, no health subjects have consumed more parliamentary time than the future of Mount Vernon and Harefield hospitals. We have had countless debates on each hospital, and a few years ago in this very Chamber, we had a similar debate on the future of hospital services in west London. Today's debate shows that instead of getting a grip on the situation and rectifying several of the problems, the Government are still floundering about and cannot provide the sort of specialist hospital services in west London in which the public can have confidence.

To be candid, that is an unutterable disgrace. If the general public knew how much time Parliament, Ministers, NHS officials, consultants, the Department of Health and others had devoted to these questions, and still so little progress made, they would be even more critical of the NHS and of Her Majesty's Government. I suggest a slogan for the hustings in the London elections: "Remember Harefield and Mount Vernon, and look at what is happening in the Paddington basin." That says it all. If we want a monument to the inefficiency of centralised, socialist control in providing the sort of specialist hospital services that people want and need, we have only to consider the stillborn Paddington basin project and, of course, the uncertainty about the future of those two admirable hospitals—Mount Vernon and Harefield—which my hon. Friend rightly calls beacons of excellence.

Let us consider the hospitals one by one and in alphabetical order. Objective, fair-minded observers would find it utterly incomprehensible that Harefield hospital should be under threat of closure when it is regarded worldwide as probably the most pioneering, innovative and imaginative hospital in the cardiothoracic field in the United Kingdom, particularly with regard to transplantation. Those observers would point to the amount of support that Harefield hospital has always enjoyed from a variety of organisations such as the ReBeat club, whose members have had surgery but who have improved, continued in good health, and maintained their interest in the hospital, and the Heart of Harefield organisation, a marvellous organisation led by Mrs. Jean Brett, which, in the many years since the project to move to Paddington basin was announced, has produced a formidable range of well researched memorandums, papers and presentations, has admirably conducted meetings with high officials, the public and others, and has sustained great interest.

Members of the Hamsters—a club formed by people who have had transplants—do not speak against Harefield hospital or say that it must move to Paddington basin. On the contrary, their experience has been that there is no better environment than Harefield hospital for recuperation and the sustained treatment that they require after transplantation. Its quiet, rural location is ideal for the purpose. I invite hon. Members to imagine going out into the Paddington basin area near Praed street after surgery, if not on one's Zimmer frame, then hardly able to move. One is more likely to be mugged than to make a good recovery.

I wish that the NHS would listen to the counsel of good, sound common sense. We are not talking about any advice that I may have given, but about the advice given by the tens of thousands of members of the general public who have written to the consultation in support of Harefield hospital. It is remarkable that a Government who are, as my hon. Friend said, supposedly so amenable to public opinion, should fly in the face of all the advice of all interested parties and the general public and press ahead with the move of Harefield to Paddington basin.

My hon. Friend has said most of what there is to say about Paddington basin; however, I, who have never, in my 28 and a half years in the House, had cause to initiate a National Audit Office inquiry, asked the National Audit Office to look into the Paddington basin project. I did so because the consultation was a fraud. It was a fraud, because, first, as I said in my intervention, the Kensington and Chelsea and Westminster health authority, which is promoting the project, was the body that analysed the responses and reached conclusions based on them. That is improper and wrong.

Secondly, the Government, under the leadership of the right hon. Member for Darlington (Mr. Milburn) when he was Secretary of State, had initiated an NHS plan, which was to put most attention and most resources into the care of heart problems and cancer. In both instances they were hellbent on closing the most fantastic facilities in London and moving them at vast expense to places where people did not want to go, although the money could have been used to improve the facilities even further and to build on their success. As the military men say, one should build on success, not reinforce failure. That is one of the first things that one learns at staff college, and the same applies to politics and management; it is common sense.

After I initiated the National Audit Office inquiry I was promised that the outcome would be made known in April. Of course, it was not. The fact that it has been so delayed is proof in itself that the project is hardly going well. All the leaks from the specialist journals to which my hon. Friend referred show that even the construction industry has no faith in the project.

I call the consultation a fraud because in that consultation the project was predicated on cost figures that have been exceeded to what most people would consider an incomprehensible degree. We were told that the cost of moving Harefield to Paddington basin would be something of the order of £360 million gross, and after the land sales, presumably of the Harefield and Royal Brompton sites, about £135 million net.

We are now talking about £837 million, if the latest article is to be believed. The Secretary of State gave a figure of £800 million. That is utterly grotesque. It damages the economy of the country, making the Chancellor borrow more and making everyone poorer, but above all it has delayed the full improvement of the cardiothoracic facilities at Harefield, and again the public have suffered.

Similar points can be made about Mount Vernon. One would have thought that after all the trauma of the Harefield episode the NHS, under the present Government, would have learned a lesson, but no.

[Mr. John Wilkinson]

Again the approach was to ignore all the consultation and to take not a blind bit of notice of community health councils, Community Voice, or the thousands of people who wanted the cancer centre to remain because the facilities on the Mount Vernon site are second to none.

There is a complementarity of facilities at Mount Vernon. Expertise is to be found there, particularly in radiotherapy, and there is cancer research at the Gray Cancer Institute. Macmillan Cancer Relief is there; Michael Sobell house is a facility for cancer patients; cancer patients can go to the Bishopswood private hospital and enjoy the services of consultants in the NHS but support Mount Vernon; there is a centre for reconstructive, plastic and burns surgery, while the Restoration of Appearance and Function Trust supports research in the field of reconstructive surgery; and, of course, there is a scanner centre.

Only a fortnight ago I was at the scanner centre—the Paul Strickland centre—for the opening of a £1.5 million combined PET-CT scanner. I think that it is only the second in the United Kingdom. Like all the other scanners there, it was installed through the support, sacrifice and dedication of people who charitably provided the money—it was not NHS money. By golly, what a comparison. Some £837 million has been spent at Paddington basin, but there is still nothing there, while £1.5 million from people's pockets has provided yet another scanner at Mount Vernon's Paul Strickland centre.

The mind boggles, but it boggles further when one considers that we do not even know where the proposed cancer centre is to go. All that we have been told is that it will be in Hatfield, but one could not have anywhere further removed from my constituents in north-west London. Hatfield is difficult to get to, and accessibility is important for not only patients but the many people who want to visit them. Yet, the centre will be on the old British Aerospace airfield or somewhere else, although we do not know where. Honestly! What a way to run things. It is deeply sad.

People at the opening of the scanner centre told me that the proposed scheme was wrong-headed. It is far from certain that specialist centres alongside or incorporated into general hospitals are the right way to provide the best patient care. A strong body of clinical opinion believes that specialist centres such as Mount Vernon and Harefield are the optimum locations for work at the frontiers of medical science.

I hope that the debate will at least cause Her Majesty's Government to think again. There is no point in putting vast amounts of public money into projects that the public do not support and that are in the wrong locations. The opportunity cost to the NHS is enormous. Harefield and Mount Vernon do a superb job as it is, but if just a little of that money had gone into them since the start of the Government's term in office in 1997, how wonderful they would be now. When the Heart of Harefield team asked specialist consultants to look into how much it would cost to modernise Harefield, the answer was just £18 million to £20 million.

To conclude, I shall support Harefield, Mount Vernon and other specialist centres of excellence until my last day in the House of Commons. We are grateful to my hon. Friend for introducing the debate and for his interest in the issue. We are also grateful for the interest shown by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), whose constituency includes the Papworth heart hospital, and who only recently took the time and trouble to go to Harefield. That gives us great hope for the future because we trust that, before very long, he, and not the Minister, will be in government. Time is passing, politics in the United Kingdom is changing and we are looking for a new start under a new Government and for the revivification of Harefield and Mount Vernon hospitals.

10.13 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing the debate and the hon. Member for Ruislip-Northwood (Mr. Wilkinson) on his contribution.

I come relatively fresh to the issues of Middlesex health care and reconfiguration, although, over the past few days, I have carefully studied some of the issues that the hon. Member for Uxbridge has brought to the Chamber. What has struck me—it is self-evident from the passion that has been expressed in the debate—is the fierce loyalty and pride that people feel for their local health care systems and hospitals. As a result of the health care that they receive, people form an emotional attachment to their health care facilities and may, as the hon. Gentleman said, even come to love them.

In considering reconfiguration, it is important that we are satisfied that the processes on which we have embarked—their conclusions are unfolding and being implemented in part of London and in Hertfordshire and Bedfordshire—are objective and robust and have properly taken into account all the economic, social and health-related factors. Therefore, I shall simply ask a few questions by way of a contribution.

Both hon. Gentlemen referred to the reconfiguration proposals that will affect Harefield and the Paddington health campus, and Mount Vernon hospital. I want to talk primarily about Harefield, but I shall touch on the other programme. The hon. Gentlemen told us of their experience and knowledge of Harefield, saying that it is a centre of excellence and at the leading edge of developments; they also told us of their own and their constituents' concerns.

The hon. Member for Uxbridge mentioned that a meeting with Ministers had been sought. I know that, a little while ago, a petition was presented to the House about the need for dialogue with Ministers in respect of Mount Vernon. In connection with that and with progress on the Paddington health campus, I hope that Ministers will take the opportunity to meet local Members of Parliament. I hope that the Minister of State will say today that it will be possible.

Concern has been expressed about access to patients forums, a subject that came up only last week when the Minister of State appeared before the Health Committee. Problems are said to be the result of data protection difficulties. I say difficulties, but I am not convinced that that is the real reason for denying access to information about who is representing the public. The forums are meant to enable a genuine public involvement in the making of health care decisions; it is

unsatisfactory that people cannot yet find out who are their representatives. I hope that the Minister can say a little more about that than was said in exchanges at last week's Select Committee meeting.

The costs of the Paddington health campus have been rehearsed today, especially the fact that they increased from £360 million in 2000 to £800 million in 2003. The Minister said in a written answer in September that that was due to an increase in the size of the campus. It is not clear from the written answers that I have read on the subject what level of scaling up we are talking about. There seem to be an extra 80 beds compared with the original plan; and, as we heard, there will be a 20 per cent. increase in capacity or activity. Will the Minister elaborate in his response on how a 20 per cent. increase or an extra 80 beds can account for the more than doubling of the cost of the project? It would be useful to know.

Will the Minister also say a little about the exercise being undertaken by the National Audit Office and the Treasury? Back in March, it was said that that exercise would inform the next stage of the project. What are the findings? As the hon. Member for Ruislip-Northwood said, it would be useful to know when they will be published. If we are to be confident that taxpayers are getting value for the money that they are putting into the project, that work needs to be in the public domain.

Reference has been made to PFI. Today's debate is not so much about every last dot and comma of PFI, or even about the principle. However, when reading an article in last week's *Health Service Journal*, I was struck by some of the consequences of PFI projects. The journal gave the example of Norwich university hospital PFI, which was completed in 2001. Under that scheme, the isolation wards were supposed to be plumbed into the ventilation system, but when the system did not work and the ceiling tiles were removed, it was found that the ventilation pipes were still unconnected. Such problems could arise with conventional building methods, but in that case it was laid at the door of PFI.

Consultation with staff at Harefield covered the issue of staff retention and recruitment, which has been touched on already. I was struck by the fact that the survey mentioned by the hon. Member for Uxbridge said that 33 per cent. of Harefield staff and 27 per cent. of Royal Brompton staff cited transport as one of the issues that would be either a barrier or an inducement to moving, and that free transport might be a deciding factor. Will the Minister say what weighting was given to the question of transport and access by staff to the new campus? Are moves afoot further to ease the concerns of staff on that matter?

Costs have been referred to, and we have heard that the use of agency staff is a big factor. About half the total cost of agency nursing in the country is borne by London. The current cost, according to answers supplied by the Minister, is about £1.4 billion a year—a huge sum. Although a specialist centre might find it easy to attract staff to work at it more readily than others, we must ask whether any facility in central London will always be able to get the full range of staff, from the porter up to the consultant surgeon, to work there. I hope that the Minister will say how those concerns were weighted in the assessments to date.

The situation that the hon. Gentleman described at Harefield hospital is obviously of great concern to him and his constituents. I conclude with a question about time scales. It has been said that the original completion date was 2006, but most of the material that appears on the websites associated with the project seems to talk about an opening date of 2010. Will the Minister say when the campus will open, if that nirvana of a Conservative Government, which the hon. Member for Ruislip-Northwood described, does not come to pass at the next general election?

Mount Vernon is of great concern and generates fierce loyalty among residents in that part of the world. The Bedfordshire and Hertfordshire strategic health authority has led the project. In reading the documentation from its consultation exercise, I was struck that comments that London Members had made were not even listed, although I can understand why. The material came solely from those outside London.

Mr. Wilkinson: Will the hon. Gentleman give way?

Mr. Burstow: I am not making a criticism.

Mr. Wilkinson: The hon. Gentleman makes an important point. To an objective observer, it is amazing that a health authority from outside London should dictate the future of cancer services inside London. It is par for the course, is it not, that London MPs should be ignored, because the objective was, quite clearly, to build a hospital in Hertfordshire and to ignore the opinions and needs of Londoners? We know that, but I am grateful that the hon. Gentleman has highlighted it.

Mr. Burstow: I am grateful for the hon. Gentleman's intervention. When the Minister reviews the consultation exercises that have led to the decisions to change the character and content of services provided at Mount Vernon hospital, will he satisfy himself that the process is robust enough to ensure that the health needs and aspirations of the population in north-west London, in Middlesex, have been properly taken on board? There seems to have been a parallel exercise in north-west London, which was solely about Mount Vernon, but the changes to the hospital have been entirely driven by decisions made outside the strategic health authority. That other exercise almost seems to have been lost.

The hon. Member for Uxbridge has used this Adjournment debate in a powerful fashion to raise some important concerns, which have already been rehearsed through written answers, oral questions and debates. I look forward to the Minister's response.

10.23 am

Mr. Andrew Lansley (South Cambridgeshire) (Con): I join others in congratulating my hon. Friend the Member for Uxbridge (Mr. Randall) on initiating this debate and on the way in which he opened it. He rightly pointed out that during his seven years in the House he has sought to strike the right balance and adopt what one might characterise as moderate views on issues. He spoke with great concern and commitment to his constituents. He will recall that I played a small part in his victory back in 1997—actually, I played no part,

[Mr. Andrew Lansley]

because as I went round Uxbridge everybody knew who he was. They knew perfectly well that, with his integrity and commitment to Uxbridge, he was exactly the person to represent them. He was a shoo-in.

My hon. Friend has always represented his constituents in the most exemplary fashion, as indeed has my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson), who has shown passion and commitment to his constituents and to Harefield hospital. I know that my hon. Friend's record is recognised, not least because when I visited Harefield on 15 April I was told so. I am glad that I had that opportunity. I did not know that we might have a Westminster Hall debate on the subject then, but I knew that it was right to visit, because these problems are increasingly coming to a head. Even then, it was clear that the strategic health authority could not be too far away from making an announcement.

If I recall correctly, the Minister told us during oral questions in March that an announcement would be made by the end of the month. It was not; nor was it made in April. So far, none has been made in May, and I suppose that none can be made before the elections on 10 June. If, indeed, the strategic health authority is to say anything, it will say it much later than was anticipated. However, as my hon. Friend made perfectly clear, such is the nature of this project that, so far, nothing has happened according to the anticipated timetable.

I shall make a few observations about the issues that my hon. Friends have raised. I will not, however, confine myself to Harefield hospital, but will discuss other specialist hospitals—in effect, tertiary services—to which they referred. There are important issues relating to the future of tertiary services. Interestingly, I first became familiar with the benefits of tertiary centres of excellence at the Royal National Orthopaedic hospital in Stanmore, which I visited while I was private secretary to Norman Tebbit. Margaret Tebbit was receiving treatment at the hospital at the time.

I got to know some of the clinicians at the RNOH very well through Aspire, the Association for Spinal Injury Research, Rehabilitation and Reintegration. The Minister will be familiar with Aspire and its work. I engaged in fundraising to provide Aspire with facilities to treat spinal injury patients at Stanmore in the mid-1980s, and have been privileged to remain a patron of Aspire ever since.

The clinicians told me how they could improve outcomes significantly, and attributed much of that to their ability to operate as an independent centre of excellence. Patients at the RNOH were receiving their second hip replacement when patients in many other hospitals throughout the country would have been having their third hip replacement, such was the quality of its artificial hips and the work done there. I have never needed to be persuaded that centres of excellence can deliver the best clinical outcomes. The question that we need to answer is how best to protect and maintain those centres of excellence—a question that is especially relevant to Harefield hospital.

Several questions should be asked about the Paddington health campus and Harefield. First, why is the cost of the project escalating, and why is the project being managed in a way that fails to deliver what was originally intended? What is going wrong? Such questions demonstrate precisely why my hon. Friend the Member for Ruislip-Northwood was right to call for a review, and why the National Audit Office is party to it. The NAO is not there to decide whether this is the right project for the future, but to discover why a project that was supposed to cost £360 million will cost in excess of £800 million. As the hon. Member for Sutton and Cheam (Mr. Burstow) rightly said, only a 20 per cent. increase in capacity is required—although that is still a significant increase—so why has this happened? If we knew the answer, we would not need the NAO, the Treasury and others to conduct a review.

I am still uncertain and sceptical as to whether the announcement that is due from the strategic health authority will be accompanied by a transparent publication of the results of that review, so that we know what has happened in the past and not simply whether the strategic health authority is asserting the business case for the Paddington health campus in the future on its changed costings.

The question of the management of the project goes beyond the escalating costs, and prompts the question whether the project will meet the original business case. The business case was essentially constructed around the co-location of a range of services, including those of St. Mary's, Royal Brompton, Harefield and the medical faculty of Imperial college. If the nature of the site and the compromises that have to be struck are such that the benefits of co-location are not being realised and split-site or dispersed activity is being engaged in around the Paddington site, serious questions are raised.

The third point, which I found most compelling and had not fully appreciated before visiting Harefield, is that although it is asserted that the business case for the Paddington health campus remains strong, from the standpoint of either of the two main trusts—particularly that of the Royal Brompton and Harefield NHS trust—the environment that the health service lives in has significantly changed from the environment in which the original business case was constructed. To look at it from Harefield's point of view, that is true in a number of respects, including in terms of clinical practice and outcomes in relation to heart disease.

Only a few weeks ago, I was present when the British Heart Foundation launched the results of its minutes save lives campaign in the Jubilee Room. Dr. Roger Boyle, the national director for heart disease, made presentations, and others spoke about the dramatic changes in the treatment of heart disease resulting from not only the prophylactic benefits of statins, but the improved call to needle times for thrombolysis for heart patients. These developments are changing the volume of activity, certainly at Harefield. The idea that one can simply assume, as one did three years ago, the levels of demand for cardiothoracic work in the future is far from obvious. The business case needs to be revisited on that basis.

If Dr. Boyle is right, and 20 years hence—or perhaps it was 10 years—if we do the right things and lead the right lifestyles, there will be no need for anyone under the age of 65 to experience a heart attack, the nature of commissioning of specialised cardiothoracic surgery across the UK will look very different from now. However, that is not the only matter that impacts on the

business case. The Minister knows that, as we talked about it throughout the proceedings on the Health and Social Care (Community Health and Standards) Bill last year and since. Other matters include the structure of payment by results, the structure of the national tariff and its implications, and the possibility of hospitals becoming foundation trusts and being able to manage and determine their futures to a greater extent.

All such matters have an impact on the business plan. The ideals of the days when PFI projects were essentially negotiated on the basis of guarantees by primary care trusts for future income now seem to be misplaced. As the hon. Member for Sutton and Cheam said, this is not really the place to discuss the whole future of PFI, but one particular point is apposite. Unless I am mistaken, it is necessary to go back to the original business case for the Paddington health campus and to re-establish it, not on the basis of guarantees from PCTs but on expectations of the levels of work, the nature of tariffs and the volumes of activity that will support the future of the trust.

I hope that the spirit of greater freedom for NHS hospitals, which we subscribe to, will be embraced in the decision. This decision is not for the strategic health authority to make. It is for the boards of the Royal Brompton and Harefield and the St. Mary's NHS trusts to decide whether to go ahead. They are accountable to their local communities. In due course, if they become foundation trusts, they will be genuinely accountable to their local communities—much more so than patients forums appear to be; it is difficult to understand how they work.

My hon. Friend the Member for Ruislip-Northwood referred to Papworth, which, as a cardiothoracic institute, shares many of Harefield's characteristics. I believe that last year more heart transplants took place at Papworth than at Harefield, but I do not want to argue about the pre-eminence of one cardiothoracic institute over another. They are very similar, as the Minister knows, and the debate continues as to whether Papworth should move from its Papworth Everard site to the Addenbrooke's campus, creating a further extension of the south Cambridge medical campus.

There are strong arguments for such a move, and many clinicians at Papworth are in favour of it. Not the most important argument, but one with which people identify, is that a person involved in a road traffic accident, who suffers major trauma and has both chest and head injuries, might have to be transferred from Papworth to Addenbrooke's in order to have neurosurgery, or the other way for chest surgery. That may not happen often, but it does happen.

Clinicians want to be at Addenbrooke's because they want to be where the research is taking place, and near the large biomedical campus that is likely to be created alongside them there. Ever since the move was mooted some four years ago, I have been clear—as has the Papworth board—that two things are necessary. The first is that the staff should be carried with it. There are substantial differences in the willingness or otherwise of staff who are vital to the provision of services at Harefield to migrate to Paddington and that of staff at Papworth to move—in many cases, to return—to Addenbrooke's.

The second is that Papworth and Harefield should retain their independence as separate institutes. We are not talking, nor should we do so in future, of merging tertiary centres of excellence, which have very successful, positive outcomes, into large hospitals where their services become part of what is offered by a much larger organisation. It is clear from the clinicians at Harefield that they have to maintain their focus on using their expertise to deliver the best outcomes for their patients, to the exclusion of other considerations. If that focus can be maintained only on separate sites, that is a compelling argument, notwithstanding the other considerations.

My hon. Friend the Member for Ruislip-Northwood said that he hoped that we would, in due course, be in a position in which these issues would come before us as Ministers, rather than before the present Government. With that in mind, I cannot now say how Conservative Ministers would judge the issues, not least because of the desirability of decisions, including project finance decisions, being made by the boards of NHS trusts on behalf of their patients and the communities that they serve. However, I shall put four key issues to the Minister, because I hope that he will share the view that they must be thoroughly guaranteed before the Paddington health campus proceeds or the future of Harefield is decided.

The first is that the financial sustainability of any such project can be brought into question not only by cost escalation but by changing commissioning and cardiothoracic care requirements. No project should go ahead if it is not financially sustainable in the long term. Looking 20 years ahead, I see some big changes to the health service in prospect.

Secondly, there must be opportunities for service development. We know only too well the difficulties that can ensue from putting hospitals in urban, city-centre locations on sites that are too constrained, with the need to manage service development and possible consequent changes in service.

Thirdly, we must be able to realise the benefits of synergies between clinicians and scientists, such as those at Imperial college's faculty of medicine and Sir Magdi Yacoub's heart science centre, which I have visited. There will be competing considerations with regard to synergies in research in relation to Harefield, and the best interests of Harefield's patients, in terms of location, will need to be carefully considered.

The last and absolute requirement is that the independence of the Royal Brompton and Harefield NHS trust and its sense of focus on its task must be retained, as must its ability to deliver positive outcomes for its patients, regardless of location.

I have not mentioned Mount Vernon hospital and I will not go on about it, but it, too, can be used to illustrate by analogy. The Royal Marsden hospital has a site in the constituency of the hon. Member for Sutton and Cheam, and if one were to say to it, "Well you've just got to put everything from Sutton into Chelsea, because the benefits of co-location and the synergies of research with clinical practice are so compelling," notwithstanding that there is a substantial research facility on the Sutton site, I think that the Royal Marsden would reply, "Don't be foolish; we cope now,

[Mr. Andrew Lansley]

and we have the benefit of two sites. We are pre-eminent." That hospital is the leading cancer specialist tertiary referral service in the country.

The reconfiguration of services sometimes seems to be driven more by bureaucratic objectives than a desire to meet the needs of patients and clinicians. It is not an obvious decision. For example, it will be difficult to decide whether Papworth hospital should be transferred to the Addenbrooke's site, and if there is a good reason for Harefield to transfer, it has not been compellingly made. In fact, the reverse is true for the clinicians, staff and patients of Harefield.

10.43 am

The Minister of State, Department of Health (Mr. John Hutton): I warmly congratulate the hon. Member for Uxbridge (Mr. Randall) on securing the debate. This matter is, quite rightly, of concern to him and his constituents and to millions of NHS patients in west London. The same applies to the hon. Member for Ruislip-Northwood (Mr. Wilkinson).

It comes down to this: the challenge that we all have to face—whether we are in or out of government—is how best we can maintain the clinical excellence of those important services in a rapidly changing scientific and medical environment in a way that maximises their convenience and patients' access to them. It is not easy to do that, especially in a way with which everyone, including patients, the public and staff, can always agree. The NHS has set out proposals to achieve that for specialist services in west London, but it is obvious from this debate, and from the previous occasions on which this issue has been raised in the House, that those plans have generated considerable controversy.

I have listened carefully to hon. Members, but I am not at all clear about what alternatives the hon. Member for Uxbridge has to those plans, or about the level of medical or clinical support that any such alternative would have. Neither he, nor the hon. Member for Sutton and Cheam (Mr. Burstow), nor the hon. Member for South Cambridgeshire (Mr. Lansley) set out any such alternatives today with any clarity.

The hon. Member for South Cambridgeshire made a thoughtful contribution, which was devoid of some of the passion that the hon. Members for Uxbridge and for Ruislip-Northwood, who have constituency interests, brought to bear. His speech may have served as cold comfort to his two hon. Friends. The hon. Member for Ruislip-Northwood shakes his head, but I saw the look on his face.

One thing is clear. We have not heard from the official Opposition today any promise to keep Harefield open or to keep Mount Vernon in its current state. They put the best face they can on the matter, but that is the uncomfortable truth for those two hon. Gentlemen.

The hon. Member for Uxbridge has often raised the question of the future of Harefield hospital on behalf of his constituents—rightly. Under the inspirational clinical leadership of Professor Sir Magdi Yacoub, the hospital has been remarkably successful in its development of heart and lung services and has rightfully earned a reputation as a centre of excellence for that specialist work. Research and development have become an integral part of its work to improve life expectancy and the quality of life for those with serious cardiothoracic conditions. Like all hon. Members who have spoken in the debate, I pay tribute to the staff at Harefield who have contributed over many years to the hospital's excellent work.

Specialist care of the type that has been pioneered at Harefield will continue to form a crucial part of the overall network of services that are provided for people with coronary heart disease. As the hon. Gentleman is aware, in October 2001 the Department of Health confirmed that it intended to move ahead with plans to develop a new health campus at Paddington—a development that could bring together three world-class hospitals alongside cutting-edge research facilities. The decision was reached after full local public consultation and after the proposal had been referred to my right hon. Friend the Secretary of State for a final decision.

It is obvious from the remarks of the hon. Member for Ruislip-Northwood that he views the consultation exercise as a fraud. That was the word that he used. That is a pretty serious accusation and it is noteworthy that the outcome of the consultation was not challenged. Certainly no challenge was made to the decision of my right hon. Friend.

Mr. Wilkinson: I am grateful to be able to give an explanation of my remark. Is the Minister aware that there was virtual unanimity in the responses? People were unanimous in not wanting the transfer of Harefield to Paddington basin. Notwithstanding that fact, the Government pressed on, and that is an insult and a fraud. If consultation means anything, there has to be an active response to try to modify proposals in the light of what people want. Otherwise, why engage in consultation in the first place?

Mr. Hutton: I shall come to that point, but the hon. Gentleman has been around the block many times. He will remember the outcry in his constituency when a Conservative Government closed the accident and emergency unit at Mount Vernon, despite widespread local opposition. He said today that decisions that had been taken about Harefield represented centralised socialist control of the NHS. What a load of nonsense that allegation is. I do not remember him making that allegation about the right hon. Member for Charnwood (Mr. Dorrell) when he made that decision to close accident and emergency services at Mount Vernon.

I do not want to embarrass the hon. Member for South Cambridgeshire any further than I may already inadvertently have done, but his speech showed balance and a recognition that in such matters it is not always possible to make decisions about services that guarantee unanimity among the public. Sadly, that is the responsibility of Government. He recognises that and his hon. Friends do not. That is a difficulty for him, not for me.

Despite the wish of the hon. Member for Ruislip-Northwood to brush over the matter, doubts have been expressed by clinicians about the ability of a single specialty hospital to continue in relative isolation. That

is because it is becoming crucial for the success of single specialty hospitals to have access to a wider range of related sub-specialties. The hon. Member for South Cambridgeshire sensibly drew attention to the strong arguments for such relocations in relation to Papworth and Addenbrooke's. Fortunately, he could not see his two hon. Friends' reaction.

Harefield, being several miles from local general hospitals with accident and emergency departments, is not in a position to draw on support from the wider range of specialties that are found at such hospitals, or to benefit from the closer relocation of tertiary services. I am sure that the hon. Member for Uxbridge will agree with me—to be fair to him, I think that this was his starting position—that we should all be prepared to accept that hospital and community services will, from time to time, need to change if they are to continue to fulfil patients' needs and improve services.

Services should not remain static forever, frozen in time, but should reflect advances in technology and clinical practice. The only way to achieve those benefits in the case of Harefield's specialist heart and lung services would, I am advised, have been to build a completely new general hospital on the Harefield site. Such a proposal would seriously have threatened the viability of three other existing hospitals—Hillingdon hospital, Northwick Park hospital and Watford general hospital. With the benefit of not only hindsight but a bit of common sense, I do not think that that it would have been sensible or wise to take such a course of action.

That is why a different way forward has been chosen. It will incorporate St. Mary's hospital, the Royal Brompton and Harefield hospitals and Imperial College's faculty of medicine on a new, purpose-built health campus in Paddington.

Mr. Lansley: Lest we proceed under a misapprehension, let me ask whether the Minister is really suggesting that Harefield has literally no alternative but to go to the Paddington health campus? If so, I disagree. I am not signing up to the alternative of re-provisioning the tertiary cardiothoracic institute on the existing site, but Harefield clearly has that option, and the same is true of Papworth.

Mr. Hutton: I am grateful to the hon. Gentleman for reconfirming that he is not promising to keep Harefield open. Of course there are other options, but the question is which is the optimum one. Which will guarantee the highest standards and the benefits of new technology and closer collaboration between specialties? That is the choice that we face, and it does not serve the purpose of this debate or the wider debate to suggest otherwise. I am certainly not suggesting that there are no alternatives: there have always been alternatives, which have been considered, but, crucially, they have not been supported by the clinicians involved, and I shall come to the reasons why in a second.

The purpose of the health campus will be to create a new centre of clinical excellence, innovation and teaching research in one of the capital's major urban regeneration schemes. The hon. Member for Uxbridge said that the vision was originally exciting, and I think that it remains exciting.

The hon. Gentleman accused me of wrongly saying that he opposed the Paddington health campus project, but given his contribution today, I would prefer to stand by my remarks. I do not know whether he originally supported the Paddington health care campus, but he certainly has reconfirmed his opposition to it today.

Mr. Randall: The Minister seems to think that it is wrong to oppose it. I am concerned that the costs and everything else in the business case are escalating out of control. We have discussed the other options before, but my point today is that I am deeply concerned about the project itself.

Mr. Hutton: I understand the hon. Gentleman's concerns. I, too, have concerns, to which I shall come in a minute. However, his view might have had more credibility if he had supported the Paddington health campus in the beginning. I understand, however, that he always opposed the campus because he wanted to appease local campaigners over Harefield's future.

Mr. Randall: The Minister is being unfair. He says that hon. Members oppose something only when they want to appease someone, and it is unfair to suggest that we cannot make up our own minds. My own business experience tells me that some of these things, which have been dreamed up by people with wonderful vision, simply cannot be afforded.

Mr. Hutton: Hon. Members will come to their own view on all these matters when they read the debate and the hon. Gentleman's remarks. However, it might be helpful if he could confirm whether he supported the Paddington health care campus on the basis of the original costings.

Mr. Randall: I have not been a supporter of the Paddington health campus because I thought from the outset that it was a fraud.

Mr. Hutton: Well, there we are. I said that the hon. Gentleman had always opposed the campus, and he said that that was not true, but now we know the full story.

Mr. Randall *rose—*

Mr. Hutton: I shall not give way to the hon. Gentleman again. We have had several exchanges on the issue, and this one is pedantic and is not taking us much further forward.

Given the steep rise in the costs of the new campus development, a review of the outline business case and the management of the project to date was begun late last year, and rightly so. The team was led by officials from my Department and included officials from the Treasury and the National Audit Office. The review has now been completed, and the North West London strategic health authority will, I think, make a statement on the outcome in the next fortnight. It will cover the timetable for the new campus, as well as its affordability. It was right to conduct that review: costs have risen steeply, and delays in the project have become obvious. That cannot be allowed to continue without adversely affecting the proper organisation of those crucial NHS services.

The recent review has brought a new and necessary focus to the project. The NHS and patients in west London need to know soon that the project can be taken

[Mr. Hutton]

forward quickly and expeditiously. I shall ensure that those hon. Members who raised concerns today will be fully advised of the outcome of the review; we can share the results of the report.

The hon. Gentleman raised a number of questions on staff, specifically whether staff will consider transferring to the Paddington health campus. It is true that only a small percentage of Harefield staff have said that they will definitely relocate, and that a large number have not yet decided. That is hardly surprising, as the move will not take place for several years; it will not be until 2010 at the earliest. However, it is important to recognise that the project continues to enjoy broad clinical support. Leading clinicians at Harefield continue to give their support for the Paddington health campus and the model of care that it proposes, and they recognise the part that the campus will play in preserving the heritage of Harefield.

Dr. Rosemary Radley-Smith, associate director of the Royal Brompton and Harefield NHS trust, has made clear her firm support for the move to Paddington. She has worked at Harefield for more than 30 years, treating many thousands of patients, but she recognises that without the support of other disciplines Harefield may not be a viable choice for transplant surgery in the longer term, an issue rightly raised by the hon. Member for South Cambridgeshire. Other centres could provide a better and safer service for patients; as a consequence, they will be sent there. That is not in the long-term interests of Harefield, nor of what it stands for.

Dr. Charles Ilsley, chair of the Harefield medical committee, confirms the wider support of hospital consultants at Harefield hospital, saying that they are fully behind the relocation of services to Paddington. Those are serious voices; we should pay them serious attention.

Not all of Harefield's work will transfer to the new campus project. Only a third of Harefield's cardiology patients will need to travel to Paddington; 65 per cent. of all cardiology patients will be treated in local services at their nearest acute hospital. For cardiology out-patient and day-case patients, the figure is even higher at 82 per cent. Up to 25 per cent. of surgical patients already travel to St. Mary's or the Royal Brompton hospitals for care. Because the treatment is highly specialist and complex, it depends on proximity to the specialist care provided by St. Mary's.

With much of the clinical work load staying locally, staff will have the opportunity to do the same; they will be able to transfer to a local district general hospital—for example, to Hillingdon or Watford—if they do not want to remain with Harefield in Paddington. As I said, staff at Harefield have enormous skill and expertise, and I am confident that they will not be lost to the NHS family.

In the couple of minutes left to me, I want to deal with Mount Vernon hospital. The hon. Gentleman was right to speak about the future of the hospital and its cancer services. For the past two years, the NHS in Bedfordshire and Hertfordshire has worked extremely hard with its local communities in the North West London strategic health authority to develop an agreed strategy for health care, including specialist cancer care. Between June and September 2003, Bedfordshire and Hertfordshire SHA held a formal consultation on the future configuration of health services in the two counties.

It took more than two years to come to a conclusion—rightly so, because it is a complicated and important issue. The chosen option will see Bedfordshire and Hertfordshire retaining and developing the five existing hospitals, and building a new hospital in Hatfield to replace the QEII hospital at Welwyn Garden City. The plans for the new hospital will include the provision of a new cancer centre.

In light of the Bedfordshire and Hertfordshire proposal and the subsequent decision to establish a cancer centre in Hertfordshire, two further consultations were held in 2003 to determine and guarantee a future for Mount Vernon hospital. It is important to ensure that that future is made available. I know that that is what local people want to see. My hon. Friend the Member for Harrow, West (Mr. Thomas) led a delegation from his constituency to press home the point to me only last month. He has fought tirelessly for Mount Vernon, and I want to record my appreciation for the way he has put the argument to me.

The consultation has resulted in a clear commitment to maintain cancer services, including radiotherapy and chemotherapy, at Mount Vernon. Its future as a cancer centre is not in dispute. I accept that more work needs to be done on the details of the services that will be provided on the site. That will be determined through the development of a new strategy for cancer services across the whole of north-west London.

Bedfordshire and Hertfordshire strategic health authority is continuing to work closely with colleagues in North West London SHA on the development of its cancer strategy, which includes future cancer services on the Mount Vernon site.

Mr. Deputy Speaker: Order. We must now turn our attention to the commercial use of Hyde park.

Hyde Park

11 am

Mr. Mark Field (Cities of London and Westminster) (Con): I have called this debate because of my constituents' increasing concerns about the commercialisation of Hyde park. In recent years, Hyde park has been host not only to millions of resident Londoners, commuters and tourists relishing the tranquillity of one of London's world attractions, but to noisy rock concerts and large-scale, commercially sponsored events, such as the Red Bull Flugtag and the Star Trek show. Such activities have led to destruction of the fabric of the park, from which it will take many years to recover.

Not only are even more such events planned for this summer, but only last week the Mayor of London, Ken Livingstone, proudly boasted that he intended to bring the royal parks under his control in the years ahead, presumably in order to turn them into entertainment playgrounds for Londoners and tourists. In the programme for Hyde park over the next few months, there are three rock concerts, the annual party in the park for the Prince's Trust and a special event in July for Simon and Garfunkel. Not only am I a keen rock and pop music fan, but Simon and Garfunkel are among my favourites. I will have to avoid going or being invited to that concert, although I suspect that I shall be able to hear one or two of their songs, given the amplification and the fact that I live quite nearby. It is also increasingly traditional to hold the proms in the park in September.

Although those commercial activities raise significant sums—£1.5 million last year—that does not fully compensate for the damage and disruption to Hyde park. I look forward to what the Minister says about that. The Department for Culture, Media and Sport grant for the royal parks as a whole was frozen in the three-year period from 2002 to 2005. The grant will presumably be subject to similar if not tighter pressures in the next public sector expenditure round. Although Hyde park bears the brunt of many money-spinning events, relatively little of the money comes back to help maintain the park, being instead spent on other royal parks under the Department's auspices.

London's eight royal parks rank among the UK's greatest outdoor attractions. Free and open to everyone, they are a special cultural and recreational resource, as I am sure everyone in the Chamber would agree. They face a miserable future, whether they operate as an Executive agency under the Department for Culture, Media and Sport, as they do now, or fall under an increasingly power-crazed mayor, excited by the prospect of one rock band after another and their multitude of fans appearing in Hyde park. During the Iraq war, we also saw weekly demonstrations in central London, a number of which decanted into the Hyde park area. There is also the spectre of the park being used as the starting point or decanting point for the Notting Hill carnival, on which I shall comment later. Are there no traditions in this city or country of ours that the Government do not wish to trash?

I have files of correspondence from local residents who have watched the commercialisation of Hyde park with utter dismay. After last year's Bon Jovi concert, my postbag was full of letters from local residents who could not believe how loud the noise was. That applied not only to roads in the immediate vicinity, but to roads in Marylebone and Mayfair. Nor am I talking about one afternoon or evening of mayhem. The erecting and dismantling of a concert site means literally a week of noise and upset to the park's tranquillity, including juggernauts moving along roads that were not built for such heavy vehicles. Last year's Flugtag was the most destructive event the park has ever witnessed. Trees were badly and permanently damaged, and there was a lot of graffiti in the area. Many who love the park have observed that the parade ground has been ruined.

This year, on 18, 19 and 20 June—a Friday, Saturday and Sunday—more than 80,000 paying people will come each day to watch the Red Hot Chilli Peppers. As one of the world's biggest rock bands, they will, I fear, attract huge numbers of additional people, who will congregate in the area, causing great disturbance. I invite everybody here to go to the park on the Sunday evening of 20 June, and perhaps again on the Monday morning, to see the crowds and the mayhem and to witness the mess left behind.

I am a great fan of popular music, and I recognise the attraction of such events. However, Hyde park is a special place. The frequency of such events means that it is being damaged beyond repair. Everybody would agree that it should be a people's park, but let us remember the countless people who wish to use this priceless London amenity as an oasis of calm in the midst of the hustle and bustle of city life. Such people tend not to be very vocal, but the popularity of Hyde park, rain or shine, is a testament to their passion for the place. For heaven's sake, let there be some balance between the desire to party, and, as we have discussed, to raise funds, and the need to relax and recharge one's batteries.

London is unlike many cities in the world in having such a central park. Access to Hyde park, St. James's park and Green park is among the charms of living in the city. I know that many people in the UK look askance at the busy life that we lead in cities. They would be amazed by the tranquillity that we enjoy and the way in which, particularly in the summer, the park is used by young and old for rest and relaxation. While I do not say that we should not have any large-scale events, increasing commercialisation will subtly but, I fear, irreparably change the manner in which the park is used as an all-round asset.

I am in regular touch with Kenneth Stern, chairman of the Friends of Hyde Park and Kensington Gardens, with the dedicated officers of a multitude of local residents associations, such as Sir Anthony and Jennifer Cleaver, who live south of the park in Belgravia, and with many residents who live close to the park. They are entirely realistic. They are concerned about the increasing commercialisation, but they would not turn the clock back. With the party in the park, sponsored by Capital radio, the proms and other events, London's parks are a centre of attraction for the nation, and it is right that certain events should take place in the vicinity. My grave concern, as the Minister will know from my correspondence with her Department in the three years since I have been the local Member of Parliament, is that the views of residents associations and individual

[Mr. Mark Field]

residents are all too often ridden over roughshod. On occasion, decisions are made without reference to such interested parties.

It is important to my constituency that it has vocal and articulate amenity organisations with a vocal strength that I sometimes encounter as the constituency MP. Their views are important. They should be heard and, to an extent, they should hold sway. In so far as there is to be a restructuring of Hyde park, I sincerely hope that the Minister will give some thought to reserving places for the officers of local residents groups and amenity societies so that their voices can be heard. Many who love Hyde park fear that there is an undeclared agenda to transform part of it into a permanent entertainments area. The Mayor's words of last week have confirmed those worst fears.

I want to add a little bit of context. It makes sense to look across the water to New York, a city of similar size, aspirations and importance in world affairs. Last year, the president of New York's Central park conservancy said that no more large-scale outside events were to be allowed in Central park because of the damage caused in the past. What is true for New York should be no less true for London. The cost of policing large-scale rock concerts, for example, and the expense of clearing rubbish, fall as ever on Westminster's council tax payers, and are a greater insult given that they have to suffer disturbance for many days. As yet, thankfully, no one has been seriously injured at any of the events. However, with the Mayor's proposal for the Notting Hill carnival to start in Hyde park, I fear that there will be distressing and distressful news one weekend night over an August bank holiday in the future.

Last year, I carried out quite an extensive survey among the 4,000 of my constituents who live nearest to Hyde park and its environs. One question that I asked was how they felt about Hyde park featuring in the route for the Notting Hill carnival. Some 80 per cent. of the respondents were totally against it, and only one fifth felt positive about the idea. The idea of the Notting Hill carnival, with its massive street march beforehand, struck fear into the hearts of most of the respondents. That included many who have first-hand experience of the carnival, either at a previous address or as interested nearby residents.

Discussions with some of the organisers of the carnival and some of my constituents who live on the current carnival route have shown that there is a strong belief that redirecting the procession to include Hyde park should not happen, because it goes against the whole tradition of the carnival and because such a change would undermine its relevance. The carnival would risk becoming another central London event, rather than one focused on the Notting Hill area. Obviously, I do not need to rehearse the arguments about the great history and tradition of the event and why it was located there after the 1958 race riots in that part of London.

The Mayor seeks to go ahead with the idea against almost everybody's wishes. It is almost as though the Government and the Mayor want Hyde park to be the central focus of all large-scale outdoor London events. I would be interested to hear the Minister's vision for the future, not just for Hyde park but for all the royal parks.

In short, commercialising Hyde park is a short road to destroying one of London's most beautiful jewels. It is globally recognised as a place of great beauty in the middle of a great world city. If we parliamentarians cannot play our role in halting that destructive force, I wonder whether we can look forward to a day under this Government and Mayor when College green and Parliament square will be home to revenue-earning car boot sales and not much else.

11.12 am

The Minister for the Arts (Estelle Morris): I recognise the obvious and keen interest with which the hon. Member for Cities of London and Westminster (Mr. Field) has chosen Hyde park as the subject of the debate, and I understand its central importance to his constituents. As well as looking at what it contributes to the life of London and the nation, he has a particular responsibility to look after the near neighbours of the park. He has a special role that no other Member has, and I acknowledge that at the start.

In summary, this is about getting the balance right. I welcome the comments that the hon. Gentleman made about not wanting to turn the clock back or to deny people from areas other than those immediately surrounding the park the pleasure and joy that it can bring. I would not like to reach a position in which one could not find solace, solitude and quietness in the park without being bothered by loud noise or lots of people. We will do what we can over the next few years to get the balance correct.

The Royal Parks Agency's vision perhaps sums up the combination better than I have. It talks about trying

"to achieve the perfect balance, where all understand and value the Parks, where everyone finds something in the Parks for them, and where no one's enjoyment of the Parks is at the unacceptable expense of others, now or in the future".

It is important to make that statement. I do not think that that is a difficult vision statement to sign up to for people on either side of the discussion—I will not call it an argument—about Hyde park. The key question is how we make such an approach a reality and balance the interests of one side with those of the other.

It is important that there are commercial events in Hyde park. I do not think that the hon. Gentleman wants to go back to a time when there were no such events. When one looks back through the history of the nation, one sees that the large parks and main outdoor areas in London have always been centres where we have celebrated our traditions, as we did the jubilee; where we have expressed protest, as with the "Stop the War" marches; and where there have been pop concerts. He referred to the concerts that had been planned; I might well sign up for the Simon and Garfunkel one. The practice is not something started in recent years—the Rolling Stones played there in 1969.

In Hyde park, we have somewhere that some people see as solitude and solace. For others who live nearby, it is neighbouring land, and it has a place for the nation as a centre for traditional gatherings and the expression of national protest, as well as for celebrations in the form of pop concerts. I do not want that to change. The

balance is about right. One of the unifying characteristics of the nation is that we have places where we feel comfortable holding such events. However, I readily accept that there is an obligation on those with responsibilities for the park to ensure that such events happen in a way that does not make life impossible for the people who live nearby.

As the hon. Gentleman said, the royal parks are funded predominantly by the taxpayer with an annual grant of £24.2 million. That is the right thing to do, but the sum involved is sizeable. Inevitably, Government finances must be raised and spent carefully. It is correct for the royal parks to augment that funding from other sources. The subject of the debate is commercial activities in Hyde park, but we have talked mainly about the big events, which were the focus of his comments. Nevertheless, catering, boating and deckchair hire are all commercial operations in Hyde park. Over the years, other, bigger events have been added to those activities.

I should think that we would want to welcome as many people as possible from this country and abroad to see the educational, cultural and recreational benefits of the park. I have no doubt that if it were not for those commercial activities, some people would not think to go there. If they visit the park for commercial events they may return for other events, perhaps including some of the quieter, free events.

As the hon. Gentleman said, money is indeed raised by the park's activities. Last year, £1.2 million was raised, and I believe that this year's target for income through commercial events is £1.6 million. Of course, there is a downside, as is inevitable in any place where once a week or once a month, lots of people with lots of equipment are imported to do things that do not happen for the rest of the time.

The hon. Gentleman summed up the matter well. Wear and tear to the parks and their fabric is a sensitive issue to which professional planners and managers should have regard.

Mr. Field: I have two concerns that I want to raise on behalf of my constituents. Clearly, there should be professional managers. Furthermore, the issue that I have raised is of grave concern to residents and people who cherish the amenity in question. Will their voice be heard in the strategic and day-to-day decision making about whether to prioritise work on wear and tear or work on other, larger-scale developments?

Estelle Morris: Perhaps I should deal with that point now; I was going to deal with the consultation later. I think that the hon. Gentleman would admit that his constituents are consulted, and I admit that we need to get better at carrying out such consultation. It is easy to say that we should consult people, but it is sometimes difficult to get the balance right. It is crucial that the people whose everyday lives and environment are most affected by events in the park should be consulted in a way that leaves them feeling that the consultation was meaningful and that they were listened to.

I hope that the hon. Gentleman will acknowledge—I accept that he has not made such a suggestion—that we could never get to a point at which residents had an effective veto on what went on in the park. I took it from what he said that people still feel to an extent that they have not been fully consulted, and I shall refer that issue back to my right hon. Friend Lord McIntosh, the Minister for Media and Heritage, who has the primary ministerial responsibilities in this regard. I know that Lord McIntosh has regular meetings with the Hyde park and other royal parks friends associations, which is why he will be particularly keen to read today's debate. The chief executive also has regular meetings.

Mr. Field: For obvious reasons, Lord McIntosh is not in a position to take part in this debate, but I wish to put it on record that I hear positive words from many of those to whom I speak. He has a true commitment and he spends a significant amount of time and effort trying to understand our concerns. I make no criticism whatever of particular Ministers; rather, I question the strategy about where the park should be in the general scheme of culture and recreation in central London in the next 20 or 30 years. I hope that the Minister may be able to elucidate on that point.

Estelle Morris: I am grateful for those comments. I shall summarise by saying that the consultation is not perfect. When I was preparing for today's debate, the Royal Parks Agency told me that it is working on its consultation, and that the process is better than it used to be. However, the agency knows that it must continually keep it eyes and ears open in order to make improvements and to help make local residents feel more involved. I wonder whether the agency was trying to make that happen in its recent consultation on the events strategy, which leads me to the next subject.

As the hon. Gentleman knows, the royal parks have been consulting on the draft events strategy for the past few months. That is important, because it is time that we had such a strategy. Over the past few years, bits of change have been building up year by year—just one more each year—until, as he said, we run the danger of seeing the late spring, summer and early autumn entirely taken up with events. We may not want such an environment for the park. That is why I put a lot of store by the events strategy. Consultation has taken place, and more than 50 organisations have expressed views.

I want briefly to record the aims of the strategy. It should ensure the effective management of events; make the parks accessible for major cultural and sporting events that are important to the profile of London as a world cultural capital; make the parks accessible to people wishing to hold community events; develop a programme of low-impact events that increase appreciation of the parks' natural environment and history; and, lastly, allow a programme of commercial events to enable the parks to maintain current levels of income from events in 2005–06. We have received comments on the strategy. Lord McIntosh will reflect on them, and he hopes to respond before the summer recess. I hope that the events strategy will be the blueprint for the future.

Crucial to the strategy is how it is put into action. It is no good having a strategy unless we have a clear way of turning the words into action. I hope that the hon. Gentleman and his constituents see in the strategy a determination to plan events so that people know what is coming up. I think that, most of all, people would welcome a reduced dependence on Hyde park. Despite the fact that the Royal Parks Agency is responsible for

[Estelle Morris]

eight or nine open spaces, there has been a predominance of events in Hyde park. The other parks in the royal estate have seen few such events. The strategy has the stated aim of reducing the number of events in Hyde park, which will inevitably increase the number of events in the other parks.

New commercial events on a small scale have taken place in other parks. A good example was the Frieze art fair, which was held last year for the first time in Regent's park and is coming back this year. The agency plans to reduce over time the number of large-scale events in Hyde park and to reduce the royal parks' dependency on income from events in Hyde park alone. I hope that that offers some comfort to the hon. Gentleman and his constituents, and that it gives them a peg for further consultation and discussions with the Royal Parks Agency and Lord McIntosh.

Mr. Field: That good news will obviously be welcomed by many of the constituents who have written to me on the matter, but I wonder whether the Minister might say something in the remaining minutes about the future of the Royal Parks Agency. As I said, there is speculation in the *Evening Standard* that the Mayor of London—currently Ken Livingstone, but it may be someone else after 10 June—will want some control over the agency. Is any change envisaged in the status of the royal parks and in how they are managed in the years ahead?

Estelle Morris: We have no plans for that. The Mayor can voice his aspirations, but there have been no discussions between the Department and the Mayor about a change in status. The DCMS has a very good working relationship with the Royal Parks Agency, and we have no plans to change that in the foreseeable future. I, too, read the *Evening Standard*. We in politics are led to believe that it reflects everyone's aspirations, but such things are not always achieved. We therefore look to the future.

As well as ensuring that there are fewer events in Hyde park, and fewer big events in particular, we must find other ways of raising income. The hon. Gentleman may have had time to visit the Inn the Park restaurant in St. James's park, which is also situated in his constituency. In the four weeks in which the restaurant has been open, it has had excellent write-ups. It is in a beautiful building that is built to the highest standards and completely fits in with the environment of St. James's park. The Royal Parks Agency is doing more such things to raise income, and we should welcome the investment that it is making to ensure that it can rely on more than the big event to generate income.

The creation of the new Royal Parks Foundation, an independent charity that was established only recently under the chairmanship of Peter Ellwood to raise funds for large projects, is also important. It is very difficult to raise money for the bread-and-butter maintenance of the parks and much easier to gain sponsorship or to raise money for other activities. I very much hope that, with the money given by the DCMS, the foundation will be able to carry out the bread-and-butter repair and maintenance of the parks.

I acknowledge the hon. Gentleman's point about the Bon Jovi concert. Indeed, perhaps I should not say this, but he could have mentioned other events that had gone wrong in Hyde park. I have been told that the sound at the concert far exceeded the permitted level. I am not sure whether he knows this, but a condition of holding such events in Hyde park this year is that the groups use a public address system provided by the Royal Parks Agency, which will ensure that the sound is kept within permitted levels. I understand that Bon Jovi had its own PA system and did not respond to requests made during the event to reduce the noise. I cannot promise that what happened will never be repeated, but the key point to note is that there was a problem with an unacceptable noise level and that the Royal Parks Agency responded by introducing a new requirement to use its PA system so that it can control it.

I also acknowledge that the amount of mess that is left after such events is deplorable, but I should point out that a licence fee is paid for events staged in Hyde park. The fee can be up to £150,000, depending on the scale of the event. That is meant to compensate the borough and the Royal Parks Agency for the cost of clearing up the mess the next day.

The park is the jewel in the crown, and an important part, not only of the capital, but of national life. In or out of London, there is no one who does not know Hyde park. It is one of the factors that unify this country. It is changing, but it must raise some of its own income. It has managed its events haphazardly in the past few years, but some of those events, such as the jubilee celebrations, have been a great success and have become part of our national folklore. Equally, however, some of the events have gone into local folklore as nights that local residents would not want to live through again.

The way forward is to work together with proper consultation. I very much hope that the events strategy will become a reality and that it will be endorsed by September. I hope that it will form an agenda for the Royal Parks Agency and my right hon. Friend Lord McIntosh, so that, along with local representatives and residents, they can find a way forward. If it does so, I very much hope that Hyde park will continue to be a valuable asset as well as a beautiful neighbour to the hon. Gentleman's constituents.

11.29 am

Sitting suspended until Two o'clock.

Transport (London)

2 pm

Martin Linton (Battersea) (Lab): I feel slightly guilty about having called this debate, because when I tried to find the Minister last night, I realised that he was still answering an Adjournment debate on the Floor of the House. However, this is an apposite time to debate Londoners' transport needs, because we are coming up to the comprehensive spending review, and Londoners are about to elect a Mayor for the second time, although that has nothing to do with my purpose in calling the debate.

We should start from the basic point that the Government have an excellent record on improving public, and indeed private, transport in London. Traffic levels have fallen by 30 per cent., which has reduced congestion and shortened journey times. The tube has undergone a £16 billion programme of investment, while bus use has gone up 33 per cent. in the past three and half a years and the number of rail passengers has increased by a similar percentage—I do not have the figure to hand, but I am sure that my hon. Friend will know it.

In calling the debate, it was not my purpose simply to read out a list of achievements. We must not allow ourselves to become complacent as we measure ourselves against the Conservative Government. It was not difficult to do better than them; indeed, it would have been difficult to do worse. We are light years ahead of them, but our achievement must be measured against the transport needs of London and our strategy for meeting those needs, which are growing and changing all the time. That strategy must inform our priorities for capital projects.

Some people have tried to cast doubt on the Government's commitment to the capital projects that are already in the pipeline, such as the East London line extensions, simply because those projects are being considered alongside others as part of the comprehensive spending review. I believe that the Government remain fully committed to the East London line project, and I hope to hear the Minister repeat that commitment today. After all, work has started, the planning permissions have been granted, compulsory purchase powers have been confirmed, legal challenges have been overcome, the frequency and timetabling of the trains have been agreed, and the Minister has signed off the business case. We are already a long way down the track, and all we need now is a nod from the Chancellor to approve the funding.

Obviously, funding decisions must be taken in the context of a capital programme, but I do not believe that that poses any threat to this scheme. I say that not only because the project is already far advanced, but because it is good value for money. Even given the new costing of £1 billion, it is a snip compared with Thameslink at £3 billion and Crossrail at £8 billion—although given the benefits that both of those schemes will deliver, they are well worth the price.

Linda Perham (Ilford, North) (Lab): As my hon. Friend knows, I chair the all-party group on Crossrail. I am sure that he will agree with Ken Livingstone, the Mayor, that Crossrail is London's single most significant transport requirement, and that it would have huge benefits for the whole United Kingdom economy—not to mention the effect that it would have on overcrowding on the tubes and trains, particularly in my area, on the eastern side of London.

Martin Linton: I believe that Crossrail will enormously reduce pressure on the tube system, and I shall return to that after I have dealt with the East London line.

The East London line extensions project—or ELLX, as it is called—will be good value for money, but there are four other good reasons why it must go ahead. First, it makes excellent transport sense, relieving pressure on rail terminuses, enabling commuters to avoid the centre and take the tube straight to their destination, and allowing through-London passengers to bypass the centre and travel straight to one of the interchange stations on the main lines out of London, such as Stratford, Finsbury Park, Ealing Broadway or Clapham Junction. Even though the project may not be considered essential for the Olympic bid, it will enormously facilitate journeys to and between Olympic venues, especially Wimbledon.

Secondly, the project will open the way for a London orbital network by joining the eastern, southern, western and northern London lines and linking them to the interchange stations, or nodes. One could, for instance, get off the Cardiff train at Ealing and go straight to Finsbury Park to pick up an Edinburgh train, rather than having to fight one's way through the centre of London. More importantly, however, it will make cross-London journeys much easier for Londoners.

Thirdly, the project will make excellent regeneration sense. In fact, it has been called the regeneration express, because it will link south London's five most deprived areas—Peckham, Camberwell, Brixton, Clapham and Battersea—with jobs in docklands and elsewhere, cutting many journey times in half.

The scheme will be no good if Brixton and Battersea do not have stations, however. At the moment there are two-mile gaps where Brixton and Battersea stations should be. I have been speaking to Transport for London and the Mayor about a station in Battersea, and we await further discussions when the funding is settled.

Fourthly, the project will be a godsend to parts of London that were left off the underground network in the Victorian era. I see that my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) is here, and Hackney is a prime example of that problem, as are Peckham and Battersea, and even north Kensington, in the context of the west London line. Many of London's communities are poorly served by the railways. In Battersea we have more railways per square mile than any other constituency in the country. There are lines all over the place—we even have a line that is used by only one passenger train a week, and by freight the rest of the time—but having so many lines is of little use if the trains do not stop.

Joan Ruddock (Lewisham, Deptford) (Lab): I congratulate my hon. Friend on securing this debate, and apologise that I shall not be able to stay until the end. He has not mentioned the deprived areas in my constituency, which would also receive economic, travel and other benefits from the southern and northern extensions. We will be privileged to have the Surrey Canal Road station, which will make a huge difference to the opportunities for travel.

Does my hon. Friend share my concern that we are being told to wait for the spending review, because the East London line extension team tells us that little public money is required in the period of the current spending review, and that the major expenditure will be post-2010? There is therefore little reason for delay by the Government. We should press the Minister to reassure us about a development that is so important to us all, especially my constituents. My constituency contains the fourth largest proportion of people in the country who are dependent on rail, and there is very low car usage. The line is essential to us, and I trust that my hon. Friend will continue to press the Minister forcefully.

Martin Linton: My hon. Friend is right. I mentioned the five most deprived areas in south London, and I had thought of Deptford as the sixth most deprived, but it is already connected to the tube. However, she is right to say that a new station in Surrey Canal road—I cycled past the spot this morning—will give Deptford an additional link and start the regeneration express across to Battersea. She is also right to say that the expense that will fall within the period 2005–08, which I understand is the period covered by the comprehensive spending review, is small. That is why I am hopeful—verging on confident—that the scheme will go ahead in its present form, but we must await events.

As I was saying, the usefulness of the project depends on having stations for the trains to stop at. Whenever we raise the question of opening new stations, however, the railway industry reacts with horror. The problem is partly to do with the industry's mindset. The train operating companies tend to be run by people who think inter-city—about getting people to and from London, rather than around London. They do not think about frequent trains and frequent stops, as on the tube. For a large part of London, however, the train is our tube. We need to adopt the same "metro" approach to the inner-city railways as we take to the tube.

There is also a problem of incentives. Privatisation left Railtrack and Network Rail with no incentive to support new stations. They get no more money for new stations, so they do not build them. In the last 10 years, only two new stations have been built in the entire south-east, one of which was West Brompton, in London. However, in my constituency alone we need a new station in north Battersea, on the East London line, and on Crossrail. We also need to reopen Battersea High Street station, on the west London line, but we just get told, "It's a freight problem."

I rejoice in the increased use of rail freight, which I believe is up by 38 per cent.—that figure is probably wrong, but I am sure that someone will correct me.

Mr. Andrew Love (Edmonton) (Lab/Co-op): That is right.

Martin Linton: Thank you.

Every piece of freight unloaded at our channel ports and taken to any destination north of London has to travel through my constituency and over the Battersea railway bridge. As a result, there is almost no space left for passengers on the south London and west London lines. If that happened on our road system, and all freight traffic had to use one bridge over the Thames, there would be mothers in prams demonstrating and blocking zebra crossings to draw attention to the situation, but because it affects the rail system, no one asks what local people think.

No one is saying that London ought to take over sole responsibility for railways in London. Obviously, they must be run as part of a national system; the London regional rail proposal recognises that, but others must recognise that railways are part of London's local transport system. Londoners make more train journeys than all the people in the midlands, the north, Scotland and Wales added together. Trains are, overwhelmingly, a London form of transport, but the railways do not seem to be run in the interests of Londoners. We need to reclaim the railway lines of inner London for greater use by Londoners.

Mr. Love: Is not the strongest argument for the change the fact that the railways in London have been run so badly that it could not do anything but improve the situation?

Martin Linton: That is right. As I said in my opening remarks, if we compare ourselves with the Conservative Government, it is almost impossible for what we have done not to be an improvement, but we need to set our standards higher than that. We should aim to create a railway system that serves Londoners' interests.

I return briefly to the East London line. I hope that I have demonstrated that that scheme is good value for money and makes good transport and regeneration sense. For those reasons, I would be surprised if we did not go ahead with it. In football parlance, I would be gobsmacked—indeed, I would be gutted—as I have invested much of my time and campaigning energies in that scheme.

Crossrail 1 and 2 are not as far down the track. They are much bigger projects, with a longer time scale, but they are just as vital. I hope that we keep up the momentum for them. Crossrail 2 is the answer to Clapham Junction's century-long exclusion from the London tube network, although the East London line will, if all goes well, link Clapham Junction to the tube system earlier—2011 is currently the best estimate.

The people living around Clapham Junction station, which, despite its name, is in the centre of my constituency, are puzzled as to why it is not linked to the tube, despite being the busiest station not just in London or the UK, but in Europe. In Victorian days, the reason was that Battersea is built on clay, but it is at least 50 years since clay ceased to be a difficult material through which to tunnel; indeed, it is now one of the easiest. I hope that my hon. Friend will be the Minister who is finally able to announce definitively that the 100-year wait is over and that Clapham Junction will be linked to the tube—possibly to coincide with its overdue redevelopment, which is in the Strategic Rail Authority plan for 2010.

Perhaps the most urgent transport need in London has been answered by the introduction of the congestion charge, using powers granted to the Greater London authority by the Labour Government. That charge has reduced traffic by 30 per cent., taken 65,000 cars a day out of the central zone, cut nitrogen oxide and carbon dioxide by 16 and 19 per cent. respectively—not a bad achievement in itself—and has significantly reduced journey times for people who travel by bus. Battersea is a classic bus commuter constituency. The charge has also reduced journey times for motorists. I cannot believe that the Conservative candidate in the mayoral election has threatened to end the congestion charge on day one. I cannot think of a quicker way to ensure a return to the bad old days of daily gridlock in central London.

I pay tribute to Transport for London and its London Buses for the way in which they have increased bus use—with enormous help from the Department for Transport. On one day towards the end of April, they had more than 6 million passengers for the first time. Bus reliability is at an all-time high, although there is still a long way to go, and bus occupancy is double that outside London. Satisfaction with bus services has risen in each of the last four years and is now at 77 per cent.—although that does not stop me, and, no doubt, my hon. Friends, from receiving the occasional letter of complaint—and the buses are attracting many new users. Perhaps the most impressive statistic is that in London, the percentage of the population who never travel by bus has been reduced from 29 per cent. to 21 per cent.

I should like to make two more points about buses. One is that it is imperative that the comprehensive spending review does not freeze the money going to London's buses. If that were to happen, the frequency of buses would undoubtedly reduce, and that would inevitably affect off-peak and night buses most. The maximum possible revenue from fares and the congestion charge cannot plug more than a small part of the gap. I am sure that my hon. Friend will have said all that in his submission to the comprehensive spending review.

Secondly, buses are improving, although there is still a problem with the training of bus drivers. Frequency is being improved and so is reliability, but I should like to see buses developed as a more luxurious form of travel. Rather than think of them in old-fashioned terms as poor people's transport, why not introduce city express buses that go fast from suburbs to the city? Why not develop buses that will give people a smoother ride? Too many people get thrown around when they stand up in a bus, and for that reason fear to use buses. None of the new rail schemes can produce extra capacity until 2010 at the earliest, so although it is essential that we proceed with them, and build a transport system for London worthy of this century, in the next six years our only way of improving public transport will be to make buses quicker and more comfortable. I therefore hope that my hon. Friend will do everything in his power to make that happen.

2.17 pm

Mr. John Wilkinson (Ruislip-Northwood) (Con): We are all grateful to the hon. Member for Battersea (Martin Linton) for having introduced this timely debate. He need not feel guilty for having done so, unless there is guilt by association with the socialist administration in City hall, which has not fulfilled the promises of the Labour Administration to improve transport in London. We shall hear more about that in the election campaign—but for now, on with the debate.

My constituents' principal concern is that the tube system should be improved, and I shall concentrate on that. It is understood that the mayoralty has invested a great deal of money and political energy in London's buses. There are even bus lanes to prove it, and more buses too. There has not been too bad a service on the buses—in fact, there has been an improvement. Whether that improvement has been cost-effective is for others to decide, particularly our representatives on the hustings.

The tube is another matter. I am pleased to see the Under-Secretary of State for Transport, the hon. Member for Harrow, East (Mr. McNulty) in his place representing the Department for Transport, because he will understand the west London perspective. My constituents rely on the tube system for commuting, but it is unreliable: trains are slower than they should be, the track needs repair, the stations are often dirty and people fear that the system is not secure. The public-private partnership has yet to deliver the results that were promised. However, it cannot bring anybody any delight to know that the facilities for disabled passengers are well below standard. I cannot think of one tube station in my constituency, which has eight, with proper lifts and other facilities to enable disabled passengers to get to the platform easily. We need better leadership and higher standards.

We also need much more investment, and that should be the central theme of today's debate. We are all conscious that London is the powerhouse of the country's economy. We are aware that London pays a great deal more in taxes than it receives back in public service investment. We are also somewhat sore that so much of our hard-earned money goes to subsidise the Scots—with no change in the Barnett formula, even after the establishment of the Scottish Parliament—rather than being reinvested in services for the benefit of the Londoners who earned the money.

Let us consider the investment plan for the next few years. Transport for London reckons that under its business strategy, an extra £1 billion of Government money needs to be invested in transport in the capital for the foreseeable future. That is quite right. Even the much vaunted congestion charge is not bringing in the money that had been anticipated; the administrative costs of introduction were far higher than had been programmed, and the mayoralty is facing a shortfall in revenue from that source.

I will make only modest proposals relevant to west London for the consideration of the Chamber and the Minister this afternoon, and I will set them in the context of the air transport requirements of the capital. Air transport is very important to my constituents as a source of jobs, particularly at Heathrow, and as a source of local economic prosperity, but it is also the cause of much congestion on the overburdened road system. We need investment in tube extensions and links that can get people out of their cars and on to the tube system.

[Mr. John Wilkinson]

The first proposal that I shall put to the Minister is one with which he is familiar, and with which he probably instinctively has sympathy; whether the Treasury has such sympathy, I do not know. He has reminded me of the spending review being conducted this year, and I am sure that if the Treasury does its sums properly, it will find that the Croxley link to connect the metropolitan tube network to the west coast main line rail network at Watford Junction would bring substantial returns for a modest investment. The line is essentially there already, and it would take a great deal of passenger traffic from the west coast main line directly on to the tube system, and also make it easier for people to get on to the west coast main line.

The second proposal is to extend the Piccadilly line from Uxbridge down to Heathrow. If there is to be a fifth terminal—we know that it would be in service quite soon—it deserves an improvement in the transport facilities that service it. That proposal would be such an improvement, at modest cost. Another idea would be to extend the Central line from West Ruislip to Heathrow.

I suspect that those two extensions are especially relevant because Crossrail, which we so earnestly desire, seems to have slipped further and further into the future. I wish that Her Majesty's Government would put money into it now. We would be much more likely to get the Olympic games if Crossrail was a definitive project, officially supported, properly funded and effectively programmed. The fact that Crossrail is not an official Government-sponsored project creates a built-in headwind for our Olympic promoters. As Crossrail is so delayed, the two extensions of the tube to which I have referred are particularly important.

In conclusion, let us consider the promotion of the Olympics at the Stratford site in connection with air transport in London. London is already well served by air transport facilities—Heathrow, Gatwick, Stansted, Luton and City airports. For business aviation within the Greater London authority area, there is Northolt for movements up to a fixed limit of 7,000 a year, and Biggin Hill. We do not have a shortage of facilities, but we need better transport access to them. Another Heathrow runway would make the road congestion in west London intolerable. Let us concentrate on the road connections that need improving, at modest cost, but above all, on investment in tube infrastructure.

If we can do that, and the extra £1 billion a year can be provided for Transport for London, there is, I think, hope for west Londoners. Otherwise the present financial situation may continue, with money siphoned off from the capital for use elsewhere, and the congestion charge bringing in no more money. In that connection I ask the Minister to state now that he will veto any imposition of a congestion charge for access to Heathrow.

If the Government adopt the modest projects that I have proposed, London, particularly west Londoners, will benefit substantially. Congestion will be eased and a good return will be gained for relatively modest input by the taxpayer.

2.26 pm

Jeremy Corbyn (Islington, North) (Lab): I shall be brief, because many hon. Members want to speak. It is interesting that so far no one has suggested massive road building as a solution to any of London's transport problems. That is a welcome change from debates in past years. We now talk about public transport solutions, and I join other hon. Members in congratulating the Mayor, Ken Livingstone, on the enormous improvement and the investment that he has managed to make in bus services.

I have two pleas for the Government. First, will they ensure that the subsidy level is continued into future years? There will be a serious problem in two or three years if investment falls off. Secondly, will they study the question of the money being made by private operators out of franchised routes? I welcome the improvements in bus services, but it is noticeable that enormous profits are being made by private enterprise bus companies that are essentially operating a closed market on TFL-authorised routes. East Thames Buses, which is directly owned by the Greater London authority, runs a service as efficient and effective as any other, and that seems to me to be a positive way forward.

I endorse what my hon. Friend the Member for Battersea (Martin Linton) said about the need for increased and enhanced bus driver and staff training and the importance of job retention. Turnover is still too fast. There was a time when working on London's buses was seen as a prestige job. We want that atmosphere back, with some degree of parity in salaries with people working on the tube network.

As one who cycles around London a great deal, I was interested in an item on last night's London news about a recent death in a traffic accident on Blackfriars bridge. There is an insane cycle route there, which was apparently approved in some form or other by the Minister's Department. The cycle route goes between two fast-moving lines of traffic, which is completely crazy and very dangerous. One accident like that, which gets a lot of publicity, puts an awful lot of people off cycling.

I urge the Department, when it issues advice, to encourage the continuation of safe cycling routes, not just on the easy bits of main roads, but on the harder bits, such as around junctions. Appropriate safety arrangements and priority should be given. Cycling has increased a great deal in London, but the accident rate is still high. That is in part because of the conflict with traffic at junctions, although it is also in some cases caused by dangerous cycling, such as cycling across pavements and jumping lights. It is also partly because children lack safety awareness, and there is not enough training in schools on riding and maintaining a bicycle. It is all simple stuff, but it is important if we are to maintain the growth in numbers of people who cycle.

The debate is essentially about investment, and I shall quickly mention three areas where investment is needed. My hon. Friend mentioned the East London line, and I support all that he said about it. If the East London line extension is to be improved, work can go ahead quickly. The route is largely established, particularly now that the Bishopsgate goods yard issue has been resolved. The track bed is already available for running to Dalston Junction. It can then join with the North London line and run round to Highbury and Islington station, at last linking Hackney to Islington by tube. The one thing that all Hackney residents want is to be able to get a tube to Islington—then they will be able to shop more easily in Upper street, which I am sure is their main aim in life.

I also feel strongly about the East London line extension route, which would go up to Finsbury Park station. That would enable the Finsbury Park interchange to be improved and developed. It would make a good stopping-off point, and allow many people to get on to the tube before the trains reach King's Cross. At the moment, they can get on to the Victoria and Piccadilly lines, but with the East London line there would be a link through to the City, which would be extremely welcome.

That leads me on to the vexed question of Finsbury Park station. I am sure that the Minister has been there, as has every Minister for the past 15 years. They have all said that it is appalling, and I agree with them. It is a mess. It is overcrowded, badly laid out, and on a difficult site. Transport for London has put in a great deal of effort to improve the station and the interchange. I am sure that my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) would support the need for improvement of that station, and if possible, its complete rebuilding.

We have reached agreement on most of the things that need to be done, but Network Rail has proved difficult, and has decided that all its investment must go somewhere else. I have raised the matter with the Secretary of State and with other Ministers and I would be grateful if the Minister will confirm in his reply that his Department is fully behind the TFL proposals for Finsbury Park station, and will ensure that Network Rail plays its part in improving it.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): My hon. Friend will agree that the investment and rebuilding of Finsbury Park is key to the regeneration of what is a rather neglected corner of north-east London, perhaps because three boroughs meet there. So much would be done to improve the quality of life of those living there if the Government could give the scheme their full backing.

Jeremy Corbyn: I agree with my hon. Friend. In the past, we have had plans to close railway lines and turn them into roads, and to run down various lines deliberately. Fortunately, those days are now behind us, but we still have quite a lot of underused surface-level railways lines, with unimaginative train routes using them. I am thinking of the North London line system, which includes the Barking to Gospel Oak line and the North Woolwich to Richmond line. I live near the Barking to Gospel Oak line, and we have complained about it for a long time. Silverlink has improved the service and the stations are better than they used to be, but several things could be done.

First, an interchange station near Tufnell Park station on the Northern line could be constructed. The route would then not only link with the Victoria line at Blackhorse Road, but passengers could transfer to the Northern line at Tufnell Park. Secondly, there could be a more imaginative service. Why does the service have to stop at Gospel Oak? Why on earth can trains not run through to Willesden, Ealing, Richmond or the west London line? The entire basis for an outer circle surface rail link is in place, and it could be developed. Is there a complete lack of imagination, or is nothing done because several railway franchises are involved and it is just too complicated for them to get together and work something out?

That leads me to the question of the future structure for transport in London. When this Government were elected, they did the right thing in establishing Transport for London, a Greater London authority and a Mayor who had considerable powers over transport. Unfortunately, he has only just received powers over the tube. It is time that the rail system in London was handed over to Transport for London, which could then ensure that a properly integrated system ran within London, that another ran in and out of London, and that the two were integrated.

The problem with London's transport infrastructure is largely its age. Some of it is very old. It is wonderful and historic, but expensive to maintain. New tube networks are expensive to install, particularly when we have so many different operating systems within the same network. I would be grateful if, when the Minister replies, he gives us hope on two issues. First, we want hope that Crossrail will finally go ahead. Secondly, we want him to continue to give his blessing to the development of surface-level tram lines.

The Croydon Tramlink has proved to be successful and the Mayor's proposals for tram links in west London and from Camberwell to Camden seem exciting, relatively cheap and quick to install. They are a rapid way of improving public transport in London. We have great opportunities and a wonderful city, but unless we continue to improve public transport quickly, we will end up with congestion problems that will encourage people back into their cars. All the success of the congestion charge will be lost unless we continue to invest heavily in surface-level transport links in London.

2.35 pm

Mr. Andrew Love (Edmonton) (Lab/Co-op): I congratulate my hon. Friend the Member for Battersea (Martin Linton) on securing this debate at a very apposite time, and I shall take up the theme of his contribution—the transport challenges facing London.

Three million people use the underground every day, which is about the same number as use the rail network; 5.9 million people use London buses, which is a third of the total for the whole of England and Wales; and 85 per cent. of the commuters who come into central London use public transport. On top of that, London is the fastest growing city in Europe; as the Mayor likes to put it, it will grow by the size of the Leeds conurbation—about 800,000 people—by 2016. The capital city also has an enormous tourist industry; 30 million tourists visit us annually. They spend a huge amount and are very important to the London economy. However, our infrastructure has been deteriorating for years under different Governments, and there has been a failure to address the increasing need for good-quality 21st-century transport.

I welcome the new powers, agreed by the Treasury, to allow Transport for London to borrow for capital expenditure. That can be done because of the fees that arise from the fare structures in London transport. However, that does not go far enough; it does not fund all the needs of London transport.

We must ask: why should we invest in the capital? There are many reasons. I do not think that one of them is that London is a net tax contributor to the rest of the country; in my view, that is right and proper. However,

[Mr. Andrew Love]

it must be recognised that London is the engine of the UK economy and that, economically, it faces not inwards but, in many ways, outwards. It competes internationally with cities in other countries rather than with other cities in this country.

The vast bulk of the investment that goes into London comes from abroad. The state of London's transport is critical to such decisions about whether to invest in London rather than other cities. That is critical to a wider area than London alone; all the evidence shows that that investment ripples out into the rest of the south-east and the entire country. If we lose that inward investment in London, not only will London suffer, so will the rest of the country. London has higher productivity than the rest of the country. Its competitive edge not only works internationally, it helps the rest of the south-east, and the country, to raise its game by improving its ability to attract investment.

Investment in London is good value for money. There has been a study that shows that the benefits will be two and a half times greater if investment is made along the lines that Transport for London suggests, rather than if the absolute minimum is done. The Transport for London plan shows that there will be a 7.5 per cent. increase in capacity if we invest the sums suggested. Those are just the benefits in transport terms; there are also the knock-on benefits of reducing social exclusion and regenerating parts of London that are exceptionally deprived.

Having made that case, I shall now look at two areas where investment is urgent. First I will take up the themes of previous speakers, and talk about London buses. They promote social inclusion. Who uses London buses? Bus passengers are the elderly, people on low incomes, people without cars, minority ethnic groups and women—all the groups that are most excluded within the London economy. If we are to reduce that exclusion, buses will have to be the primary transport mode that we use.

Transport for London, the Mayor and the Greater London authority have had some success on this issue, and I pay tribute to them for what they have achieved over the past four years. Bus use has gone up by 30 per cent., although it is stagnant in most of the rest of the country. There has been a 15 per cent. rise in the average number of passengers travelling on each bus, so buses are giving better value for money.

From the vantage point of my constituency, I can see that buses have made a major contribution to public transport in outer London, which does not generally enjoy the benefits of the underground or a good rail service. Buses therefore make a critical contribution to outer London, and that has been important over the past four years.

The second issue, however, is critical. We want to invest in the tube, the rail system and the other things that hon. Members have mentioned, but it will be some time—perhaps 10, 15 or 20 years—before we see the major benefits of that investment. Investment in buses, however, is ideal because it can be delivered in the short term and can increase capacity now. That is why we need to fund the plan to increase bus capacity throughout London, particularly in outer London.

Two issues are critical to my constituents. First, Edmonton Green bus terminus is among the top 10 in terms of daily bus movements, so it is critical to the whole of that part of north London. However, negotiations over the delivery of a new terminus are mired in complex issues and never seem to end. I make a plea to the Minister, and in particular to Transport for London and the developer, to sort things out. They desperately need to do so if the service to my constituents is to be improved.

Secondly, I am interested in the school bus service, which the Department has been carefully studying. I have corresponded with local schools, one of which said:

> "What a much needed service! Like many schools in Edmonton we suffer from massive congestion at the start and end of each day. This leads to real issues of road safety for our children. We would be delighted to be involved in a pilot scheme."

So, too, would the rest of my constituency. Perhaps the Minister could take that idea away and consider it for future reference.

In an intervention on my hon. Friend the Member for Battersea I mentioned that the rail service was in urgent need of upgrading, but that is an understatement. I know from the nods around the Chamber that that view is shared throughout the capital. We must create more capacity and improve performance on our railways, because commuters have suffered long enough. The train operating company on the railway line in my area has recently changed, and the transition has been relatively smooth; indeed, hardly anyone has noticed it. However, if I were to ask my constituents whether they had seen any improvement in performance or standards, they would say no to that, too, because the problems and challenges on the line are still to be addressed.

I strongly agree with my hon. Friend that we need to consider an alternative solution, and that suggested by Transport for London begins to address several of the issues. In its brief for the debate, for example, Transport for London says that it will be looking to increase capacity, to improve the integration of fares across London and to enable funds to be raised for major rail projects. Its expertise would bring real benefits to London commuters, and on that basis alone, its proposed alternative should be considered sympathetically.

The Minister will say that the commuter lines do not start in London and that London is only part of the service that they deliver. However, London commuters have suffered long enough, and there must be a positive way forward. A link-up between Transport for London, Network Rail and the train operating companies would deliver real benefits, without necessarily challenging or making things more difficult for the rest of the rail network in the south-east.

Finally, I want to raise a local issue. My local central station at Edmonton Green sits cheek by jowl with the bus station, and is in need of urgent improvement. That is set out in the plan, as are improvements to stations throughout the capital. Improvements will not happen without the plan. The use of the station by my constituents is severely limited because improvements have not taken place. They fear using the station in the evening. The multiple stairs to the station cause great problems for disabled people. Such matters should be dealt with.

I make a final plea to the Minister. Transport for London is doing all that it can to develop the transport network, but it needs the support of the Department to achieve all that it wants. The benefits will come primarily to London commuters and to people in constituencies such as mine, but benefits will also be delivered to the rest of the south-east and throughout the country. On that basis alone, I commend the plan to the Minister.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Edward O'Hara): Order. Before we continue, I remind hon. Members who wish to contribute to the debate that winding-up speeches should start not later than 3 pm.

2.46 pm

Clive Efford (Eltham) (Lab): I, too, congratulate my hon. Friend the Member for Battersea (Martin Linton) on securing the debate. As has been said, it is timely not only because of the elections for Mayor and the comprehensive spending review, but the fact that a debate about London's transport system has begun as a result of our being shortlisted for the Olympic bid—an issue to which I shall return. Reference has been made to many projects, such as the East London line, Crossrail, Thameslink, the extension of the Docklands light railway in the Thames gateway area and the Woolwich rapid transport link along the river front. However, alongside those issues we must consider how we bring the benefits of those schemes to the wider community, and how people who do not live or work in the immediate areas that will see major improvements in their infrastructure can link into them and reap the benefits of that investment.

We must appreciate the successes. It is easy to slip into a debate about London's transport network and be only negative, not positive, about it. That reflects the level of use of public transport in London. We should not forget that there is a high dependency on public transport in London, which to some degree is a reflection of its success. Over the past few years, several successes have come from the office of the Mayor—

2.47 pm

Sitting suspended for a Division in the House.

3.3 pm

On resuming—

Mr. Deputy Speaker: I remind hon. Members that the winding-up speeches will now start at 3.15 pm.

Clive Efford: Thank you, Mr. Deputy Speaker.

TFL's research shows a 30 per cent. modal shift from cars to other forms of transport between 1999 and 2003. There are many other figures relating to increased bus usage and so on, but I shall not go through those now, as other hon. Members want to speak.

London is essential to the economic well-being of our country. It supports 4 million jobs, 1.4 million of which are in central London. Five local authorities in London have employment densities of 5,000 workers per square kilometre, and in the City of London the figure goes up to 130,000 jobs per square kilometre. More than 90 per cent. of those people travel to work by public transport. Two thirds of all UK rail journeys begin and end in London, and Londoners account for 50 per cent. of all UK rail journeys. That demonstrates that it is essential for London to have an effective voice in how not only our rail services but all our transport services are integrated. London will need more money to invest in public transport networks.

I heard my hon. Friend the Member for Battersea support the East London line, which he rightly called the orbital route. I support it too, but coming from south-east London, I must ask what happens to my constituents who are outside its orbit. How do we ensure that our train services link into it? Is it possible to make it turn east, so that it really is an East London line, linking with communities in south-east London who do not have direct access to the London underground? They, too, will then benefit directly from the new rail service.

Crossrail is another essential development, particularly for south-east London. It is crucial that there is a station at Woolwich, and that Woolwich becomes a major transport hub, linking with other modes of transport and allowing the wider community in south-east London to use the road network. We must develop a bus network on those roads to link with the other new transport developments.

We seem to be approaching the end of the difficulties with Thameslink 2000—perhaps we should stop using that name, because it sounds like the number of years that it is taking to get off the ground; a new name may be needed. That extension to the rail service is needed in my part of London. We need to plan and ensure that we integrate our network. One example of such planning is the development of the Jubilee line, which has made its way to North Greenwich station in the north of my borough. One bus service goes direct to that tube station from the south of Greenwich, through my constituency, but in the rush hour it takes 45 minutes to get there, and is not an option for commuters.

As my hon. Friend the Member for Edmonton (Mr. Love) said earlier, we need express bus routes to take people from outlying areas, link them rapidly with the new transport developments and give them an alternative method of getting to and from work each day. We need to develop such strategies if we are to address the growth in demand that we all know will happen in London's transport system and reduce car use, which is increasing. We cannot afford the Mayor of London's voice not to be heard in those debates, including on the development of transport and train services.

I should like to dwell for a moment on train services. The 12-car strategy for the network in south-east London seems to be disappearing completely from the agenda. If we are to develop a transport network to meet the growing demands, particularly in north Kent and the Thames gateway, we need to increase the capacity of the existing rail network. We cannot continue with a train system that has an inadequate electricity supply and cannot grow as required to meet future demand. In the absence of any other form of public transport, failure to increase that capacity means that our road network, which is already overloaded, will become even

[Clive Efford]

more congested. We must ensure that London's needs—particularly those of south-east London, where there is no direct access to the London underground—are heard in that debate.

Finally, there is the discussion of London's transport network in relation to the Olympic bid. A lot has been said about our transport network creaking at the seams, the infrastructure needing repair and improvement and the fact that we desperately need to develop new schemes to meet future demand. In a sense, that is a private debate among ourselves. For those outside looking in, it may seem that our transport infrastructure could not support a scheme such as the Olympics. However, the truth is that we have an effective transport network. but we are so concerned about it because of the heavy demand on the rail network, and the value that we accord it. A debate about the need to improve and develop that network should not be mistaken for a debate about a system that is incapable of supporting London's needs in the future, or the needs of a major event such as the Olympics.

3.9 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am glad to have the opportunity to speak in this important debate on London's transport needs. Colleagues have gone through the range of transport issues, and I want to focus on a few key infrastructure projects and the importance of transport for regeneration.

We cannot talk about transport in London without congratulating the Mayor, Ken Livingstone, on his visionary leadership in transport issues, particularly the introduction of the successful congestion charge and the massive improvements in buses. However, I want to focus on transport and regeneration.

We have heard a lot about transport for commuters and for people wanting to go through London to somewhere else, but we cannot overstress the importance of transport links for regeneration in inner London. There is sometimes a tendency to talk about London as if it were very wealthy, with lots of jobs, but in inner London—in my borough, Hackney, in Islington and in Deptford—one in two children live in poverty.

There is no more certain lever of economic regeneration than improved transport. First, it provides a Mecca for new business and retail projects. Secondly, it makes it easier for people to travel to work and enlarges their travel-to-work areas. Thirdly, investment in transport, in new stations and in developments above stations can transform the whole look of an area.

I am so keen on these infrastructure projects because of the benefits of transport improvements for people in some of the poorest areas of London. We have heard about Crossrail; what we want to hear from the Minister about Crossrail 1 is whether it will go ahead. Even if it were given the go-ahead tomorrow, its completion would still be too late for the 2012 Olympics. Nevertheless, it is still a vital project for London.

Business, the communities and the Mayor want to see Crossrail happen, and if the Minister gave the definite go-ahead in this debate, he would have the gratitude of Londoners from one end of the London underground to the other. Everyone inside the M25 would be singing his praises, and casting flowers on the road as he went about his daily business.

We do not hear enough about Crossrail 2, the Chelsea-Hackney line, but that is another vital infrastructure project, which would help redevelop the constituency of my hon. Friend the Member for Eltham (Clive Efford) to the south, and which would help the people of Hackney and inner London.

As for the East London line, let me remind the Minister that it was the subject of a manifesto pledge. The Government have already committed more than £100 million to it; it would link Highbury and Islington in the north, passing through Dalston, Canonbury, Haggerston, Hoxton and Shoreditch down to West Croydon. No single project would do more for the east end than the East London line would. Other Members are quick to talk about crime, deprivation and social exclusion, but such infrastructure projects could probably do more than any single one-off scheme or project to counter social exclusion and poverty in the east end and other poor areas of London.

The London elections and the elections for the Mayor and the London assembly are not too far away. I remind colleagues, and the Minister, that within the next 12 months there will almost certainly be a general election. When we are on doorsteps during that campaign, people in London will want to know what their Labour Government have done for them. I want to be able to say on the doorsteps of Hackney that, yes, we did deliver the East London line, that, yes, there is a definite go-ahead for Crossrail 1 and that, yes, Crossrail 2 is definitely going to happen. That would make sense for Londoners, for the poorest areas of London and for business. Above all, it would make sense for the Government to make the money available for those long anticipated and desperately needed infrastructure projects. On behalf of the people of Hackney, I ask the Minister to let us have a real green light for Crossrail 1, Crossrail 2 and the East London line.

3.14 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I shall spend my one minute singing the concerns of south-west London, which, as people know, is the greatest bit of London. We recently had a visit from the Mayor, who called my office and suggested that he would like to arrive by public transport, but in that respect, in my constituency we feel that Paris is closer than north London.

From looking at the transport planner, we discovered that he would have to take three different buses plus the train to get there; it would have taken him in excess of two hours. When he finally got to Pollards Hill, he would find an area that has lots of great transport systems, but no access to any of them. The area is on the longest bit of the Brighton to Victoria rail line without a station, in spite of the fact that Eastfields station has been promised since 1936.

The Mayor would find a fantastic Croydon to Wimbledon tram line, which people in Pollards Hill cannot access unless they happen to be long-distance runners and can cross Mitcham common, because they do not have a bus to get there. He would also find that the 463 bus—a fantastic bus service provided by Quality

Line—does not yet reach Pollards Hill, although that has been promised for years. We need to be able to access the systems that already exist. That would be quite simple; it just needs a little attention.

3.15 pm

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Battersea (Martin Linton) on securing the debate. I wholeheartedly agree with much that has been said today, but one aspect of the debate has surprised me—the difference that the Mayor's Labour party card has made to the plaudits given to him. Admittedly, several hon. Members in the Chamber have regularly congratulated him, but others have not been so forthcoming.

Ms Abbott: I hope that the hon. Gentleman acknowledges that I have consistently supported Ken Livingstone.

Tom Brake: I was looking directly at the hon. Lady when I commented on the fact that some Members have been consistent in their plaudits.

Another aspect of the debate that surprises me is the fact that, a couple of weeks away from elections, the Conservative mayoral candidate, Steve Norris, has not been mentioned. I would have thought it appropriate to mention him during the debate and to highlight some of the problems that his candidacy presents. *[Interruption.]* At least now many hon. Members are commenting, if only from a sedentary position, on the lack of suitability of such a candidate in the forthcoming mayoral elections.

London's transport needs are great, and are growing. If the Mayor's projections that an extra 800,000 people will arrive in London by 2016 are accurate, the demand will greatly increase. Clearly, transport funding needs are not being met. That was always going to be the case, given that when the legislation was passed, there were no means, with the exception of the congestion charge, by which the Mayor could raise funds for transport in London. The mayor, whether aspiring Labour, independent, or—as it now appears—independent Labour, was always going to have to go cap in hand to the Government to seek funds for transport in London. As several Members have pointed out, the framework within which funding is obtained, particularly for rail, is not fit for purpose.

It is regrettable that, seven years on, we are only now discussing the fact that rail is not included in the Mayor's portfolio, when four or five years ago there was an opportunity to ensure that it was. That was a missed opportunity. Four or five years ago, there was a need for the Mayor to be given much greater powers over rail in London to ensure better integration. However, we are where we are. How do we get a transport system that Londoners can be proud of, and that tourists, businessmen, and perhaps visitors to the Olympics, will believe is appropriate for their needs?

Several Members have commented, entirely correctly, on very large schemes such as the East London line and Crossrail. It is, however, important to concentrate on the much smaller schemes too. At least one hon. Member focused, rightly, on the need to improve walking and cycling facilities. The Government are rightly focusing on improving people's health and trying to encourage people to take 10,000 steps a day, which by my reckoning means the average person walking about 5 km a day. Walking and cycling are key to improving people's health. Anyone who walks and cycles is taking some of the pressure off public transport in London. The focus on walking and cycling should therefore be greater, and some relatively low-cost schemes could be introduced to improve them.

The big schemes for the tube need to be tackled. The tube should be run much later to make it much more appropriate for London's needs, particularly at weekends. We also need simplified ways of measuring performance on the tube. I see from the glossy magazine sent me by Metronet that mystery shoppers have been examining the worst square metre of carriages and noting every piece of rubbish larger than 5 cm in width. That is one way to measure the cleanliness of trains, but I am not convinced that it is the best; nor it is necessarily the cheapest way, given the overheads involved in such schemes.

I agree entirely with the hon. Members who spoke of the need for a rail authority—a body that can integrate rail services with other transport providers. Several Members commented on bus improvements. Improvements have certainly been made, although I doubt whether it is prudent to build in improvements only to run out of money and find that a huge new injection of Government cash is needed.

No one has yet mentioned something that could make a significant difference to those who use buses, especially the socially excluded, to whom some have referred, but others as well. I am thinking of Countdown. If people are to use the buses, they need to know reliably when they are due to arrive. At the moment that does not happen. Until that issue is addressed, we cannot expect commuters, particularly those who now use their cars, to use buses, and those who now use the buses will still not receive a proper service. That has to be a priority.

I, too, welcome the fact that no one has proposed major road schemes as a solution. We can improve the road network by much tougher enforcement of bus lanes. So that we are not perceived as anti-car, there needs to be some sort of pan-London co-ordination on parking enforcement. People need to know that they are being dealt with firmly but fairly. They should understand that the system is fair, and has consistency across London.

Finally, the River Thames, which is only a few yards away from us, is severely underused. That is regrettable. I hope that the development of the Thames gateway will result in the provision of additional river services, and that we can use that main artery to great effect, which would reduce congestion on the roads.

We need to make progress on many relatively low-cost schemes, to improve the roads for walkers and cyclists, to improve bus lane enforcement and so on. However, we need also to make progress on the much larger schemes. Many hon. Members have made a case for Crossrail and the East London line extension. It is time that the Montague report was published; we need to see its it recommendations and get some of the projects under way, and we need to see progress before the International Olympic Committee returns. If we have not made progress, I suspect that the committee need not even bother to get off the plane.

[Tom Brake]

3.23 pm

Mr. Mark Field (Cities of London and Westminster) (Con): London's transport needs—and, accordingly, the outcome of the Government's forthcoming spending review—crucially affect the residential population. As one or two hon. Members have pointed out, they affect also commuters, tourists and businesses. As has already been said, the lifeblood of our nation lies in London. It is the economic powerhouse not only of the nation but, to a large extent, of Europe. The hon. Member for Edmonton (Mr. Love) rightly pointed out that a loss to London is a loss to the UK. Jobs lost in London will not necessarily go to Birmingham or Manchester—or even, dare I say it, to Glasgow or Edinburgh—but may leave our shores entirely.

I congratulate the hon. Member for Battersea (Martin Linton) on securing this important and overdue debate. He is critical of my party's record, but I take that on the chin—although I could argue that his party has been in Government for the past seven years. However, as he rightly says, the East London line is the key. I will be interested, as he will, to hear the Minister's copper-bottomed commitment and guarantee to fund the line.

London's transport is—perhaps wrongly—widely regarded as being in something of a mess. I take on board the comments of the hon. Member for Eltham (Clive Efford); he is absolutely right to say that the transport system undertakes an enormous task daily. We have all had, and know constituents who have had, negative experiences of commuting to and from and moving around London, but to a large extent London's transport is a great success. It does its job, albeit with certain glitches. We cannot deny what was said in the International Olympic Committee's report on the Olympic bid. That report raised the profile of the issue, and will continue to do so in the months ahead.

I have repeatedly said that our Olympic bid will be in great difficulty unless there is a commitment to Crossrail and the East London line. There is little doubt that we will have great difficulty putting forward a coherent case in July next year unless that case is turbo-charged by a Government commitment to the funding needed for the transport system.

I appreciate the concerns about the reliability of the tube felt by the constituents of my hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson). He mentioned that he has eight stations in his constituency at the moment; I am sure that he is hoping for nine or 10 when the Croxley link is in place. He rightly identified the need for better leadership on transport. That lies at the core of this debate. Where do we want our transport system to be, not just in the next few years, or in the run-up to the next mayoral or other elections, but in 20 or 30 years' time?

We need a strategic vision. To that extent, I have some—very limited—sympathy with Ken Livingstone. I agree with the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) that he has been visionary. I do not agree with much of what he has done, but at least he has driven the agenda forward on the congestion charge and the buses—and I am a more regular bus user than I was in the past. There have been great successes with buses, and I am the first to admit it. However, what is the cost? There is a colossal cost, which will affect all London council tax payers in years ahead unless we get investment from the Government, and unless some economic sense is put in place.

Clive Efford: On the economics of London's transport network, the Conservative party's candidate for Mayor—[HON. MEMBERS: "Jarvis."] Yes, Mr. Jarvis; he said that he would scrap the congestion charge on day one. At the moment, the estimate is that the congestion charge will increase our income per annum by about £60 million. What would the hon. Gentleman cut to finance the abolition of the congestion charge?

Mr. Field: Obviously, I have to bow to the hon. Gentleman's knowledge, bearing in mind his taxi-driving interests. Perhaps scrapping the congestion charge would be good for those with such interests.

It is fair to say that, economically, the congestion charge has been something of a disaster. The hon. Gentleman points out that it will apparently raise £60 million a year, but he will remember, as I do, that 18 months or two years ago, when it was evident that the congestion charge would be introduced, people were talking about its raising £200 million a year, which was to be securitised into an enormous number of transport projects. That has not happened; in fact, the congestion charge may well be one of the few taxes that lose money. That cannot be a sensible way forward. I entirely support my candidate, Mr. Norris, in his plan to scrap the congestion charge.

However, although the congestion charge has not proved its worth economically, not least because many businesses in central London have suffered, at least the idea showed a sense of leadership and the vision to take the issue forward.

Tom Brake: The hon. Gentleman has not answered the question: how do the Conservatives propose to fund the shortfall of £60 million a year?

Mr. Field: The hon. Gentleman will appreciate that such issues are, rightly, in the hands of the Mayor and the Greater London assembly. However, there is no question of a £60 million shortfall. There will be no shortfall this year, and it is questionable whether there will be a shortfall in future.

Time is pressing, and I should like to mention a few specifics. Inevitably, we have not had much discussion about aircraft noise, apart from the contribution of my hon. Friend the Member for Ruislip-Northwood. I have not said, and will not say, much about pedestrianisation, although I entirely agree with what the hon. Member for Carshalton and Wallington (Tom Brake) had to say about it. We need to look at such matters in an integrated way. I should like more aesthetic design, for example, to make pedestrianisation more attractive, particularly in central London.

Where is the Government strategy? There was a 10-year plan in 1999, which is now defunct. We encountered a refusal to commit to Crossrail. Inevitably there has been a plan, which will no doubt come to fruition now, to delay any announcement until after 10 June, when the mayoral and GLA elections will have come and gone. I am concerned that the

Secretary of State for Transport is a man who, as a Scottish Member of Parliament, represents nothing and no one on transport matters in the House—yet he is making decisions that will affect all Londoners, as well as tourists and businesses.

We now face the prospect of prolonged strikes, courtesy of the RMT, affecting the tube and the rail network in London during the hot summer months ahead. We are long overdue for an agreement that will, it is to be hoped, lead to a no-strike deal, if we are to get the requisite level of investment.

Where has Mr. Livingstone, Labour's hand-picked candidate, taken us on transport matters? In the first three years of his mayoralty he spent millions of pounds of Londoners' money suing the Government in a futile attempt to block the public-private partnership on the tube. Indeed, things have got markedly worse on the underground system in the past seven years. They will get worse still in the next five years, I suspect, even with the investment promised under the PPP scheme, and I believe that there is a financial nightmare ahead for the buses. The optimism that has been shown about the congestion charge is also unlikely to come to fruition.

Several hon. Members made interesting contributions; one was the hon. Member for Islington, North (Jeremy Corbyn). Having been a Finsbury Park resident and one of his constituents, I suspect I am solving one of the longest-standing mysteries troubling him. He wanted to know who the one Tory voter in Tollington ward was during the early 1990s. It was me. However, I endorse what he said about Finsbury Park station. It could and should be an important hub, just as, as the hon. Member for Battersea (Martin Linton) would say, Clapham Junction could be an important hub outside the central area. It is such an unattractive placeat the moment that it needs fundamental redesign.

Jeremy Corbyn: That is the nicest thing that has ever been said about it.

Mr. Field: That is also the nicest thing that I have said to the hon. Gentleman.

The hon. Member for Edmonton (Mr. Love) rightly identified the failure to deal with the expanding need for new transport. We must have more vision on this matter. The Conservative party, too, failed, when in government, to achieve a visionary outlook. However, it is important, just as it is to get the transport issue right in the context of London governance. If London's economy fails, the UK will fail. I cannot overstress the importance of that. Yet although the Mayor has been given power over Transport for London, he does not control the financial aspects that he needs to control if he is to be able to drive forward an agenda.

I have some sympathy with the Mayor of London, however financially illiterate I believe him to be, because he cannot influence the development of tramways and other projects, on which some detailed feasibility studies have been done. I have great sympathy, too, for the Transport for London staff in Windsor house, who are working on many of the relevant schemes. They know that those schemes will never leave the drawing board, because of the Treasury's financial control-freakery.

We need to break the logjam. The true congestion in London's transport lies in the failure to see through imaginative projects, because of the Treasury's reluctance to invest in our capital. I hope that the Minister will have something sensible to say about that, because otherwise all Londoners, all tourists and all London's businesses will continue to be let down by the Government.

3.34 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): As I have said in the previous couple of one-and-a-half-hour debates that I have replied to in Westminster Hall, the substantive, informative and intelligent Back-Bench contributions have been marred only by substandard contributions from the two Opposition Front-Bench spokesmen. If they were really detailing the substance of what each party would provide for London, God help us if they ever got near power at mayoral level or in a general election.

Tom Brake: That is so offensive.

Mr. McNulty: I shall come back later to the Liberal Democrats' press release, which is so misleading and does London such a disfavour that it is unworthy of the most fifth or sixth-rate mayoral candidate.

I am grateful that many of my colleagues started their contributions by saying that London's transport system had much to commend it. Of course improvements are needed—I shall come to those in a moment—but it is worth repeating that every day, Transport for London and the rail network move phenomenal numbers of people in and out of the capital, and around it. All concerned are to be commended—TFL, those involved on the railways and on the buses and the local boroughs whose input helps everything to flow smoothly.

Last year there were 947 million passenger journeys on the underground. Every day there are more than 1.5 million trips by rail, 3 million by tube and 5.5 million on the buses. Increasingly, unsung, more than 100,000 people travel in and out of Docklands on the Docklands light railway. Are there problems? Yes, of course there are. Do the Government have the vision and leadership to deal with them, working with TFL and the Mayor, before and after 10 June? We do. Am I going to stand here and give the green light to all sorts of major projects? No. This close to the spending review, of course I am not. However, it is important to understand that the leadership, the plans and the vision for London's transport system are in place, and the doom and gloom merchants, the collective Victor Meldrews, do their constituents and their parties no favours if they suggest otherwise.

We hear from the Opposition that we need better leadership for London's transport. What leadership at all was there for meeting London's transport needs prior to 1997? If that was leadership, again I say God help us. We are told that we have no vision. The Mayor, through TFL, has issued a business plan update, and I commend that document to anyone who wants an example of vision for London's transport system. Read it in conjunction with the London plan and see the options that London has to meet its transport needs.

The vision is clearly there. I have no problem with that, nor did I in the past. At the last party conference I was told off for saying that, at least in terms of transport,

[Mr. McNulty]

we have had a new Labour Mayor for the past four years. I said it then, I have said it before, and I will keep on saying it. Heaven help London if any of those other clowns is elected on 10 June. The cheerful fact is that they will not be.

Let me try, in the limited time that I have, to address some of the specific points made by my hon. Friends on the Back Benches before dealing with—if I have time—the minor and rather substandard comments from those on the Opposition Front Benches.

My hon. Friend the Member for Battersea (Martin Linton) outlined good reasons for the East London line extension. In reality, procurement strategy and everything else has to be considered by the Department. We are assessing it. We are not like the previous Government, who willy-nilly said yes or no to things, and then they collapsed three months later—Crossrail or anything else.

The case has been made, and well made. TFL now has an alternative procurement strategy and we need to consider that seriously in the same context. The East London line extension is an important project, for all the reasons that have been suggested. This is grown-up government. It is not to do with standing up and spending £11 billion, as Opposition Members have said that they would do. Like all the projects that have been mentioned, it is a serious matter.

In passing, I shall have to take issue with my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock)—I am sorry that she is no longer here—and her notion that over the horizon of the spending review, not a lot of money would be spent on the East London line extension. We could say yes, and hope and pray that by the next review the money was still there, but that is a silly way to go about public procurement or public accounting.

I am going to disappoint my hon. Friend the Member for Edmonton (Mr. Love), who put words in my mouth. Talking about TFL's suggestion of a seat at the table, if not more, for London's rail services, he said, "The Minister will say that commuter lines do not start in London, so they should not have one." I am not going to say that. I am going to say, very seriously, that TFL's refined suggestion—it made two or three—is in the mix with the rail review. It is a serious proposition, suggesting a range of savings via fare structures, Oyster cards and wider procurement models, and we would be foolish not to take it seriously, as part of the comprehensive rail review.

My hon. Friend also said that TFL needed support from the Department for Transport. I hope that TFL would say that, in the past year if not previously, its relationship with the Government, through the Mayor and his officers, has been robust and productive. We shall continue in that way when, in a few weeks, we come to a decision on the rail review and on any number of other projects. I understand, and would not demur from, any of the comments that my hon. Friends made about their importance to their respective areas.

I have never lived in Islington, but I worked there for 14 years and I know Finsbury Park very well. Sadly, I know the Holloway road even better, and I agree with my hon. Friend the Member for Islington, North (Jeremy Corbyn) about that. I shall take up the detail with him later. However, I must say emphatically that the Government do not approve cycle lanes. The notion that the Department for Transport was somehow associated with the one on Blackfriars bridge is erroneous. However, my hon. Friend is right about the fact that cycle lanes are not about putting paint on roads, but about safe cycling. I have already dealt with the East London line.

I was interested to hear the hon. Member for Ruislip-Northwood (Mr. Wilkinson) stand up for some six minutes and offer to spend at least £11 billion. I agree with him in principle, because it is a constituency interest of mine. The Croxley link is important. It was reviewed thoroughly last year as part of the local transport plan because, although it benefits London, it sits outside London. We said reasonably to TFL, which was a partner, along with Hertfordshire county council and those with an interest in Watford, that if it were to proceed, TFL should stump up some money. Clearly the rail network would benefit. However, the money is not yet forthcoming; discussions and assessments are going on. With my constituency hat on, I think that that should happen.

My time is running out, but I shall try to address some of the other points that have been made, especially about access for the disabled. Wherever the tube has got to, the story is far better on trains, on buses, on taxis and on the Docklands light railway. We need to tell the whole story, across the transport system, rather than focusing on the negative. Let me put some canards to bed—if that is not too mixed a metaphor. I agree with the Mayor that in broad planning terms, the central area is now well served by buses. However, the points about inter-suburban links and express buses were well made, and he is exploring those issues.

The notion still put about by mischievous and irresponsible parties that Crossrail was ever part of the Olympic bid is nonsense, and it always was. The very people who put the Crossrail bid together, Cross London Rail Links, which is a combination of the Strategic Rail Authority and Transport for London, say clearly in their business case that, even on the most optimistic of estimates, it will be 2013 or 2014 before it becomes operative.

I have seen silly little press releases from the Liberal Democrats, in which someone called Simon Hughes—or perhaps I should say the hon. Member for Southwark, North and Bermondsey—claims that the delay in Crossrail could prevent London from winning the Olympics. How dare he talk down our Olympic bid in those terms? His argument is fundamentally wrong. He should go and read the business case. I sat through the proceedings on the Greater London Authority Act 1999, and I do not profess to have committed each of the 1,500 amendments made to it to memory, but I am sure that there were none on rail services in London, or on what should and should not be part of the GLA structure in that respect.

Tom Brake: Go and look.

Mr. McNulty: I shall look, because I know that to be the case.

I have one last point, with which I hope hon. Members will agree—funnily enough, it is non-partisan. Is it really beyond the wit of our only substantive serious

paper in London, the *Evening Standard*, to get behind our Olympic bid, as the *Manchester Evening News* and other media in Manchester did for the Commonwealth games? Can it not engage with the debate? The International Olympic Committee has, of course, sent a shot across our bows—we have been well aware of that, as is reflected in the bid and the plans for the future. We will win that bid, and Londoners' transport needs will be served.

Medicines

3.45 pm

Paul Flynn (Newport, West) (Lab): The discovery of medicines and the work of scientists in pharmacy over the past 150 years have been and continue to be a triumph. My purpose today is not to attack the work of those scientists, but to concentrate on how it has been used, subverted and perverted by the pharmaceutical industry in pursuit of greed.

Often, the only purpose of the pharmaceutical giants seems to be maximising their profits. They do so in an age when we in the western world have conquered most of the major diseases that assailed us in the past. The pharmaceutical industry pursues its goals by disease-mongering—trying to invent new diseases and exaggerating existing ones. Its activities have a huge impact on human health, public consciousness, medical practice and the ballooning burden of health service finances.

Those in the industry engage in such practices by inventing new illnesses, and billions of pounds have been spent on attempts to convince healthy people that they are sick. Such new illnesses include social phobia, attention deficit and hyperactivity syndrome and compulsive shopping disorder—it is hard to believe that the latter is not a joke, but it appears to be genuine. Social phobia is a new invention by the drug firm Roche. In order to promote and create a market for its anti-depressant, the company decided that people who occasionally feel shy or intimidated by society actually suffer from a psychiatric disorder.

Firms do such things by exaggeration and claiming that diseases that affect a small minority actually affect many millions. We know that depression or chronic obesity are life-threatening, but when a definition of obesity includes Russell Crowe, Brad Pitt and George Clooney, one may presume that it is almost certainly drawn so widely in the self-interests of the company that hopes to extend that view. GlaxoSmithKline tells me that it believes that 25 million people in Britain should be on anti-depressants. That is a vast exaggeration to promote the use of substances that are of little utility and can lead to dependence.

The companies define inevitable features of normal lives—sadness, grief, ageing and even baldness—as illnesses. The *British Medical Journal* had a competition to put together a list of 20 non-diseases in descending order of non-diseaseness, and came up with: ageing, work, boredom, bags under the eyes, ignorance, baldness, freckles, big ears, grey or white hair, ugliness, childbirth, allergy to the 21st century, jet lag, unhappiness, cellulite, hangovers, anxiety about penis size or penis envy, pregnancy, road rage and loneliness. The drug companies have attempted to reclassify each of those things as illnesses that require medical intervention. Baldness is an interesting one. When the firm Merck produced a new hair growth drug, it planted stories in newspapers suggesting that bald people suffered from emotional trauma and that hair loss led to panic and emotional difficulties. There are similar stories in dozens of other cases.

Such tactics are not deeply serious, in that they only involve emptying the pockets of gullible people. However, there is a terrible side to such practices,

[Paul Flynn]

because the drive for profits has led to something that I, with my scientific background, find deeply shocking. I have always respected the integrity of trials, and particularly double-blind trials. All scientific evidence is based on them. We now know that there is severe criticism of the veracity of the trials that are carried out.

One such case involved an antiarrhythmic drug called Lorcarnaid. Ninety-five people with heart problems were involved in a trial in Nottingham in 1980, and the tests went on for many months. During the test, one of the people on the placebo died, but nine of the people taking Lorcarnaid died. The report was not published through the whole of the 1980s, but it was eventually published 13 years later. In the intervening period, the drug directly caused the death of between 20,000 and 70,000 Americans per year. More American males died from the use of Lorcarnaid than died in Vietnam.

We now know from the recent evidence—from an article in *The Lancet* and another in the *British Medical Journal*—that the trials of the drug Seroxat on children were misreported, that the data collected did not match the published conclusions and that the advantages of the drug were exaggerated and the disadvantages downplayed. The result of that trial was fixed. There were two other trials whose results were not published for 12 years. That is a shocking indictment of a drug. According to the Department of Health, that group of anti-depressants—selective serotonin reuptake inhibitors or SSRIs—are at present prescribed to 100,000 children in Britain. They have never been recommended or approved for children, but that is the situation today—a slightly happier situation than that in America, where 10 million children are prescribed those drugs.

We have been conditioned to believe that there is a pill for every ill. Let us again take the example of what has happened with anti-depressants in this country. In 1994, there were 2.6 million prescriptions; in 2003, there were 14 million. If those drugs worked and were successful, we would have seen a corresponding reduction in the incidence of self-harm or suicide. We have seen no such thing.

A typical example of how such drugs are marketed—it applies to dozens of examples, although we will take just one, in which the marketing strategy was leaked—again involves GlaxoSmithKline. The publicity firm involved was In Vivo Communications. The firms decided to raise the awareness, in their words, of the condition known as irritable bowel syndrome. It is rarely a disabling condition, so they gave it a makeover and it was remarketed as a serious mass scourge. For many people, it is a mild functional disorder, but a three-year medical education campaign was launched as the strategy for the drug Lotronex. The aim was to establish irritable bowel syndrome in the minds of doctors as a significant and discrete disease state and to convince patients that IBS is a common and recognised medical disorder. That was not the case before that campaign. In such cases, the idea of the disease is established and built up, so that fear-mongering about the latest illness is accompanied by news of the latest wonder drug.

Articles were planted in the medical journals; the health correspondents were recruited to write about Lotronex. Medical opinion had to be shaped so that there would be a reception for the drug, and groups were formed to maximise its sale. There were plans to establish patient groups. In the event, the drug was withdrawn after serious and fatal adverse side effects. The food and drug administration in the United States said that using the drug to treat patients in whom the condition was not serious—95 per cent. of them—could do more harm than good. That is one example of the irresponsible way in which those companies behave.

Part of that irresponsible behaviour was the creation of patient groups. As our stricter regulations make it difficult for companies to advertise new medicines, some of which are useless or damaging, a favourite way of getting their message across is to infiltrate existing patient groups or to set up new groups. Again, that is in their literature. We all know how many patient groups we are in contact with in our daily lives. There are hundreds in this country, many of which do splendid work, but we must look at patient groups that are formed alongside campaigns for new drugs. We want more openness with patient groups.

The splendid Mind organisation has played a valuable role in exposing the dangers of anti-depressants. Its chief executive made a principled resignation from the Medicines and Healthcare products Regulatory Agency because he thought that reports on the dangers of anti-depressants were being suppressed. Mind takes not one single penny in funding from drug companies.

The Depression Alliance, however, which admits to taking 80 per cent. of its funding from drug companies, has not uttered a word of criticism about anti-depressants. I have had much correspondence with the Depression Alliance. I have met its representative and accused it of acting as a stooge to pharmaceutical companies. That accusation could be made about many patients associations. They are put in a position in which they have to ask whether they should attack the people who fund them and put the jobs of a quarter of their staff at risk—in the case of the Depression Alliance, it would be three quarters of the staff—or continue to say nothing.

There is a serious danger that we politicians listen to patient groups in our all-party groups whether they support patients or have a secret agenda as Trojan horses acting in the interests of drug companies. There are few cases of shameless promotion of drugs and drug companies, but in every case in which organisations receive substantial donations from drug companies, their mouths are bandaged when they should be criticising. I ask the Minister to support genuinely independent sources of information.

One of the Government's greatest triumphs is their establishment of the National Institute for Clinical Excellence, but it comes under attack when it releases reports, as with yesterday's preliminary report. NICE has an objective view, and it is a small voice against the might of the pharmaceutical companies.

We need a campaign of demedicalisation. We have deregulation, but more is necessary with the onslaught of companies finding new diseases and inventing new treatments. There is also the problem of "Me, too" drugs. When the patent on a drug is running out, companies tend to rework part of the drug, rename it and establish it so that they can get a new patent. That

process is cynical, expensive and counter-productive. I want to see greater transparency with drug company donations to tackle the problem of Trojan horses.

We live in an incredible world. In the United States, 10 million children are on anti-depressants, and the third greatest cause of death after cancer and heart disease is medical intervention. The Americans are the greatest buyers of medical health—they spend almost three times what we in the UK spend on some areas of health—yet their life expectancy is lower than in the UK and most European countries.

We in the western world waste billions on drugs and medicines for trivial and non-existent complaints or complaints of doubtful value, while people in the under-developed world are dying from lack of simple medicine, sanitation, immunisation and clean water. Meanwhile, the scandal of the over-prescription of neuroleptic drugs to those in homes for the elderly and to women in prison continues. We are pushing people into a dependency culture. The disease-mongers gnaw away at our self-confidence by playing down the strategies of self-coping.

There is a good side, however, with a growing realisation of the harm that is being done by over-medicalisation. "Breaking the Bonds", the splendid book by Dorothy Rowe, is probably the best book on escaping from depression by the techniques of self-awareness, meditation and exercise. A new book entitled "Healing without Freud or Prozac" by Dr. David Servan Schreiber is causing a great stir. Like Dorothy Rowe's book, it supports using exercise, throwing endorphins around our bodies and serotonin around our brains, and using other non-drug remedies.

The splendid new book by Charles Medawer, "Medicines out of Control", which was published a month ago, gives a clear view of what has happened over the past few years. Instead of dishing out anti-depressants and reaching for the prescription pad—a great temptation to clear a waiting room—a GP in Cardiff prescribed self-help, self-coping books to those who suffer from such problems. Such policies will certainly not do anyone any harm. They are non-addictive and non-dangerous.

The medically celebrated writer on such matters, Ivan Illich, said:

"The medical establishment has become a major threat to health."

He said that people are conditioned to get things, not to do things. They want to be taught, moved, treated or guided rather than to learn to heal or to find their own way. The more money we spend on coping with death and pain, the further away we drift from reality. The choice is for us to continue to become more passive and dependent on ourselves or to stand on our own feet and cope in an active way with our problems.

I have the chance now only to go rapidly over an enormous subject, but it is clear that many lives have been destroyed in order to fuel the profits of the pharmaceutical companies. Many people's lives have been thrown into confusion and dependency because of their reliance on addictive drugs that have little value. I wish to finish with a quotation from *The Lancet*. A month ago, it concentrated on the fiddling of the research results for Seroxat, and said:

"People around the world understand the desire to achieve success and to work in a profitable environment. They will not, however, tolerate the notion that in biomedical research this could be at the expense of their children's lives."

4.3 pm

The Minister of State, Department of Health (Ms Rosie Winterton): I congratulate my hon. Friend the Member for Newport, West (Paul Flynn) on his success in securing this debate, which is on an extremely important issue. As ever, his contribution was thoughtful and thought provoking. I am well aware that he has raised several worries, but I hope that he agrees that this debate provides an opportunity to consider the major contribution that medicines have made to health care delivery and how they have eased the burden of chronic disease on a vast number of people.

Many diseases have been eradicated by vaccination programmes, and fatalities from some diseases have been reduced. Polio disappeared from the United Kingdom, and the meningitis C vaccine, which this Government introduced, dramatically cut the rate of that terrible disease. Spending on statins is now about £230 million a year more than three years ago—an investment that has already achieved a 23 per cent. fall over five years in death rates from heart disease and strokes in people aged under 75. Vast advances and many benefits have come from medicines, but our challenge is to ensure that all developments serve the best interests of patients. If we are to achieve a society that is fully engaged in health, every aspect of health care design and delivery must focus on patients' best interests—on people, not clinicians, managers or the pharmaceutical industry.

My hon. Friend mentioned several concerns about that industry, which plays an extremely important role. We all want the development of new and potentially life-saving treatments, and we want them to be available for patients as soon as that is safely possible. For any medicines to be licensed, however, the pharmaceutical industry must demonstrate that it can provide evidence of the safety, quality and effectiveness of any medicine. That includes evidence from clinical trials. We need fully to evaluate the risks and benefits of a medicine in the circumstances in which it will be used. The Medicines and Healthcare products Regulatory Agency monitors the safety and use of all the medicines that are on the UK market.

My hon. Friend referred to patients groups. It is true that many patients organisations not only in the mental health sector but across the board are given support by the pharmaceutical industry. I hope that he also accepts that charity law ensures that, as with all charitable donations, support can be accepted only on a no-strings-attached basis. He also referred to the medicalisation of normal everyday problems, such as grief, and their classification as diseases that seem to require drug treatment. I share his concern that we must not encourage the belief that there is a pill for every ill.

At the same time, we must recognise the burden that depressive illness places on people. It is felt at all levels of society and affects young and old, and rich and poor. We must ensure that we achieve a balance between recognising and supporting those who need some form of intervention and medicalising the emotions that we all feel from time to time.

Even when we get that balance right, we need to decide what sort of therapy will have the right outcome for the patient, whether it is talking therapy or drug therapy. I believe that all health interventions should be

[Ms Rosie Winterton]

made against that background. That is one of the reasons why we tried to increase the number of bereavement services that are available. My hon. Friend was right to highlight that issue and to say that people may have been steered too readily towards drug therapy when alternatives might have been examined.

I join my hon. Friend in praising the National Institute for Clinical Excellence. It is in the sort of sector that we are discussing that NICE can come into its own. It is producing guidance on the effective management of depression and anxiety to tackle head-on the question of prescription and over-prescription in that area. It has delivered guidelines and appraisals to help clinicians and managers deliver more effective mental health services, including talking therapies. It is now examining further work, including how we deal with anxiety and related common mental disorders, the management of disturbed behaviour in acute settings and the management of self-harm.

We need to use that process to ensure that we get right the balance of treatment that is available, so that we provide talking therapies where that is most appropriate and avoid the pitfalls of over-prescribing that are associated with benzodiazepines—an issue on which I have met with representatives of various groups. At the same time, we need to recognise the testimony of those who tell of the benefits that appropriate drug therapy affords. Lives have been turned around by modern anti-depressants, which are much less dangerous in terms of overdosing than older anti-depressants and have a better safety profile.

My hon. Friend also referred to the safety of selective serotonin reuptake inhibitors—SSRIs. As he knows, an expert working group of the Committee on Safety of Medicines is undertaking a comprehensive scientific assessment of the available data on the safety of SSRIs, particularly in relation to withdrawal reactions and suicide behaviour.

Paul Flynn: That study was interrupted for reasons that the Minister may know. One of the people who gave evidence was Dr. David Healy, who claimed that there was a six times increased likelihood of suicide for people on SSRIs in comparison with a group in the same condition who were on placebos. Another trial involved groups of children, and one group was healthy, while the other had problems. One of the healthy children, who was on Seroxat, committed suicide. Does the Minister not accept that the research on Seroxat has been fiddled? It has been corrupted; that is what *The Lancet* and the *British Medical Journal* say. Is that not a reason why the Government should act or at least give some acknowledgement that the CSM and the MHRA, which are full of people with long experience as employees with contracts for the pharmaceutical companies, could come to some objective conclusions that are rather different from what she is saying now?

Ms Winterton: I hope that my hon. Friend will allow the expert group, which is taking evidence from a wide range of sources, to come to its conclusions. Those conclusions will be placed in the Library, and there will be an opportunity for us to debate them.

On my hon. Friend's point about clinical trials in paediatrics for SSRIs, I hope that he understands that I cannot comment on the specific case that he raised, because it is the subject of an investigation. However, he knows that the MHRA has published summaries of the relevant clinical trials and that the European law governing both the industry and clinical trials has been strengthened.

I turn now to our overall approach to medicines. We are putting increasing emphasis on medication reviews, which is helping in the appropriate management of drug therapies. That has been recognised in the general medical services contract for GPs. We are also funding a taskforce, which has published a medication review guide for patients providing information about what medication reviews are and what patients can expect. We want people to understand their medicines, to be able to manage them and to have access to the maximum amount of information about them.

It has not been possible to address every issue that my hon. Friend raised, but I hope that he recognises in the light of a range of actions—the regulation of medicines, the work of the expert group, the work being taken forward by NICE, the delivery of the medicines management collaborative and the development of clinical practice through the national service frameworks—that the Government will not shrink from taking the necessary action to protect and promote public health, and to put the patient at the centre of health care delivery and design.

NHS Wales (Working Time Directive)

4.15 pm

Mr. Simon Thomas (Ceredigion) (PC): What an esoteric title this is for a Westminster Hall debate. I assure hon. Members that the working time directive will have an impact on the national health service in Wales. It is timely and appropriate that we explore that issue in an advance of the introduction of the directive in August this year. To date, Members of Parliament have had little time to consider in detail the impact of the directive, which has been negotiated directly between the United Kingdom Government and the European Union, and its effect on the health service in Wales, which, on the whole, is a devolved issue.

I welcome the hon. Member for West Carmarthen and South Pembrokeshire (Mr. Ainger) to his place. It is unusual to hear the Whip's voice, and as I am not a member of his party, I will be able to bear it, although I cannot speak for members of his party.

Let us be clear about the directive. Employees should work only a 48-hour week averaged out over a reference period. They should rest for 11 consecutive hours per day, have a rest break when the day is longer than six hours, have a minimum of one rest day per week and a statutory right to four weeks' holiday. Night working must not average out at more than eight hours at a stretch. That is all very commendable, although the Government chose an opt-out from the directive for many years. I hope that the hon. Gentleman will confirm that the Government are not seeking further opt-outs and that the directive will be introduced as planned.

It is clear what the directive's effect on the NHS will be. By August 2004, junior doctors will be able to work only 58 hours per week; by 2007, that will be 56 hours per week; and the full directive hours of 48 per week will be implemented by August 2009. Many NHS trusts in Wales are concerned that there are simply not enough doctors to cover the new arrangements. The NHS could do one of two things: hire hundreds of new doctors, which is hardly feasible given the time it takes to train them, or radically rethink the way in which some services are provided. I would like to examine some aspects of that issue today.

In England, the Department of Health has set up a strategic change fund to examine how we can change the service. It supports pilot projects on new ways of working. It is not clear whether anything similar will happen in Wales, so I hope that the hon. Gentleman will comment on how Wales can respond to the change.

Patients will be concerned about something much more fundamental—the impact on waiting times and on primary, secondary and tertiary care. A few days ago in *The Western Mail*, Mike Ponton, director of the Welsh NHS Confederation, said:

"These developments"—

recent developments in the NHS—

"and others such as the impending European Working Time directive which will affect junior doctors' hours, mean that there is no option but to think radically about the way we provide services."

A scoping exercise on the European working time directive undertaken by the North West Wales NHS trust found the following. The adoption of a full shift system, which would be necessary under the directive, will significantly reduce the daytime availability of junior doctors. The areas that need to be addressed to achieve compliance are mainly those of human resources, reconfiguration of services, training and education. The reconfiguration of services may not be restricted to secondary care—that is, the district general hospital—but could involve primary care and tertiary or specialist care as well, and even NHS Direct and the ambulance service. Finally, the factors that will impinge on working towards compliance with the directive will be the GP contract, which has been newly negotiated in Wales, and the consultant contract. The report concluded that the main issue with the directive is the provision of out-of-hours cover, as that is what impacts on waiting time targets and GP contracts.

We know that waiting times in Wales are worse than in England. We know that the first Assembly Government's dream to have no one waiting more than six months for out-patient treatment and no one waiting more than 18 months for in-patient treatment has never been realised; it is a promise that has never been fulfilled. Currently, 68,000 patients are awaiting out-patient treatment. The number waiting for in-patient treatment has recently fallen to 1,401, although that is of no comfort to those who are waiting or to those who are attending hospitals in England. I think of my constituent, Mr. David Duff, who contacted me recently. His appointment at Gobowen orthopaedic hospital is not for another 18 months. It seems that the English hospitals contracting with the NHS in Wales are taking the Welsh time of 18 months not as the longest time, but as the earliest possible time, because that is how they can fulfil their contract.

The situation in Wales and in the NHS was recently examined in considerable detail by the Audit Commission, which had some rather shocking things to say. It said that the health service in Wales is currently "unsustainable" and that health spending is "inefficient and ineffective", despite the funding increases. It says that the NHS in Wales applies

"the wrong resources in the wrong place for the wrong reasons."

There could be no more obvious condemnation of what has been happening. It says that too many patients are treated in the wrong setting and—I hammer home the lessons of the working directive—that Wales has fallen behind England in reconfiguring services.

Lembit Öpik (Montgomeryshire) (LD): Will the hon. Gentleman give way?

Mr. Thomas: As the hon. Gentleman is about to get married, why not?

Lembit Öpik: I thank the hon. Gentleman for his congratulations. Does he support or oppose the suggestion of an opt-out from the working time directive for certain sectors?

Mr. Thomas: I do not support any opt-out from the working time directive, which I support completely. I am saying that the NHS in Wales needs to reconfigure

[Mr. Thomas]

its services to meet the obligations of the directive, but it is not doing that. It is rather late in the day to achieve those aims, which is a pity.

The Audit Commission report comes to the same conclusion. On the failure to implement change or reconfigure services—the hon. Gentleman might be interested in this conclusion—it states:

"The consequence may also be severe damage to community, social, and political confidence in Wales' ability to use devolution effectively to meet the challenges of change."

As a supporter of devolution, he will be as shocked as I am about that conclusion.

We know that north-east and north-west England have similar patterns of apparent comparative poor health, but they have consistently delivered more and better health care at a lower cost than in Wales. The differences between England and Wales in terms of admissions to hospitals are not caused wholly by the myth that Wales is somehow a sicker society, but by the fact that many more patients in Wales are treated in acute centres—for instance, in hospital rather than by the GP—when they could be treated elsewhere, which would be a more effective use of money.

The only reconfiguration that has taken place in Wales is the establishment last year of 54 unnecessary health quangos. As the Audit Commission said, that has resulted in

"duplication of services and complex managerial problems."

Only this week, the Secretary of State for Health announced the abolition of half the English health quangos, which has freed up £500,000. I would be delighted if the hon. Gentleman responding to the debate were to announce the same for Wales today or even say that the National Assembly will shortly be making such an announcement.

Finally, the working time directive will affect the new contract for GPs in Wales. A survey by *Pulse* magazine reported in January this year that 92 per cent. of GPs felt that the new contract would lead to a rise in referrals to accident and emergency departments. That is precisely what the Audit Commission report and the earlier Wanless report warned against for Wales. More pressure will be applied to A and E because, under the new system of working, as many as eight out of 10 GPs will be able to opt out of out-of-hours care. That is a huge worry. It was announced today that the first independent private GP in Wales has been appointed. I hope that the name of Joanna Longstaff will not go down, like that of Aneurin Bevan, as the signal marker of a real change in how the NHS is working in Wales.

From my perspective, general practitioners in Ceredigion have already announced that they are to close 24 branch surgeries as a result of the new out-of-hours contracts. That means that many patients who usually go to their branch surgery to meet the GP will be isolated if they have no car or cannot visit. Whether or not they are elderly, they will let their condition worsen, and they will certainly end up referring themselves to accident and emergency departments rather than going to their GP. The implications are huge.

The 24 branch surgeries that will close include the Llanilar health centre at Ponterwyd, Pontrhydfendigaid and Pontrhydygroes—I love these names; it is great that *Hansard* finds a way of coping with them, and they are all in the best part of my constituency—Aberaeron surgery at Llangeitho, Llanon and Tregaron; Newcastle Emlyn surgery at Cardigan, Cilgerran, Aberporth and Velindre; and Tregaron surgery at Llanddewi Brefi and Pontrhydfendigaid. Llangrannog, which is some 11 miles away from the nearest surgery, is also losing its branch surgery. I could go on, but as I said, there are 24 of them, and I shall not mention them all. One result will be more referrals to accident and emergency departments.

It is clear that the working time directive will improve the lot of many NHS staff. It is about time that that happened, and we support it. However, it is not clear whether it will improve NHS treatment. That lies in the hands of the National Assembly for Wales and the Treasury. I must say that the Treasury has done its bit. In the past three or four years, its spending on the NHS in Wales has increased by 30 per cent., and we should welcome that. However, will the hon. Gentleman who is answering on behalf of the Government say how the Government propose to grasp the nettle of reconfiguration and address the waste and inefficiency that the complex and many-layered system of the NHS in Wales has introduced? Will he also say how we can be assured of proper primary and secondary care when the working time directive is introduced in Wales in August?

4.26 pm

Hywel Williams (Caernarfon) (PC): I thank you, Mr. Deputy Speaker, for the opportunity to speak very briefly on this important subject. I also congratulate my hon. Friend the Member for Ceredigion (Mr. Thomas) on securing this brief debate.

Plaid Cymru Members fully support the implementation of the working time directive, and have done so for a considerable period. Other parties that I could mention were not quite as committed to it as we were. My hon. Friend outlined several NHS-related issues that concern us. The arguments relating to junior doctors' hours, for example, have been well rehearsed, and he also referred to them to some extent.

The out-of-hours duty for GPs is a particular concern in my area and in other rural parts of Wales, as my hon. Friend said. The current pattern worries patients who have found services to be scarce and have had to travel considerable distances, as well as medical staff. The medical staff with whom I spoke in preparation for the debate were, rightly or wrongly, unclear about future arrangements and the effect of the working time directive on GPs' out-of-hours systems. My former GP, Dr. John Webb of Criccieth, put it succinctly when he asked how GPs would be affected by the working time directive if they were contracted in to provide out-of-hours services and were otherwise self-employed. They are both self-employed and employed, so do they count as employees only for the period during which they are contracted in for out-of-hours service? What about the times when they are self-employed? Do not these hours also count?

The aim of the working time directive is to improve the quality of services, as well as the conditions for people at work. What if a GP works as a self-employed GP one day, is due to work the following day and is then up all night? Will the working time directive do anything to improve the standard of service that is provided then? I should also say that Dr. Webb's practice ensures that partners who have been up and out all night have a day off. That is the best practice that can be followed.

Will the working time directive be practicable? My hon. Friend referred to the possible shortage of doctors when the hours are limited. Will it be practicable for small medical centres in rural areas that cannot recruit sufficient numbers of new doctors to give people time off when they have been up and out all night? Furthermore, the employment status of some GPs will change when the new contracts are introduced. Presumably, there will be an effect on the number of hours that they may work. Again, will there be sufficient staff?

I want to note the effects on GPs themselves. I am a former approved social worker who is well used to being up overnight performing one or two sections, having gone to work the previous day or being about to work on the following day. I know something of the pressure on people who do that sort of work, such as medical staff. I think that medical staff should be protected from that sort of pressure, but we need reassurance that the quality of service to the public will not decline.

4.30 pm

Mr. Nick Ainger (West Carmarthen and South Pembrokeshire) (Lab): I congratulate the hon. Member for Ceredigion (Mr. Thomas) on securing this important debate on the impact of the working time directive on the NHS in Wales, although at times his contribution appeared to stray away from the directive itself.

The Government are committed to delivering a world-class health service for patients while maintaining a safe working environment for all health professionals across the NHS. We share that commitment with our colleagues in the Welsh Assembly Government.

We have been investing heavily in the men and women of the NHS in Wales. As the hon. Gentleman recognised, in recent years there has been a huge increase in the number of NHS staff, although that on its own is not the answer to the working time directive issue. There are now almost 19 per cent. more NHS staff in Wales, 30 per cent. more whole-time equivalent hospital consultants and almost 16 per cent. more qualified nurses than in 1997, and there are 6 per cent. more GPs than a decade ago. In the past, there used to be cuts in the numbers of doctors and nurses being trained, but the number of medical students in Wales increased from 950 in 1998 to 1,320 in 2003. This coming academic year, that figure is projected to rise to 1,385.

By 2010, the Assembly Government plan to have 700 more consultants and GPs, 6,000 more nurses and 2,000 more other health professionals. However, we are well aware of the challenge facing the NHS as a result of the extension of the working time directive to include training grade doctors from 1 August this year.

The working time directive became law in the UK in 1998, and it fixed working hours to 48 hours in every seven days, but that was not applied to doctors in training. From 1 August 2004, doctors in training will be included under the working time directive and will be expected to work no more than 58 hours in every seven days, averaged over 26 weeks. From August 2007, that will change to 56 hours in every seven days, and from August 2009, it will become 48 hours in every seven days. In both cases, that will be averaged over 26 weeks.

The issue has been compounded by the SIMAP and Jaeger rulings at the European Court, which mean that all time spent on duty in the hospital will count as work. That will include time spent resting, or even asleep, while on call. In addition, any doctors who continue their residential duty period beyond 13 hours, breaking into a rest period, will be owed compensatory rest. The Jaeger ruling suggests that that compensatory rest must be taken immediately after the end of that duty period. In effect, that would prevent doctors from continuing to learn or from delivering a service the day after a night on duty.

Those judgments were not initially part of the directive, and they are making full compliance more rigorous than had originally been envisaged. Due to the potential impact on the continuity of care and junior doctor education, the Government are urgently discussing the impact of the SIMAP and Jaeger cases with their European partners.

Mr. Thomas: The hon. Gentleman has introduced an important point. It is not just about the increasing numbers, which he rightly outlined, or the response of the National Assembly Government, but about the legal framework and what will have to come into the NHS in Wales. Does he think that the answer to the working time directive is to increase the training and the numbers—an approach that I think will fail—or that some of the structural problems of the NHS in Wales should be addressed?

Mr. Ainger: I do not think that this is a matter of structural problems; it is a matter of how the health professionals work and the mix of skills that are used. The hon. Gentleman referred to the experiments and pilots that have been carried out in England. Such things are being considered, including multidisciplinary teams in which some nurses taking on duties that have traditionally been carried out by doctors. I shall deal with that point later.

The potential modification to the original directive is most keenly felt in small sub-specialties or smaller district general hospitals, such as Bronglais, in the hon. Gentleman's constituency. Bronglais highlights the issues faced by the Welsh NHS in meeting the directive while continuing to offer a high standard of care to patients and maintaining training opportunities for junior doctors.

Meeting the directive is not optional. It is a legal requirement and a failure to comply carries the possibility of significant penalties. However, there are no knee-jerk changes that will jeopardise the standard of care that is offered to Welsh patients, and neither will the education of our future general practitioners and consultants be put at risk.

Lembit Öpik: The hon. Gentleman speaks about a blanket opt-out. Is he aware that the Chairman of the European and External Affairs Committee of the National Assembly for Wales said in response to a consultation:

"We have some concerns about the blanket use of opt-outs in the UK and suggest that sector-specific opt-out arrangements might be more appropriate"?

Is he aware of that proposal, and that there was cross-party support for it? That means that Plaid Cymru agreed with it and that it supports the blanket use of opt-outs in Westminster, but opposes them in Cardiff.

Mr. Ainger: The hon. Gentleman makes an interesting point, but the Government are not seeking an opt-out. They are discussing the impact of the SIMAP and Jaeger cases with their European partners.

The Welsh Assembly Government are encouraging the local health boards and trusts in Wales to prioritise junior doctor rotas that are outside the directive, because they mean too long a working week. Assembly officials have visited trusts and health boards and are offering assistance to them on meeting the directive. About two weeks ago, from 11 to 14 May, Assembly officials visited the trust responsible for Bronglais and met the local health board. They are working with the mid and west Wales regional office to explore sustainable long-term solutions, which may involve some additional staff and the possibility of employing consultants and of GPs working differently in future. I was making that point earlier.

Assembly officials are also working with local health boards throughout Wales to advise them, as commissioning bodies, about how best to invest the 1 per cent. uplift for inflation that is included in their discretionary allocation. The £30 million a year is directed at additional support to junior medical staff to meet the dual requirements of the new deal for doctors and the working time directive.

The hon. Member for Ceredigion mentioned the problems with branch surgeries. I should like to make a couple of points about that. He may be aware that the working time directive was discussed with the general practitioners committee in Wales at its monthly negotiating meeting with the Assembly Government. It is aware of the direct and, more importantly, the indirect impact on it and its staff, and it has been planning accordingly.

The hon. Gentleman believes that the working time directive has affected branch surgeries. In fact, it is far more likely that it is the general medical services contract, which is due to come in at the end of this year, that has had the impact. The contract introduces a new set of quality standards for premises to ensure that surgery premises are fit for their purpose, and that guidance is produced on issues including information technology, patient note availability, patient privacy, infection control and clinical waste disposal, which are all important.

Mr. Thomas: I agree with what the hon. Gentleman has just said, but my point was not that the working time directive directly affected the branch closures. In fact, it was the other way around: branch closures will put more pressure on hospital accident and emergency departments, and particularly that of Bronglais general hospital. That will have an effect on junior doctors and others working in those hospitals.

Mr. Ainger: I understand the hon. Gentleman's point. The Welsh Assembly Government recognise the importance of branch surgery closures, particularly in rural areas. They understand that those branch surgeries form an important part of the fabric of primary care delivery in rural areas. There is a proper laid-out procedure to be followed before any branch surgery can close. There should be full consultation, and there is an appeals procedure. However, we are dealing with general practitioners; at the end of the day, they are independent contractors and cannot be directed to carry on providing particular services in particular areas.

Complying with the directive is crucial, but the directive is not the only development in the health service in Wales. It is being addressed alongside other changes in Wales, such as "Agenda for Change", the new consultant and GP contracts, NHS modernisation and the local Wanless action plans. Together with the directive, those initiatives offer us an opportunity to deliver a different but better health service in Wales. The Assembly Government are dealing with those changes through NHS trusts and, on a wider basis, through their regional offices. Trusts are being encouraged to explore the possibility of sharing resources, and they are seeking sustainable long-term solutions to certain specialties on an all-Wales basis.

As I said, at the level of the Welsh trusts, we are exploring a phased implementation of more innovative systems of care, including systems that utilise available staff more effectively and efficiently. That includes many of the ideas that are being piloted in England under the hospital at night principle. In addition, the introduction of cross-cover between specialties is being looked into. The question of who needs to be on duty and whether they can be on duty from home is being examined critically as a possible means of solving the problems posed by the SIMAP and Jaeger judgments. We aim to comply with the directive through doing that, and through the addition of limited numbers of key professionals.

Concern about the issue is understandable, as it clearly needs to be addressed. There needs to be a greater integration of primary and secondary care in the out-of-hours period. That is planned by the health boards in various reports. They are trying to bring in GPs because of new developments in contracts. Obviously, radically different systems will be in place in hospitals in order to cut out the repetitive aspects of the care pathway. All tasks will be scrutinised and appropriately delegated to competently trained staff, who will operate in a multidisciplinary team. That means that many tasks originally performed by doctors will now be performed by other trained staff. The directive will require most junior doctors to adapt to shift systems. That will require some additional staff, and it will represent a cultural change for staff and patients alike, but it is necessary to meet a legal requirement.

The working time directive and recent case law represent difficult but not insurmountable challenges to the health service in Wales. We must apply simple, logical principles. We will add innovative systems of care and expand staffing where necessary. Whenever possible, we will maintain the current shape of the service. The Welsh Assembly Government are addressing that important issue, and are working with local health boards, trusts, GPs and others to ensure excellence in health care while striving for compliance with the directive.

Question put and agreed to.

Adjourned accordingly at sixteen minutes to Five o'clock.

Westminster Hall

Wednesday 26 May 2004

[MR. FRANK COOK *in the Chair*]

Lupus

Motion made, and Question proposed, That the sitting be now adjourned.—*[Margaret Moran.]*

9.30 am

Mrs. Janet Dean (Burton) (Lab): I am delighted to have secured this debate on behalf of the all-party group on lupus. The group was formed just over four years ago and has almost 100 members from both Houses of Parliament, many of whom were encouraged to join by constituents suffering from lupus. The debate is timely, in that it enables us to recognise the achievement of the international lupus community in celebrating world lupus day on 10 May 2004. That was the first world lupus day, and it was held in conjunction with the seventh international congress on systemic lupus erythematosus and related conditions in New York city. The congress brought together hundreds of doctors and researchers, as well as representatives from patients' groups from around the world.

World lupus day focused on the need for increased research into the causes of, and a cure for, lupus, improved health care services, diagnosis and treatment of the disease, and better epidemiological data on lupus globally. It highlighted the fact that researchers believe that at least 5 million people worldwide have lupus, with more than 100,000 cases developing every year.

Lupus affects people from all countries, but it disproportionately affects people of certain races and ethnicities, and women are nine times more likely than men to suffer from it. Increasingly, there is worldwide collaboration on studies and clinical trials of potential new therapies for the condition, and efforts to identify a cause and cure for lupus are being co-ordinated internationally.

World lupus day was under the direction of an international steering committee of 11 people, who represented 21 countries on several continents. Lupus UK's director, Brian Hanner, was one of the main forces behind the initiative. Lupus UK is Britain's national charity dedicated to the support of lupus patients and celebrated its 25th year in 2003. I was extremely proud to be asked to be a national patron of the charity last year.

I should like to say a little more about the disease. When I was fortunate enough to secure an Adjournment debate on lupus in April 2001, I explained the name systemic lupus erythematosus. "Systemic" means throughout the system. "Lupus" is Latin for wolf, and refers to the wolf-like rash across the cheeks of many lupus sufferers. "Erythematosus" means reddening or inflammation. Such reddening can affect most parts of the body. There is another form of lupus called discoid or cutaneous lupus, which is limited to the skin.

Systemic lupus erythematosus is an auto-immune disease, in which the body attacks itself rather than the bacteria or viruses that the immune system is designed to attack. The resulting inflammation can affect many areas of the body and can cause many different symptoms. Some people get only a few; others may have most of them. Nearly all patients with lupus suffer arthritis. About half have diseases affecting their lungs and/or heart, and skin rashes affect about two thirds of patients. Almost half of patients are photosensitive, a third have kidney problems, and about a quarter have central nervous system involvement.

Other symptoms include Raynaud's syndrome, in which the patient's fingers turn white, red or blue in the cold, and hair loss, mouth and nasal ulcers, fatigue and weakness. The body's temperature control can go wrong, causing both shivers and sweats. Inflammation of the kidneys can cause protein in the urine, kidney impairment and, in some people, renal failure, resulting in the need for dialysis or kidney transplant. When the central nervous system is affected, symptoms can range from headaches or migraines to seizures. Patients can suffer transitory visual problems, grand or petit mal seizures, and involuntary tics or muscle twitches. Patients can also suffer from depression and cognitive dysfunction, with effects such as short-term memory problems. Lupus and the associated anti-phospholipid antibody syndrome, or Hughes syndrome, can also cause miscarriages.

With such myriad symptoms, one might think that lupus would be easy to diagnose. Yet, in many cases, it takes several years for a diagnosis to be made. Patients may present to their GP one or two of the symptoms at any one time, but most will never have all the symptoms, so GPs do not necessarily immediately think of the possibility of such a little-known disease. That is why we must continue to raise the condition's profile.

Last weekend, I attended the Lupus UK national conference in Bristol. One speaker—a consultant in maxillofacial radiology—told delegates that all dental undergraduates are taught about the oral manifestations of lupus. I was greatly cheered by that, and I would be grateful if the Minister of State, Department of Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), told us whether the manifestations of lupus also form part of a GP's training. It is vital that primary care practitioners faced with a patient with several of the symptoms should consider whether those symptoms are linked and there is a possibility of the patient having lupus.

To endeavour to get the message to primary care trusts, and hence to GPs, I, as chairperson of the all-party group on lupus, recently circulated to all Members of the House a booklet, entitled, "The Big 3", written by Dr. Graham Hughes, the eminent consultant rheumatologist at the Louise Coote lupus unit at St. Thomas's hospital. I am pleased and appreciative that the document was passed to primary care trusts by many MPs.

It is right that we attempt in any way we can to raise awareness of lupus in the medical profession and the wider community. I am therefore delighted that the information on lupus that appears on NHS Direct Online has been updated this week. I commend the information that it contains. Not only does it list the various symptoms and the possible causes, which include sunlight exposure, stress, viral infection,

[Mrs. Janet Dean]

hormonal factors and genetic tendency, but it explains how diagnosis is made and outlines the various treatments available for the condition.

There is no cure for lupus. Treatment depends on the severity of the disease in a particular individual and can range from non-steroidal anti-inflammatory drugs used to treat arthritis, to anti-malarial medications used in the treatment of skin rashes, tiredness and muscle and joint pain, through to much more aggressive treatments using steroids and immunosuppressant drugs, such as cyclophosphamide and azathioprine. Although most of the drugs used have not changed during the past 20 to 30 years, the methods of administration have improved, thereby reducing the serious side effects, such as thinning of the bones caused by high doses of steroids.

Survival rates for lupus patients have greatly improved over the past 50 years. As with many medical conditions, it is sometimes difficult to balance a description of the many manifestations of the condition without scaring people into believing that their situation is dire. Many people have mild lupus and live well into old age. There are those who have it severely, but it settles down and, for a long time, they may be in remission after the initial aggressive treatment. Some women sufferers find that their lupus subsides with the menopause. Others have such severe symptoms that treatment fails. There remains a considerable high mortality rate from the disease in its early stages, and young people, sometime in their teens and 20s, can lose their fight against the disease.

Other people who might die prematurely are those who have had the disease for many years, where their internal organs, including their heart and lungs, have become damaged, either from the disease itself or from the necessary toxic drug treatments that they have received over the years. Often, such people will not have lupus stated on their death certificate, so it is impossible to assess the full extent of the mortality rate of lupus.

The good news is that many lupus patients who might once have died from kidney failure now survive because of dialysis and transplants. It is vital that more research is carried out into the causes of, and treatment for, lupus. I commend charitable organisations, such as Lupus UK and the Arthritis Research Campaign, for the way in which they fund research into lupus. ARC funds projects throughout the UK, including in London, Manchester and Sheffield. ARC's remit is to fund other rheumatic diseases as well as lupus, but Lupus UK was set up solely to support lupus patients, their families and their carers, to increase awareness of the disease and its impact, as well as to fund research and to educate general public and health professionals about lupus.

Mr. Dennis Turner (Wolverhampton, South-East) (Lab/Co-op): My hon. Friend has achieved a great success in initiating this debate. I invite her to pay tribute to Yvonne Norton, chairman of our west midlands lupus group and vice-chairman of the national group. She has made a majestic contribution, although a lupus sufferer herself. I record the thanks of our parliamentary group and thousands of lupus sufferers throughout the country for her dedication and commitment. She is a wonderful person, and we are very grateful to her for all her efforts.

Mrs. Dean: I do indeed pay tribute to Yvonne Norton. Without her the all-party group would not exist and Lupus UK would certainly be the poorer. She has done wonderful work in the west midlands region and nationally. I also pay tribute to the chairman of Lupus UK, Ronnie Gourley for his hard work, and we should remember the founder of Lupus UK, Cheryl Marcus, who was at the conference at the weekend. Without her interventions and forethought in the early days, the charity would not have been established. Our thanks go to all of them.

There are currently around 7,500 members of Lupus UK, with 30 regional groups, which are governed by voluntary committees. I pay tribute to all at Lupus UK and all the individual members, some of whom I had the pleasure of meeting at the recent national conference. The national support group is invaluable. Lupus UK members not only lobby their MPs to join the all-party group on lupus, to attend the meetings of the group and to sign early-day motions—early-day motion 1069 entitled "World Lupus Day" has more than 200 signatures attached to it—but they provide support and encouragement to each other.

Lupus can be an incredibly lonely disease. If sufferers know no one else who has the disease they can feel very isolated. Because it is not as well known as other conditions, such as multiple sclerosis, other people will find their symptoms difficult to understand. Sufferers and their families may find the symptoms difficult to understand. GPs may also not understand them until a diagnosis has been made. Reading Lupus UK's *News and Views* or meeting other sufferers helps many patients and their families to understand the condition better and to realise that they are not on their own.

Because lupus is a chronic disease there is a need for close monitoring, sometimes by a patient's own GP, sometimes by consultants in specialist units. Often those will be rheumatology units or specialist lupus units such as the one at St. Thomas's hospital. There are concerns that patients are not able to receive appointments at such centres of excellence as frequently as might be ideal. I would be grateful to the Minister for any reassurance that she can give about access to specialist treatment facilities for lupus patients.

Another issue raised through the all-party group on lupus concerns the employment of specialist lupus nurses at various centres of excellence throughout the country. Currently Lupus UK funds several specialist lupus nurses who provide valuable ongoing support for patients with this unpredictable and frightening condition. The idea is that local primary care trusts should ultimately pick up the costs of these specialist nurses, but in some cases that can prove difficult. I should be extremely grateful if my hon. Friend the Minister provided me with some hope that that will be rectified.

I am pleased that so many members of the all-party group on lupus are here today to support this Adjournment debate. I know that members of Lupus UK greatly value the involvement of Members of Parliament in their fight for greater recognition of lupus.

When the all-party group was established, a survey of all Members of Parliament was carried out to establish their knowledge of lupus. I reported the results in my previous Adjournment debate in 2001. Of the 153 MPs who replied to the survey—that response was pretty good in itself—51 were aware of constituents with the disease, five had close family members affected by it and 24 had friends who suffered from it. I hope that, by now, parliamentarians' knowledge of lupus will have increased even further through the work of that group and because of contact from constituents.

I am well aware of the effect of lupus on individuals and their families, because both my late mother, Mary, and my late husband, Alan, suffered from the disease. For all who are affected by lupus, I hope that the Minister can provide reassurance that the Government will do all that they can to ensure that the medical profession is well informed about the disease, so that diagnoses are made earlier, sufficient funding is made available for research into the disease and patients can access specialist treatment when and where it is needed.

9.46 am

Dr. Richard Taylor (Wyre Forest) (Ind): When I retired as a doctor, I did not think that I would end up in this place, and when I arrived in this place, I did not think that I would be talking about lupus, which was, if people can understand the phrase, one of my favourite illnesses when I was a doctor. A doctor looks at it in the opposite way from a patient. For a doctor, a favourite illness is one that he thinks he knows something about, he thinks he knows how to diagnose and he thinks he knows how to treat. My problem today is that, because I have given quite a lot of lectures on lupus to general practitioners, students and junior doctors in the past, I must be careful not to give a straight medical lecture, which would not be appropriate, I shall therefore say a little about the name of the disease, diagnosis, treatment, prognosis and research.

Mr. Deputy Speaker: Order. This might be an appropriate moment for me to remind hon. Members that the first of the three winding-up speeches will start 30 minutes before the debate concludes. I must therefore try to allow all other hon. Members to contribute by 10.30 am. A further three are in line to speak.

Dr. Taylor: Thank you, Mr. Deputy Speaker. I have no intention of going on for hours; I am sure that I can say what I need to in 10 minutes or so.

I accept the definition of the name "lupus" that the hon. Member for Burton (Mrs. Dean) gave. However, I visited my local safari park not long ago and looked at the wolves, and they do not actually have a rash on their faces, so I much prefer returning to the archaic mediaeval Latin, which describes lupus as an eating ulcer or cancer. That is exactly what lupus does. It clogs blood vessels, which means that bits of tissue inside and outside die. The person affected looks as if a wolf has been gnawing at them. The Bible talks about "ravening wolves", and Shakespeare talks about men returning from battle and eating like wolves, but Mrs. Gaskell got it best. She uses the phrase

"deaden the gnawing wolf within",

which is a marvellous quote to describe lupus, because lupus sufferers have a gnawing wolf within.

Diagnosis in medicine is similar to bird watching. If we are interested in birds, we know exactly what a bird looks like and, from reading about it, its habits. Those of us who know anything about birds know that a willow warbler and a chiffchaff are identical until they open their beaks. Equally, we can look at books, but we cannot recognise various of the wading birds until we really observe them.

I was a general physician with a wide range of interests and a special interest in rheumatology. This may sound hard, but it is not meant to: one almost collects illnesses, and diagnosis becomes the most fascinating part of the job. Seeing someone whose symptoms have gone undiagnosed for years—as with lupus—and being the person who puts their finger on the problem gives one great satisfaction and makes the patient a friend for life, because one then takes them on.

It is splendid that the hon. Member for Burton secured the debate. As she said, diagnosis of lupus is difficult because it mimics other illnesses. One of the first patients whom I saw was a lady who had been diagnosed as having regular clots in her lungs, but the X-ray appearances of repeated pulmonary emboli are similar to those of repeated appearances of vasculitis in the lungs, when the lungs shrink.

I know that my lectures to local GPs had some effect because, as long ago as 1979, I received a letter from a GP about a lady who had had a series of attacks of swollen knuckles associated with a rash of both cheeks and her upper lip. He wondered whether she had systemic lupus erythematosus, and of course, she did. There are many causes of recurrent chest pain, early strokes, and epilepsy, so the only way to diagnose lupus is to be aware of it as a possibility, and do the necessary referral and tests. Oddly, some of the simple tests of acute inflammation—this is an inflammatory disease—that a GP would expect to act as screening tests do not. Lupus is one of the few inflammatory diseases that can completely fox a doctor, as normal tests would pick up some of the inflammatory diseases.

The hon. Member for Burton referred to prognosis. In 1943, all but two of a series of 30 patients were dead in three to eight months. By 1970, survival rates were much better due to treatments, and because the way in which those treatments are used is better than 30 years ago, survival rates are improving. Still, however, patients can be given a gloomy prognosis by somebody who does not know much about lupus. A lady came to me in floods of tears because her husband had been talking to her GP and had been given a fearful prognosis, which he could not keep from her. That needed correction.

On treatment, as has been said, there have been no new drugs in about 30 years, which is very disappointing. I wrote a review article on lupus as long ago as 1970, and in the introductory paragraph, I wrote:

"Since 1948 the advances in our understanding of lupus have been dramatic and exciting. One feels that the final answer must be close at hand."

Sadly, that was 34 years ago.

When I arrived in Parliament, I was staggered to find that there were so many all-party groups related to health issues; my latest list shows that there are 66. Of those, a large number refer to important health issues, but about half refer to single illnesses, where there are pressure groups of patients who feel that those illnesses

[Dr. Taylor]

are not getting a fair crack of the whip so far as staffing and resources are concerned. Lupus is one of those, and it is very deserving because it is controllable in most cases. If it is not picked up and controlled, it costs the NHS vast amounts in support and treatment of late complications. I hope that we shall hear from the Minister ideas about raising awareness, which should not cost too much money. Most local hospitals have a rheumatologist, who will diagnose the disease if someone is referred to them, and there are also specialist centres. I hope that Government funds will increasingly be pushed into the research into lupus, and I would like to hear some encouragement from the Minister on that.

9.55 am

Liz Blackman (Erewash) (Lab): First, I want to congratulate my hon. Friend the Member for Burton (Mrs. Dean) on securing the debate and pay tribute to her hard work over the years, not only in raising awareness of lupus, but in campaigning for better services. In comparison, I know little about it. I belong to an east midlands group, I am a member of the all-party group and I have constituents who have lupus. For those reasons, I intend to confine my remarks to one or two specific points about it.

Lupus is an auto-immune condition; in fact, it is a spectrum of disorders. Its symptoms can range across any medical book, in any combination. They can be mild or extremely severe and can move from one to the other in the blink of an eye. That makes diagnosis extremely challenging. Yesterday, I rang the lupus expert centre in Nottingham, and I asked a clinician whether there was any evidence that patients were rattling around less at general practitioner level before being referred to that centre. He said that there was. I asked him what he put that down to and he said that it was partly because of the work of Lupus UK in raising awareness, and because there is an excellent centre in Nottingham. Of course, communities of GPs liaise and link with a local or sub-regional centre of excellence, and naturally improve their education in that way.

Unfortunately, there are still gaps in the service and an awful lot of stories about people struggling a great deal to get a diagnosis. Nevertheless, diagnostic tests are much more available to GPs, including auto-antibody tests, and there is evidence that GPs are using them more. Therefore, there are encouraging signs, but there is a lot more to be done.

A patient who receives a diagnosis of lupus may follow various pathways. People might be lucky enough to live in an area where there is a sub-regional centre of excellence, such as Nottingham, Newcastle, Birmingham, or Leeds; St. Thomas's and the Middlesex have also been mentioned. What has happened is that a group of experts have come together and made the service excellent. They have a specific interest. Their backgrounds are in haematology, immunology, rheumatology and renal services. For some reason, a catalyst has brought them together and they have knit the service together well.

However, those sub-regional centres do not exist everywhere. There are some good local lupus facilities that can offer treatment for the aggressive presentation of lupus, but they do not necessarily have the same kinds of facilities as the sub-regional centres. Many patients find themselves in local hospitals where the training and expertise in management simply is not at the same level. I wondered whether the Minister would say whether there is an additional role for strategic health authorities, to ensure that those excellent services are much more coherently available across the country. I would be grateful if she examined that. Primary care trusts also have a role in terms of funding and commissioning services.

At the heart of the lupus issue, because of the nature of the condition, is patient self-management. The patients know their condition best; they know when symptoms change. However, at the heart of that is the need for investment in resources for good education for patients, so that they can see the signs, access the relevant services and make a distinction between signs that might indicate a stepping-up—a more aggressive presentation—of the disease, and signs that herald something much more common that we all get from time to time.

At Nottingham, the PCTs have gathered together and funded two specialist lupus nurses. They are invaluable: patients can access them at any time, and if those patients have an aggressive episode, they are rapidly signposted to the appropriate services. Specialist nurses for many conditions are coming through now, and I would like to see more coming through for lupus. Patient self-management is phenomenally important.

I want to move on to treatment other than self-management. One large aspect of tackling the condition is the drugs regime. As has already been said, there are far more effective drugs, and cocktails of drugs, available now than ever before. As the hon. Member for Wyre Forest (Dr. Taylor) said, many years ago a person given a lupus diagnosis thought that they had—and in many cases, they did have—a death sentence. That is no longer the case.

I am delighted that the National Institute for Clinical Excellence is evaluating prasterone for systemic lupus erythematosus. That is very good news. However, there is a problem with developing drugs for a condition such as lupus, because the disease is still relatively uncommon, and drug companies do not have the same motivation to develop a drug that will be used only by a relatively small number of people.

However, there is scope for international co-operation. I was delighted to hear from my hon. Friend the Member for Burton that that is happening much more actively. Of course, the global demand is much larger than demand in any specific country. Co-operation, ought to be stimulated and enhanced.

In that context, NICE has recently given the green light to a drug called rituximab, which has proved very effective in treating non-Hodgkin's lymphoma, and I gather that there is some kind of read-across to the treatment of some types of lupus. However, there would need to be clinical trials prior to any evaluation by NICE of that drug in relation to lupus. Again, we fall into the trap: who would sponsor those clinical trials to establish whether that drug would read across and be effective with lupus patients?

Finally, I ask the Minister where we are with the national service framework for long-term conditions. I know that the focus is on neurological conditions, but

obviously there is also an intention to set high standards for generic long-term conditions. It would be good to know how that initiative is progressing, because it will offer a template to ensure that there are more joined-up services and more equity in the system.

10.4 am

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful for the opportunity to make a short contribution to this important debate. I congratulate my hon. Friend the Member for Burton (Mrs. Dean), whose constituency almost borders mine, on securing it.

When my hon. Friend described developments in public awareness, particularly those that have occurred in this place, she characteristically understated her own contribution. Her arrival here on 1 May 1997 coincided with a significant increase in awareness among parliamentarians and those linked to Parliament.

Although it is one of the least- known conditions, lupus affects some 5 million people across the globe. There are more than 50,000 sufferers in this country, which means that each Member of Parliament has 70 to 100 lupus sufferers in his or her constituency. Lupus is more common than better-known illnesses, such as leukaemia and multiple sclerosis. However, despite its prevalence, relatively little was published on it until recent years. I was pleased to hear that the hon. Member for Wyre Forest (Dr. Taylor) was active in this area as long ago as 1970.

Little has been published about the effect of lupus on sufferers, or what can be done to relieve it, but at last lay people like us are steadily learning more about its effects and treatment. That owes much to the admirable and unstinting efforts of Lupus UK, the national registered charity to which my hon. Friend referred earlier, which supports those with systemic and discoid lupus and assists those who are approaching the long process of diagnosis.

Treatment depends a great deal on the professionalism, skills and energy of those who work in units such as the one just a few hundred yards from here at St. Thomas's hospital, which is led by Dr. Graham Hughes. We look to volunteers, who raise so much money for the vital, pioneering research that is taking place, and we ought to put on record our admiration for the work that they do. Politicians, such as the Minister of State, Department of Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), and the all-party group, of which I am happy to be a member, need to raise the public profile of lupus and raise awareness of what is being done and what lies ahead to be tackled.

Lupus is a worldwide disease. There is international co-operation in researching its causes and tackling people's concerns. World lupus day was two weeks ago. In New York city, there was the international congress on systemic lupus erythematosus and allied diseases, where more than 100 patient and advocacy bodies were able to share information and develop or strengthen collaborative initiatives to find a cause of and a cure for lupus. October 2004 has been designated awareness month.

What are the priorities for the lupus campaigners? The resources for medical research have yet to catch up with those for other conditions of comparable magnitude and severity. Much more work is needed to develop safer, more effective therapies for the disease. We have heard that no wholly new therapies have been introduced for more than three decades. That says a great deal about the Cinderella status of lupus. Existing treatments can be toxic and often, perversely, cause life-threatening health problems that may be worse than the primary disease. Much more remains to be done to resolve such chronic difficulties.

Several international studies have shown that lupus has a considerable impact on the health care system and on society, owing to its complexity and treatment. Depending on which organs are affected and the frequency and severity of disease activity, individuals with lupus may have to take multiple medications, be treated by physicians from several medical specialities and undergo numerous evaluations and procedures. Worst of all, they may be hospitalised several times a year.

Substantial progress has been made on morbidity and mortality in the past half-century. We have heard some of the figures. In the 1950s, the five-year survival rate was around 50 per cent. Nowadays, the 15-year survival rate is some 85 per cent. However, lupus still has a serious effect on the quality of life of those who suffer from it. Fewer people die from it, but the figures are still significant. For example, the Arthritis Research Campaign website records that of 361 SLE patients treated at University College's Middlesex hospital lupus clinic from 1978, 50, ranging in age from 16 to 87-years old, had died by 2002. The mean age at death was 50, which is perhaps 30 years less than normal life expectancy. ARC also deserves to be congratulated for the work that it is doing. As it points out, while the prognosis is better, close monitoring is the order of the day.

We know that lupus is caused by the inter-reaction of environmental, genetic, hormonal and other factors, but the enormous complexity of the disease makes identifying its precise cause incredibly difficult. Nevertheless, newer emerging technologies give researchers cause for optimism. The structure and function of specific antibodies are being evaluated while the study of the inter-reactions between cell populations in the immune system is assisting our understanding of how lupus develops.

The good news is that some laboratory research translates fairly speedily into new therapies in the clinic. One example is the British use of B-cell depletion to treat severe cases of the disease. However, there is much to do to extend understanding of the critical involvement of cells and molecules, such as the lymphocytes and cytokines, which are the chemical messengers that enable cells to communicate.

There is even more to do to deal with the widespread lack of recognition of lupus by health professionals, the general public and Governments. Many physicians worldwide are unaware of its symptoms and health effects, causing people with the disease to suffer for several years before being correctly diagnosed and treated. There is an unmet need, in this country and worldwide, to educate and support individuals and families affected by lupus, and to increase awareness of the symptoms and health consequences.

[David Taylor]

We need continually to raise awareness of lupus, to collect better epidemiological data on its extent and impact, to research its complex causes and a possible cure, and to develop therapies to improve the quality of life for the thousands of sufferers in this country.

Lupus has been a Cinderella area of health care. Although I do not expect the Minister to produce the glass slipper that will transform its status, I hope that she recognises the scale of the problem and will react swiftly and appropriately to tackle the problems highlighted by the all-party group on lupus, led magnificently for seven years by my hon. Friend the Member for Burton.

10.12 am

Ross Cranston (Dudley, North) (Lab): I congratulate my hon. Friend the Member for Burton (Mrs. Dean) on securing the debate. She is a patron of Lupus UK and has done a magnificent job in leading the all-party group and making MPs more aware of the disease. I feel intimidated having heard the hon. Member for Wyre Forest (Dr. Taylor) and my hon. Friends the Members for Erewash (Liz Blackman) and for North-West Leicestershire (David Taylor), because I am not knowledgeable about the disease and do not have their expertise. As politicians, we learn a great deal about people's concerns, troubles, successes and achievements, but it is impossible to become experts on every issue, although we do of course become aware of many matters. I do not know whether we are better weather vanes for public concerns than focus groups—that is an issue of empirical research.

As MPs, we are privileged to be taken into people's lives, and that is how I found out about lupus. My hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) mentioned Yvonne Norton. I first became aware of lupus because she lives in Coseley in my constituency. As my hon. Friend said, she is a wonderful woman who has done a great deal with the all-party group. In 1981, she founded the west midlands lupus group, the first regional lupus group, and she is still the chair of that group as well as being the vice-chair and trustee of Lupus UK. She is also the UK representative to the European Lupus Erythematosus Federation. Her husband, who has not been mentioned, is the treasurer of the west midlands lupus group and the ELEF.

I want to talk briefly about what the west midlands lupus group has done to raise the issue and to provide support. It has made a financial contribution of £400,000 to help to fund lupus research and patient care, in addition to funding the day-to-day running of the group. It also produces a newsletter and organises open meetings. As my hon. Friend the Member for Erewash said, the group contributes to patient self-help. It helps and supports patients. It helps sufferers come to terms with having lupus; for example, it advises on the items and adaptations that may be needed to live as near a normal life as possible with the disease. It holds open meetings, which medical speakers and others attend, and it also holds social and fund-raising events.

Since 1997, the west midlands lupus group, as part of Lupus UK, has sponsored a Lupus UK specialist nurse based at the Queen Elizabeth and City hospitals in Birmingham. On 1 September 2001, the Lupus UK research assistant began a three-year project based in that hospital. In 2002, funding began to part-sponsor a Wolverhampton university Lupus UK PhD student for three years. Previously, sponsorship had been provided for a research associate at that university, a specialised lupus technician at the Queen Elizabeth hospital, and a PhD student at Leicester university.

Providing self-help and funding is the first aspect of the work. The booklet produced by Lupus UK has been mentioned, but Yvonne Norton had earlier produced, with Lupus UK, "Lupus—a GP Guide to Diagnosis", which was sent free of charge to every GP practice in the country and distributed more widely. It is the only book that covers all aspects of lupus aimed specifically at GPs. As I understand it, it is now used extensively for both reference and diagnostic purposes.

I also want to refer to what happened at the Dudley guest hospital in my constituency. In October 2003, I had the privilege of being at the opening of the first UK lupus drop-in clinic with the mayor of Dudley, Rosemary Tompkinson. That idea has taken off and will, I hope, be followed in other parts of the country. It was an initiative of Yvonne Norton and the west midlands lupus group, and it is a joint project with the Dudley Group of Hospitals NHS trust. It is a monthly drop-in clinic. A nurse practitioner and representatives of the group are always in attendance. Talks are held there.

The first three-month evaluation of the success of the clinic is about to be published by Treharne from the Dudley Group of Hospitals NHS trust and various colleagues from the University of Birmingham. The study demonstrates that the dedicated care that the clinic can provide is extremely useful in helping not only with the immediate symptoms but with associated disorders. The research work demonstrates that depression was the most common co-morbidity, followed by osteoarthritis and back pain. Co-morbidities are common and need to be dealt with. By providing that dedicated care through the clinic, they can be addressed more efficiently.

I hope that I have given a flavour of the work that is being done. Following the success of the Dudley lupus drop-in clinic, plans have been formulated to set up drop-in clinics in other areas covered by the west midlands lupus group. Other regional lupus groups are seeking advice on establishing similar drop-in clinics.

I began my remarks with the general, and shall finish with the general. Lupus, as my hon. Friends have explained, is under-recognised as a disease. Early recognition and diagnosis are essential, but that may be difficult because the symptoms often mimic common illnesses. It seems to me, having seen the work that Yvonne Norton does and the work of the all-party group, that there is a challenge to professionals. The hon. Member for Wyre Forest has taken a long-standing interest in the matter, and professionals are now much more open to and welcoming of patient involvement in medical diseases, as consumer involvement might be welcomed in other areas.

However, in this area, as my hon. Friend the Member for Erewash said, self-management by patients is crucial. My hon. Friend the Member for North-West Leicestershire mentioned the work of volunteers. The

work of professionals can benefit from patient involvement, not only in providing support groups or financial support for research, but in raising the consciousness of a disease among both professionals and practitioners, and among people such as ourselves.

10.22 am

Sarah Teather (Brent, East) (LD): I, too, congratulate the hon. Member for Burton (Mrs. Dean) on securing the debate. I know that in her role as chair of the all-party group she has worked tirelessly to raise awareness of this distressing condition.

I also welcome world lupus day. As the hon. Member for Erewash (Liz Blackman) said, it may be instrumental in encouraging international co-operation and perhaps will result in the development of drug treatments. I pay tribute to Lupus UK for its work in supporting people with the condition and in funding research.

As has been said, lupus is a distressing condition, which may vary from very mild effects to severely disabling symptoms; in some cases it can be fatal. We have heard that prognosis has improved considerably, but there is still a long way to go. Lupus is far more common—six times more common—in people of black and ethnic minority origin than in white people. My constituency is diverse and lupus is much more common there than in many other parts of the UK. Consequently, general practitioners in my area are well attuned to picking up the condition and diagnosing it, but that is not the case in many other areas.

Our local hospital, Central Middlesex hospital, has around 400 lupus patients on its books, which is high for a hospital of its size. It has one specialist in the condition and one specialist nurse. However, I am told that it desperately needs another specialist and another specialist nurse to meet the need. In common with most specialists in the condition, the current specialist is a general rheumatologist, so he has many calls on his time.

Lupus needs intensive monitoring. It requires complex drug regimes that also require intensive monitoring because they have a very narrow therapeutic index. We heard from the hon. Member for Wyre Forest (Dr. Taylor) that if the condition is not managed well, the problems can get worse, and the drain on the NHS can be enormous. It is therefore a false economy not to manage the condition well. As the hon. Member for Erewash said, specialist nurses play a vital role, as they do in many other complex and long-term conditions, because they give patients the opportunity to learn more about their condition and to manage it themselves.

Although the situation in Brent is better than in many other areas, there are some shocking cases in which people have fallen through the net. Earlier this year, a gentleman came into my constituency office in exasperation. He had been referred to the lupus unit at St. Thomas's hospital, Westminster, and was originally given an appointment on 20 January 2003, which was put back once to 30 September 2003 and again to 28 September 2004. He was then told that he would probably not be able to see a specialist until 2005. Following my intervention, and with great help from the patient advice liaison service, he managed to get an earlier appointment, but it caused immense anxiety and stress.

The problem of the lack of specialists is difficult to quantify because general rheumatologists tend to treat the condition. When I asked a parliamentary question about the number of specialists available, I was told that the information was not held centrally. I also asked about the number of patients with lupus and the only information I was given came from Lupus UK, which was out of date in respect of about 10,000 patients.

There is a problem in assessing need, which is typical of a disorder that unfortunately attracts little attention. The hon. Member for North-West Leicestershire (David Taylor) said that it was a Cinderella disorder. It is a specialised condition in the NHS. Liberal Democrats have asked whether the present voluntary consortium arrangements are adequate in dealing with specialist commissioning. The Government's review of specialist services has not addressed that problem adequately.

Another matter that puts great pressure on lupus patients is prescription charges. Ongoing problems that need many complex drugs, perhaps over a lifetime, can put a great strain on patients who may already be under pressure financially if they are unable to work or if their income decreases because they can only work part time.

David Taylor: Lupus sufferers often have to take a cocktail of drugs, which can produce adverse effects. Can the hon. Lady suggest how the privately owned pharmaceutical industry can be encouraged to invest more in research? That might allow the number and range of drugs that are prescribed to be narrowed, with a consequent reduction in the adverse effects?

Sarah Teather: As the hon. Member for Erewash said, international co-operation is the key and I hope that world lupus day will encourage specialists to work together. Groups of pharmaceutical companies will need to co-operate, perhaps with incentives from the Government to do so.

Prescription charges can place great burdens on patients. Liberal Democrats are committed to a full review of prescription charges to find a fairer system, especially with a view to considering the effect on the chronically ill, who have a particular problem in that respect.

I hope that the national service framework for long-term conditions will come on line very soon. I know from my work with Macmillan Cancer Relief before I was elected to Parliament that many patient groups are desperate to have the national service framework and have great hopes that it will lead to better management of chronic conditions.

I have been brief to allow other hon. Members time to speak and the Minister to respond. I urge the Government to obtain better data on the number of patients with the condition and the number of specialists who treat it, so that specialist numbers can be better matched to patient need, and to ensure that GPs have adequate training in treating the condition. I repeat my hope that there will soon be an NSF for lupus.

10.29 am

Tim Loughton (East Worthing and Shoreham) (Con): I, too, congratulate the hon. Member for Burton (Mrs. Dean), not just on securing the debate but on her work

[Tim Loughton]

with the all-party group and on the awareness of the condition that that has encouraged. I count myself a member of the all-party group on lupus and it is a tribute to the hon. Lady that the debate is being held today. Three years ago, she secured a debate at a late hour at the end of the day, when there were fewer hon. Members present to witness it. I am glad that today many more hon. Members are participating in the debate, which is guaranteed to give the *Hansard* writers nightmares, as many diseases with technical spellings have been mentioned.

I echo the hon. Lady's thanks to the leading lights in Lupus UK; the determination and hard work of a few individuals has put the condition much higher up the agenda. The name of Yvonne Norton has been quoted by just about everybody, and I will be no exception. I want to praise the work of Lupus UK. It works not just to raise awareness of this little-known disease but to provide welfare facilities for members as well as books, fact sheets, videos and, as hon. Members have already mentioned, the bible to the disease, "Lupus—A GP Guide to Diagnosis", which I know that GPs in my constituency use often.

I also want to mention a personal interest: how good it is to see the progress of the Louise Coote clinic under Dr. Graham Hughes at St. Thomas's. Louise was a friend of mine, who died almost 10 years ago. She spent much of her adult life in and out of hospitals with most of the symptoms that have been mentioned today. She bore her illness with enormous courage until it eventually got the better of her. What has been satisfying is that her husband Tim and many friends have raised and continue to raise so much money to support the centre, which has the biggest register of lupus sufferers in the world. It is a centre of excellence that many people throughout the country can use, and it does some fantastic work.

We have had some interesting contributions. In opening the debate, the hon. Member for Burton gave many of the facts and figures, which I will not repeat. She mentioned the recent world lupus day, which is something of a slimmed-down version of Lupus UK's lupus awareness month two years ago. That was perhaps somewhat greedy compared with the weeks and days that most other groups have. However, the campaign has gone worldwide, which is essential. We need to use the expertise and experience of drugs companies and of those races and ethnic groups throughout the world who have a greater propensity to have the disease, to try to accelerate a cure.

The hon. Lady mentioned many of the knock-on effects—not only the physical symptoms, but some of the mental health symptoms, including depression and memory problems. Those points are often neglected, because we tend to look just at the physical manifestations. We need to ensure that special mental health assistance is available for lupus sufferers as much as for people who suffer from less technical and complicated mental health problems.

Mrs. Dean: The hon. Gentleman might like to know that there are both physical and emotional reasons why people get depression when they develop lupus. Someone can obviously become depressed because they have a chronic disease, but there are also direct physical reasons for depression and other neurological manifestations. That is because lupus can inflame the brain just as it can any other part of the body. Both living with the disease and undergoing the physical changes cause depression and other mental health symptoms.

Tim Loughton: The hon. Lady is right, but the point is that, more than many other conditions, lupus is a technical disease that involves a range of professionals and different assessments, as the hon. Member for North-West Leicestershire (David Taylor) mentioned.

As ever, we heard an interesting contribution from the hon. Member for Wyre Forest (Dr. Taylor), who is a general physician with a wide range of interests, as he described himself. In his contribution, those interests extended to twitching and to classical and literary references. I side with him on taking up the cudgels for the much-maligned wolf, and the Latin to which he referred will have had much more to do with the naming of the disease than that one part of the animal kingdom.

Both hon. Gentlemen mentioned the improving survival rates, but it is depressing that the hon. Member for Wyre Forest was able to pluck out an article that he wrote 34 years ago, and yet not much progress has been made since then in understanding and getting to the heart of the disease. The hon. Member for Erewash (Liz Blackman) described how Lupus UK has raised awareness among doctors, and I underline her point about how important patient self-management is. The hon. Member for North-West Leicestershire commented on the side effects of some of the toxic cocktails of drugs, which is another worrying aspect.

A multidisciplinary approach is required, involving many different professionals and assessments. There must be ways of simplifying the system, which currently often pushes lupus patients from pillar to post, seeing one consultant after another, filling out more and more forms and going through more and more tests. We need a more streamlined patient-centred approach to the disease than we have at present.

The hon. and learned Member for Dudley, North (Ross Cranston) referred to the pioneering work undertaken by the west midlands lupus group, especially the drop-in clinics. They bring great succour to sufferers from lupus and other diseases who would not otherwise know where to go for help. If their GP is not completely in tune with the disease, sufferers can feel lonely, as the hon. Member for Burton said when she opened the debate.

As we have heard, systemic lupus erythematosus can inflame different parts of the body and affect organs—a few parts or many—such as the heart, the brain and the kidneys. Skin and joints can also be affected. It is difficult to pin down. People suffer fatigue, flu-like illness and skin rashes. Some lupus patients have a clotting tendency, which can present itself as a thrombosis in a vein or artery. I agreed with the hon. Member for Burton when she said that we have underestimated the extent of problem. Lupus is rarely

recorded on a death certificate. Kidney failure or similar symptoms are attributed as the cause of death, not lupus. Many more people are dying from lupus than are officially recorded as such, which is another reason why we must give more attention to the disease. Will the Minister explain what steps have been taken to secure more accurate reporting of deaths that are caused by lupus, rather than it being one of the symptoms that have brought about death?

We have heard about the numbers of people affected by lupus, such as one in 750 women in the United Kingdom, in whom it is triggered especially between the ages of 15 and 50. A recent study undertaken in Birmingham showed that, in a population of 1.2 million, 242 adults were known to have lupus and 33 new cases of lupus had been diagnosed in one year. The prevalence was 28 per 100,000 people, which is about one person in 3,500. The incidence of new cases per year was 3.8 per 100,000 people, which is about one person in 26,300 people; 90 per cent. of lupus sufferers are female, and people of West Indian origin are particularly likely to develop the disease even when they are born and live in north America or the United Kingdom. Surprisingly, people of West African origin, from which group the West Indian population is descended, are at a low risk of developing lupus, but studies have suggested that up to one in 250 women in Jamaica develop lupus.

In Birmingham, one in 500 women of Afro-Caribbean background have lupus compared with about one in 1,000 women from India and Pakistan and about one in 2,500 white European Caucasians. What special measures are the Government taking to investigate the higher instance of lupus among black and ethnic groups? What extra support can be given to such groups, who are often more reluctant to come forward to medical practitioners anyway? What special measures can be taken in future?

Worldwide, there are 5 million lupus suffers. It is more prevalent than leukaemia, muscular dystrophy or multiple sclerosis. I repeat that people underestimate the extent of the disease. Will the Minister say what further work has been undertaken on the causes of lupus? It has been suggested that an hereditary tendency might exist. The hon. Member for Burton has said that in the past, but no single gene puts people at risk of developing lupus, unlike haemophilia and cystic fibrosis. Environmental factors include exposure to ultraviolet light, various infections, possibly chemicals in the environment, factors related to stress and female hormonal activity, for example the oestrogen-containing contraceptive pill or pregnancy. Can the Minister say what research is being undertaken?

We have heard about the lack of available drugs, although mild lupus can be treated with aspirin or non-steroidal anti-inflammatory drugs. Some years ago, mention was made of clinical trials taking place in the United States on a drug called aslera, which was the first drug to have been developed in 40 years. Will the Minister give us a progress report on that drug and say whether it has reached an advanced stage?

The training of doctors is important. I have mentioned the guide produced by Lupus UK. We have heard that doctors should be trained more about lupus. We heard from the hon. Member for Burton that, as standard practice, dentists now hear more about diagnosing lupus. Can the Minister give a progress report on how many doctors, as standard practice, are now made aware of lupus? What is the progress on specialist lupus nurses, who can make such a big difference?

Finally, I want to echo the point about prescriptions. As the hon. Member for North-West Leicestershire said, many complicated cocktails of drugs are involved, because lupus affects various parts of the body. Dressings may also be needed if there are skin lesions. That can put an enormous financial burden on sufferers of complex lupus symptoms. Has the Minister any words of comfort about special circumstances pertaining to lupus sufferers?

Lupus is a specialist illness, but an important one. More than many others, it involves a range of different disciplines and professionals. It is often forgotten in the bigger picture: we hear much about nurses and doctors, hospitals and waiting list numbers, and not enough about long-term chronic diseases such as lupus. I hope that the Minister will give words of encouragement that the Government understand the extent of the problem and will give more practical support for the many sufferers of lupus. Without the work of Lupus UK and individuals about whom we have heard, as well as the hon. Member for Burton who secured the debate, many would still be suffering, largely in silence, and without the greater understanding of the disease than we had 30 years ago—although we still have a long way to go.

10.42 am

The Minister of State, Department of Health (Ms Rosie Winterton): May I start by adding my congratulations to my hon. Friend the Member for Burton (Mrs. Dean) on securing the debate? I know that she secured a similar debate in 2001 and has worked extremely hard to raise awareness of lupus, not least with her work as the chair of the all-party lupus group, and I am pleased to see so many hon. Members from both sides of the House supporting her. This has been a thoughtful debate, and all hon. Members have paid tribute to the hard work and dedication shown by the voluntary sector in helping people with lupus, especially Lupus UK. We are all aware of the contributions that individuals can make and are making.

My hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) and my hon. and learned Friend the Member for Dudley, North (Ross Cranston) paid tribute to the work of Yvonne Norton. The hon. Member for East Worthing and Shoreham (Tim Loughton) spoke about seeing at first hand through a friend the work to raise funds and awareness done at St. Thomas's hospital.

As my hon. Friend the Member for Burton said, 10 May was world lupus day, and October is lupus awareness month. The programme of events around the country will build on the work of previous years to raise the profile of what has been highlighted today as a distressing condition. It is important to raise awareness among the medical profession and the public. Many hon. Members have referred to the problems with diagnosing lupus. The hon. Member for Wyre Forest (Dr. Taylor) gave an insightful account of GPs'

[Ms Rosie Winterton]

experience in diagnosing lupus and, as he said, it is one of those conditions that mimics other diseases.

My hon. Friend the Member for Burton and my hon. and learned Friend the Member for Dudley, North raised the issue of GP awareness in particular. Many hon. Members have pointed to the fact that information has been circulated to GPs about diagnosis. My hon. Friend the Member for Erewash (Liz Blackman) spoke about how Lupus UK has also raised awareness and how it is being raised through specialist centres; my hon. and learned Friend the Member for Dudley, North also spoke about the role of specialist nurses. My hon. Friend the Member for Erewash mentioned the role of strategic health authorities in ensuring that there are such centres everywhere. My hon. Friend the Member for Burton talked about whether there would still be specialist nurses if funding from Lupus UK were to stop.

While, obviously, I hope that the funding of such nurses will continue, it is important to recognise that in shifting the balance of power we do not dictate from the centre exactly what should happen in each area. I think that the hon. Member for Brent, East (Sarah Teather) highlighted that when she discussed the prevalence of the disease in her constituency. We can assist in raising awareness. We have tried to do that in the work that we have done with Lupus UK on NHS direct. We can indicate support and help to spread best practice. However, it is up to individual local health authorities to decide how they want to utilise those resources.

As many hon. Members have indicated, the number of specialist centres is increasing. I am sure that all hon. Members will be aware that, as a Government, we do not specify the content of the GP training curriculum. That is the job of the Joint Committee on Postgraduate Training for General Practice, which is the independent authority for putting together general practice training in the UK.

David Taylor: The Minister rightly spelt out the limits of the Government's involvement in GP training. Does she hope that the various bodies that are responsible for that will reflect on the Oklahoma research published only days ago, which showed that testing for auto-antibodies can help to predict the onset of rheumatoid arthritis and lupus four years before symptoms occur? Surely, that is a helpful test and GPs should be aware of it?

Ms Winterton: Yes. As my hon. Friend said, there are increasing developments in that area, which will assist in helping diagnosis. We expect GPs to learn and to get the training and skills needed to deal with all their patients, which, obviously, includes those with lupus.

I also wanted to mention the development of specialist GPs, which, in a sense, the hon. Member for Wyre Forest drew attention to; in his own way, he developed that specialism. As hon. Members will know, we are looking through the new contract to ensure that that specialist GP training is available.

Many hon. Members mentioned the importance of ensuring that patients with conditions such as lupus can manage their illnesses more effectively. I want to refer to three strands of that: the expert patients initiative; the chronic disease management programme; and the national service framework for long-term conditions. Although, as many hon. Members have pointed out, lupus is not one of the headline conditions in those programmes, important lessons can be learned from them about managing chronic diseases.

In the chronic disease management programme, we are examining self-care—something that my hon. Friend the Member for Erewash mentioned. The first steps are to audit existing work being carried out to support patients in managing their conditions and to look at how future work can be devised. Again, the involvement of patients, carers and representatives will be central to that work. As the chronic disease management board considers how to take its work forward, I will make it aware of the work that is done by Lupus UK. The board will focus on two approaches to managing chronic conditions: case management and self-care support.

On the expert patients programme, as hon. Members know, people with chronic illnesses have several common requirements, including dealing with acute attacks. The effective use of medicines and treatment is incredibly important, especially in this area, because, as has been said, patients often have to take a range of drugs. They have to manage pain, fatigue and depression—something that my hon. Friend the Member for Burton has raised. We know that lupus can be managed by drug regimes, by careful monitoring of drugs and by having information available to manage the condition. Through the experts patients programme, we are considering a generic course that helps a person with any long-term illness to become more confident in dealing with their condition day to day. It has been said, in particular by my hon. and learned Friend the Member for Dudley, North, that if that can happen, it will reduce hospital admissions and vastly improve quality of life. By 2007, the expert patients programme will be in place nationwide.

The national service framework for long-term conditions is another aspect of our work to ensure that people manage lupus more effectively. To answer a question asked by several Members, that will be published towards the end of the year or early 2005.

Mrs. Dean: Is it likely that the national service framework will name some conditions? If it does, does the Minister agree that it is important that lupus should also be named? We already have the problem that the condition is little known. If multiple sclerosis were to be named in the NSF because it is a neurological condition, it would be equally important that lupus was mentioned because one of its manifestations is neurological.

Ms Winterton: The NSF will not cover non-neurological conditions, which is what lupus is considered to be at the moment. However, it will consider how to cover some of the common issues faced by people with long-term chronic conditions and disabilities. It will consider the generic issues of information for service users and carers, and community equipment. It will also help us to look at how we can assist families and carers in developing skills and expertise in understanding and managing conditions. We want that to be linked closely with the

expert patients programme and the chronic disease management programme.

The hon. Members for East Worthing and Shoreham and for Brent, East (Sarah Teather) spoke about prescription charges. As is well known, entitlement to help with prescription charges is based on the principle that those who can afford to contribute should do so. However, a number of schemes are in place for people on low incomes, and special certificates are available for people who have to take a range of drugs. I must say to the hon. Member for East Worthing and Shoreham that, given his party's plans to reduce expenditure on the NHS, I do not think that the issue will be one that they consider.

Tim Loughton: Would the Minister like to withdraw that comment? She knows full well that we have plans to increase expenditure on the NHS. We will consider precisely those long-term chronic conditions that her Government have blatantly neglected in pursuit of artificial targets and because of the distortion of clinical priority.

Ms Winterton: There is a slight difference between what is said on record and what is clearly said off record by Conservative Members.

Mrs. Dean: Will the Minister give way?

Ms Winterton: Not just now, because I want to address the issue of research.

Many hon. Members have paid tribute to the work done by Arthritis Care and others to promote research, and I absolutely support that. The main agency through which the Government support medical and clinical research is the Medical Research Council, an independent body. It is a long-standing and important principle of successive Governments that they do not dictate to research councils the detail of how they should distribute resources between competing researchers and so on. However, it is important to stress that if Lupus UK has specific proposals for research, they should be submitted to the appropriate body. In 2002 the MRC spent some £5.5 million on arthritis and rheumatism research. There is an ability to ensure that research can be carried out.

Hon. Members raised the issue of new drugs and pharmaceutical company research. A new drug has been developed in the United States as a potential treatment for lupus. It is called aslera, and it is the first new drug for the treatment of lupus to be developed in some 40 years, as hon. Members said. We have asked the National Institute for Clinical Excellence to carry out an appraisal of that drug, and we expect it to report on in 2005.

If there are points that I have not addressed, I will be happy to write to hon. Members, but I should like briefly to mention data collection. It is difficult to collect data on individual conditions, because of problems associated with collecting, analysing and constantly updating them. I will bring the point about the classification of deaths to the attention of the Office of Population Censuses and Surveys.

I hope that I have made it clear that the Government take the condition extremely seriously. The work being done to raise awareness will be important not only among the medical profession but to the public, and the general programme that we have set out will ensure that greater attention is given to this distressing condition.

Child Cyclists

11 am

Mr. Eric Martlew (Carlisle) (Lab): I am pleased to have secured the debate. I requested it because my private Member's Bill, the Protective Headgear for Young Cyclists Bill, received its Second Reading on 20 April, but, unfortunately, there was a technical problem—we did not have a quorum—so the Under-Secretary of State for Transport, my hon. Friend the Member for Plymouth, Devonport (Mr. Jamieson), did not get the opportunity to respond to my speech and those of other hon. Members. It would be inappropriate for this Minister to reply to a debate that has passed, especially as he was not the Minister in the Chamber at the time, but I intend to go over the Bill's salient points and give him the opportunity to reply to those. Children are always a vulnerable group, so I hope that the Government response will be fairly extensive.

The sad truth is that a disproportionate number of accidents involve children on cycles. Figures from the Transport Research Laboratory and the Department for Transport show starkly how vulnerable children on cycles are. The Transport Research Laboratory has found that child cyclists comprise only 6.6 per cent. of road cyclists, yet the Department for Transport's analysis of average road-cyclist deaths in a two-year period leads it to conclude that there are 133 deaths, 28 of whom, or 21 per cent., were children. Using that calculation, children are four times more likely to die in a cycle accident on the road than adults. Once a fortnight, a child dies in a cycling accident on our roads. Children are seriously injured and often disabled in our constituencies every day of the year. Each year we kill the equivalent of a primary class of children and severely injure the equivalent of a small secondary school.

I do not claim that introducing cycle helmets will necessarily reduce the number of accidents, but I am convinced that the measure will reduce the severity of the injuries involved. Many accidents involve serious head injuries. Scientific research, both at home and abroad, has proved the case for cycle helmets in protecting the head and brain against the worst effects of injury.

The report "Bicycle helmets: review of effectiveness" was produced by the Department for Transport in November 2002. It is good and I recommend it to hon. Members. It states:

> "There is now a considerable amount of scientific evidence that bicycle helmets have been found to be effective at reducing head, brain and upper facial injury in bicyclists. Such health gains are apparent for all ages, though particularly for child populations".

I said that although child cyclists comprise only 6.6 per cent. of the population, 21 per cent. of those who are killed are children. The report says that cycle helmets save lives, and that is the conclusion of the supporters of my Bill, who come from a wide range of professional organisations.

If my Bill were successful—it is still tabled for discussion, although I suspect that it will not become law—it would provide a legal framework that was practical and proportionate. It would make it an offence for children under the age of 16 to ride a cycle on the road, in a public park or in a recreation area unless they are wearing protective headgear. This is not new ground. A similar Bill was put on the statute book in 1990. The Horses (Protective Headgear for Young Riders) Act 1990, which was introduced by Harry Greenway, the then hon. Member for Ealing, North, made it an offence for children to ride a horse on the public highway unless they were wearing protective headgear.

My Bill would not make every child cyclist or their parents into potential criminals, as some of my more excitable opponents claim. Provision for an offence is an important enforcement mechanism when there is persistent flouting of the law, but in reality I envisage that a friendly word of caution or verbal instruction to wear a helmet would be enough to ensure that people complied with the law. Recent statistics show that in 2002 there were only 92 prosecutions of people riding on the pavement and 134 of people riding without lights. Some might say that there should be more prosecutions, but in many cases the law can be enforced without taking people to court.

The Government have argued about compliancy rates, and I accept that the Department for Transport has been trying to do something about them by actively targeting young people. Last year it devoted £137,000 to an advertising campaign on the importance of wearing a helmet as part of the safe cycling message. Perhaps the Minister will tell us whether there are plans for another campaign this year or next year.

The Department is concerned about compliance and it wants the rate of helmet wearing to increase to a critical mass before it is made compulsory. I understand the Department's motivation for holding that view, but does the Minister think that the goal will ever be reached? Surely, it should be the other way round. Rather than waiting for the practice of wearing helmets to change and then introducing an enforcement measure, could not the Government act now and introduce enforcement measures, so ensuring that the practice changes? If they do not, the Minister will continue to fall into the trap set by the opponents of helmets, such as the Touring Cycle Club, which will do everything it can to avoid helmets being made mandatory. The CTC discourages people from wearing them because it realises that if the practice reaches a critical mass, the Government might legislate.

In 2002, when 18 per cent. of cyclists were wearing helmets, the Government said that they would monitor the wearing rate and review the option for compulsory wearing from time to time. In October 2003, they used the same words, although the rate had by then increased to 25 per cent. The Minister must tell us what rate the Government would find acceptable before deciding to legislate to make it compulsory.

The Government agree that helmets are effective. They also agree on the vulnerability of child cyclists and the importance of delivering a safer cycling environment. In fact, in a response to me, the Prime Minister said:

> "The issue that my hon. Friend raises is a high priority for hon. Members and the Government."—[*Official Report*, 31 March 2004; Vol. 419, c. 1594.]

It is a pity therefore that we cannot agree on the most effective means of delivery.

On Second Reading of my Bill, I went into detail on its opponents, but I shall not do so today. However, I am concerned about the National Cycling Strategy, a

quango set up by the Government and given credence because it operates out of Marsham street. It sent letters to hon. Members from the Department for Transport headquarters which gave a distorted view of my Bill, which worries me. Does the Minister believe that quangos should be involved in the politics of a private Member's Bill, especially if they do not tell the truth? Is it appropriate that this particular quango should be housed in the offices of the Department for Transport?

The argument for my Bill is that attempts to encourage children to cycle should go hand in hand with measures to create a safer cycling environment. I agree with the press release put out by the Under-Secretary of State for Transport, my hon. Friend the Member for Plymouth, Devonport, which said:

"by making cycling safer, more people will take to their bikes."

That is common sense and beneficial, but does not reflect the current situation.

If the Government are concerned that making cycle helmets for children mandatory would be unpopular, they should take note of the poll of 9,000 adults carried out by the My Voice polling organisation in April. Some 80 per cent. of the those polled wanted helmets to be mandatory for children, and 70 per cent. of children agreed. Experience in other countries has led not only to recognition of the effectiveness of helmets, but to action—they have made it law.

In many countries, putting on a helmet is as common as using a safety belt in a car. Accidents and injuries have declined dramatically in countries in which helmets are mandatory, including Australia, New Zealand, Spain, the Czech Republic, and parts of the United States and Canada. Since the Second Reading of my Bill, two European Union countries—Sweden and Finland—have introduced laws making it compulsory for children aged 15 and younger to wear helmets.

Another important area is child cycle training. Perhaps hon. Members can remember the old cycling proficiency test at school—it was the first examination I ever passed and I took pride in that. It also had the advantage of bringing policemen into schools, so children's first contact with the police was favourable. Throughout the '90s, the police decided that they were too busy and that cycle training was not their responsibility. Sometimes that responsibility was passed to the county council, which decided that it was not mandatory. Therefore, the number of children being trained properly declined. We would not have dreamt of letting a child out on the streets without having taken a test. It should not necessarily be compulsory, but this and previous Governments have not given the issue the priority it deserves.

The Secretary of State for Education and Skills is keen to encourage young people to cycle to school. Having seen the way some youngsters cycle, I think that they have never been made aware of the potential dangers. What provisions will there be to increase cycle training for children? I want more youngsters to go to school on bicycles. A report will be published tomorrow—although it is in the media today—on obesity and, in particular, child obesity. I want more youngsters to ride bicycles, because it is good for them, and to be taught what to do. I also want them to wear helmets so that we do not have the tragedies that we see at present.

11.15 am

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate my hon. Friend the Member for Carlisle (Mr. Martlew) on securing the debate and on all that he has said about the safety of child cyclists. I also convey to him apologies from the Under-Secretary of State for Transport, my hon. Friend the Member for Plymouth, Devonport (Mr. Jamieson), who is out of the country on Government business; otherwise, he would have responded to the debate.

The Government take the safety of children on the roads very seriously. Our road safety strategy, "Tomorrow's roads: safer for everyone", published in 2000, emphasised our aim to improve our performance on child road safety. The general target is for us to reduce deaths and serious injuries on the roads by 40 per cent. by 2010 compared with the average for the period from 1994 to 1998, but the target for children is 50 per cent. The reduction in child casualties has been outstanding. Compared to the baseline, child pedal cycle deaths and serious injuries have fallen by 47 per cent. That reduction significantly outstrips the decline in child cycling levels over the same period—something that concerns my hon. Friend—and represents a significant trend towards the target. However, we are not complacent and are taking action on a range of fronts.

The data show that, although the number of casualties is falling for child cyclists of all ages, we still have a problem with the number of young adolescent boys in particular getting hurt while cycling. We know from regular monitoring that boys are the most reluctant to wear helmets. Set against the general, rising trend, the wearing rate for boys went down from 16 per cent. in 1994 to 12 per cent. in 2002. A large proportion of those who choose not to wear helmets are young adolescents.

In the broader sense, we are doing much to improve child cyclists' safety. There are measures designed to make drivers far more aware of vulnerable road users, such as child cyclists. The highway code includes a section on road users, including cyclists, which requires drivers to take extra care. The practical driving test has been lengthened, so that drivers experience more road types and have a greater opportunity to encounter vulnerable road users. The theory test question bank contains many questions about vulnerable road users, including cyclists. Hazard perception skills are important to safe driving, and we want new drivers to develop those skills quickly. The screen-based element of the theory test includes video clips to help to test hazard perception with moving images.

We have also produced publicity for drivers. Our drink drive advert shows a motorist taking care to avoid a young cyclist. The underlying message is to give cyclists space. We have published the "Drive Safe, Cycle Safe" leaflet, in alliance with the AA and the Cyclists Touring Club. It is designed to make motorists and cyclists aware of one another.

Of course, it is important that cyclists take responsibility for their safety, and cycle training is an important part of that, although awareness among drivers is equally part of the overall safety package. About one third of children aged between nine and

[Mr. Tony McNulty]

10 are trained each year at school. Research shows that trained children are significantly safer than untrained children, as my hon. Friend suggested, when knowledge and skills are tested two years after training. We strongly advise parents to encourage their children to have cycle training and not to let them out on the roads until they are competent to handle their cycles safely.

We have raised the standards of child cycle training. We assisted the Royal Society for the Prevention of Accidents financially with its "Guidelines for the management and operation of Practical Cyclist Training Schemes". My Department and the Department of Health gave a £76,000 grant to the CTC to develop a cycle training scheme for adults and teenagers, which was launched in May 2003. Driver awareness is certainly important but, as my hon. Friend suggested, the training of cyclists is very important, too.

Mr. Martlew: I am conscious that the Minister said that one third of youngsters are trained. That means that two thirds are not. How will we get to those two thirds? In addition, the CTC campaigns against wearing cycle helmets. How can the Government be involved with that organisation when it works against one of their objectives?

Mr. McNulty: I shall return to the CTC in a moment. On my hon. Friend's first question, he is right: a significant number of children are still not trained, and the job to ensure that more and more are trained remains ongoing. These are not one-off initiatives aimed at simply sorting the task out and moving on. The job on driver awareness and cyclist training is ongoing.

On publicity for child cyclists, we have published "Arrive Alive", a highway code for young road users that encourages children to act sensibly when using roads, and it includes a section on cycling. It is given to every child taking cycle training and more than 500,000 copies are issued annually. We are working with private sector organisations on a cycle smart campaign, which promotes safer cycling among children. It consists of a comic and a "Be safe and be seen" sticker. We promote the wearing of cycle helmets. Some say that helmets do not work. To try to get an independent, objective view on which could all agree, we commissioned research to assess the effectiveness of helmets. It concluded that they have been found to be effective in reducing injury for cyclists of all ages, especially children. As ever, some question that research, but as children are more likely to have low-speed accidents just falling off their bikes, I do not believe that much research is required to conclude that they will be better off wearing a helmet.

The Government helped to launch the Bicycle Helmet Initiative Trust's "Guidelines for Setting up Community Based Bicycle Helmet Programmes" in May 2002. That was the result of three years' work, with £100,000 of joint funding from the Department of Health and the Department for Transport. We also funded the Bicycle Helmet Initiative Trust to produce similar guidelines for schools, which it issued in July 2003.

We believe that helmets can work, so last year we launched publicity aimed specifically at boys in the vulnerable age group—the young adolescents. Before the launch, we tested different material with them to establish how they would receive it. The publicity that we ran was the material to which they were most receptive. It is called "Cycle Sense", and the campaign also covers issues such as technique, cycle maintenance and visibility. It consists of a poster, postcards and a website. We are also developing a TV filler film that we hope to launch later this year.

I agree with my hon. Friend; I, too, was very disappointed with the reaction of the CTC to that initiative. It mounted a campaign to undermine it and complained to the Advertising Standards Authority, which has since found in our favour. To an extent, I appreciate the CTC's concern to increase cycle levels, but that is an issue for the Government too, and we tailor publicity accordingly. If the reaction had been that young adolescents would be put off cycling, we would not have used the campaign. The CTC is a major cycling stakeholder and I hope that it will work with us more positively on safety in future, as it does on other cycling issues. Given the CTC's role as stakeholder, we could not simply refuse to work with it. However, I share my hon. Friend's concerns and acknowledge his complaints about its activities in the past.

I do not have the information to hand, but I will explore what my hon. Friend says about the National Cycling Strategy and its role in the run-up to 23 April and the promotion of his Bill. I will get back to him on that.

I congratulate my hon. Friend on giving the issue of cycle helmet wearing such prominence through his Protective Headgear for Young Cyclists Bill, which, as he knows, was dealt with on 23 April and remains, not in pole position, but in the frame for further discussion on 18 June.

Our position on compulsion has been that we will—to quote yet again the words quoted by my hon. Friend—review the option from time to time. However, due to the current rates of helmet wearing among children, which are relatively low, we have a concern that compulsion would affect cycling levels and cause enforcement difficulties. That has been the Government's position. The Bill has caused us to reflect; we need to think about how compulsory helmet wearing might affect the wider initiatives to increase cycling and improve health.

The supporters of helmet wearing say that provided that helmets are introduced with care, compulsion need not affect cycling levels. As my hon. Friend will know, some of the international experiences are that, with a long lead-in of promoting awareness, education and other elements, compulsion has subsequently been introduced. Opponents point to evidence from overseas where compulsion has clearly affected cycle levels. As ever in this life, the reality is mixed and the overseas experience can be read either way. We worry, however, that with helmet wearing by youngsters so low at the moment, compulsion would put many of them off cycling. If that happened it would affect cycling levels. Increasing cycling has the positive benefit of improving health. It is key to our anti-obesity strategy, especially for children, and to the further development of sustainable transport.

Our success in this area does not begin to compare with how well we are doing in moving towards the road safety targets, but I agree with my hon. Friend's

intention: we must increase helmet wearing. We are continuing our campaigns to promote cycle helmets, ensuring that we do not do so in such a way that it presents cycling as dangerous or risky. The emphasis is on cyclists being sensible and other road-users taking care around them.

It is not simply about training, driver awareness and helmets, with or without compulsion. The whole package is designed to heighten cyclists' awareness and drivers' awareness of cyclists and the notion that cycling is good and should be encouraged, especially among young people. We want to promote cycling and the wearing of helmets. We will continue to reflect on the issue of compulsion and the level at which it should kick in. I hope that others, both inside and outside the Government, will do all they can to support us in promoting cycle helmets and improving the safety of child cyclists. I congratulate my hon. Friend on securing the debate.

Mr. Martlew: The Minister said that when we reach a critical mass the Government will consider implementing compulsion. What does he think the critical mass will be? Is there not a difference between children and adults with regard to compulsion?

Mr. McNulty: As I said, it is not as simple as just reaching a cut-off point for children or adults. It is about all those aspects: driver awareness, cyclist training more generally, and the promotion of cycling, especially among young children. There will be more focus on young adolescents through education. Depending on the effectiveness of all those policy initiatives, we will see whether compulsion should kick in. We will reflect on all those issues, because of the wider campaign and the points raised by my hon. Friend, and will review the position from time to time.

If not all those elements are successful, we may need to steer in other directions. Increased cycle helmet wearing may go alongside all those policy initiatives. We may need to reflect at every stage. One conclusion may be that things are going so slowly that we should move to compulsion. It may be at a far lower figure than we expected. If all those elements are successful, compulsion should be at the tail end, rather like the experience in New South Wales.

I wish my hon. Friend well in his campaign to increase helmet wearing by young cyclists. I know that it will not stop on 18 June. I fear that, for better or worse, the debate on compulsion will continue. I suspect that that is right and proper. We agree absolutely with his fundamental position: wearing helmets makes cycling safer. We should all, CTC included, endeavour to increase cycling wearing by young cyclists in the context of promoting cycling generally. It is an outcome that we all want to see.

Sitting suspended until Two o'clock.

Illicit Trade in Antiquities

2 pm

Mr. Richard Allan (Sheffield, Hallam) (LD): I am pleased to have the opportunity to talk about this subject, and I want to start by setting out the terms of the debate. There are different types of debate in Westminster Hall; those in which we slam the Government for an alleged outrage, whether or not they have committed it, and those in which we plead for the Government to do something that they cannot or will not do. This is neither a slamming nor pleading debate, but a prodding one, in which I will seek to prod the Government to commit to doing what they know they should be doing and probably want to do anyway.

I slightly confused myself in coming up with the title. I was not sure whether it should be a debate on the illicit trade in antiquities or on the trade in illicit antiquities. Either way, we are talking about cultural objects that are a little or decidedly dodgy. What I really mean is the buying and selling or importing and exporting of cultural objects that have been removed from heritage sites and buildings illegally in Britain and elsewhere. The Minister may recognise that phrasing as one that we considered in the Dealing in Cultural Objects (Offences) Act 2003.

The defining principle in this debate is that prevention is better than cure. Much of the damage done in heritage terms is done at the time of removal of objects rather than in what happens to them subsequently. From a heritage point of view, the agenda is about ensuring that removal never occurs in the first place, and my remarks will address that intention.

We want to remove the incentives for objects to be removed, tackle the trade and remove the market. If we kill the market, we take away some of the incentives from people who are engaged in the trade for financial advantage. That happens in the United Kingdom with people who are colloquially known as nighthawks—people, often with metal detectors, who go on to scheduled ancient monuments, typically at night, and remove objects that they then put into the dealing chain. Far more seriously, especially in scale of activity, are the people who operate in conflict zones.

Iraq obviously springs to mind as an example because of the Baghdad museum looting that was in the news. That country should be in the minds of everyone who is interested in heritage, because looting on a far greater scale is currently happening across the range of Iraq's unprotected archaeological sites. Material at those sites is being removed in such a way that the heritage value of those sites is utterly diminished. We have seen that occur in conflict zones such as south-east Asia—Cambodia in particular—and on an enormous scale in west Africa. Countries such as Sierra Leone are having their heritage systematically removed and put on to the world market.

My remarks will be aimed mainly at preventive measures, but I am also seeking a commitment by the Minister to enhanced enforcement of the measures that are already in place. I will set it out as a shopping list at the beginning of the debate so that she has time to consider it and, I hope, respond positively. I know that other hon. Members will flesh out elements of this list.

The list has been drawn up with support from experts in the field, and I want particularly to credit Roger Bland and Michael Lewis from the portable antiquities

[Mr. Richard Allan]

scheme. They are now based at the Museums, Libraries and Archives Council, having been at the British Museum, and they have done a huge amount on the subject. I want also to thank personally David Barwell from the National Council for Metal Detecting, who came here with a colleague to make an excellent presentation about the issues from the metal detectorists' point of view, which is an important perspective.

During the passage of my private Member's Bill last year, I also learned a lot from people within the dealing trade. For example, Anthony Browne, who represented the dealers on the illicit trade advisory panel, was of enormous use to me. I have also had many letters and e-mails about the subject, and it is one that attracts considerable public attention.

My list of items for the Minister falls into three parts; preventive measures, enforcement measures and policy development. I shall try to separate them out. My priorities for the preventive measures are: legislation, which is now mostly in place; the portable antiquities scheme in the UK context, which needs funding for its essential role in securing the UK's heritage; the development of a database to assist dealers in assessing whether they should be concerned about a particular object; and guidance to assist the public, especially non-experts, who are increasingly engaged in the field, for whom the advice is a little weak. I shall flesh those four issues out in some detail.

Unusually, I shall not call for additional legislation. We often come to this Chamber to ask for more legislation, but the Government have provided that through the UNESCO treaty accession, and the Dealing in Cultural Objects (Offences) Act 2003, with which the Minister's civil servants assisted enormously last year. However, there is one specific gap in the export licensing regime, which was mentioned by the last Select Committee report, to which the Government have responded. It remains an important gap that we hope will be considered; there appears to be a conflict between agreements reached at EU level, and the ability of the UK's Department for Culture, Media and Sport to block the export of an object that should not be on the market. I hope that that gap in the legislation will be addressed, and that the Minister can offer a resolution to it.

The portable antiquities scheme has impressed all hon. Members with whom it has come into contact. The all-party parliamentary group on archaeology, in particular, has had much contact with the scheme, and has seen that it provides a tremendously valuable service in safeguarding the UK's heritage. It is important to the metal detectorists, who are carrying out, in most cases, a legal activity, so long as they are not on scheduled ancient monuments and have the landowner's permission. We want to offer metal detectorists a legal framework, and encourage them to work with finds liaison officers. That will create a virtuous circle whereby the metal detectorists become educated in how to perform their activity in an archaeological or heritage-friendly manner, and feel rewarded. Without the portable antiquities scheme we should be back to square one, and the incentive for metal detectorists to engage positively would be gone.

The resource prepared by the scheme, www.finds.org.uk, is a superb example of what can be done. One of the criticisms made of archaeology is that all kinds of materials are dug up, but that nobody can access the output from it; the public are interested in it but have no ability to access it. However, finds.org.uk is a wonderful example of how, with quite moderate resources, a huge amount of research material can be made available to the general public. It justifies the effort put into the scheme.

I am sure that the Minister will hear more, particularly from members of the all-party archaeology group, on the subject, as it is part of the Department's comprehensive spending review bid process. However, she should be aware that there is huge political support for the scheme to be funded for the long term. We are realistic about it being inappropriate to go back to the Heritage Lottery Fund, which funded the start-up costs and which had its arm twisted a little to keep the scheme going. The fund has made it clear that it will not fund the scheme in the long term, so I think that it is a core activity for DCMS.

The second new development in which we are interested is the database, which allows somebody who wishes to deal in portable antiquities to find out whether the object with which they are presented is one that they should consider. I understand that there has been some progress with that, but it requires cross-departmental work, which is always challenging, particularly in this case with the Home Office. However, it remains concerning that more progress has not been made. I made commitments to dealers with whom I worked last year when taking through the legislation that I would continue to press the Government on the matter, because the dealers rightly said that they need progress. They co-operated effectively in introducing the legislation, but they have asked for the tools to allow them to comply with it. We have a duty to ensure that such tools are available.

I should like to see a database that deals not only with stolen objects but can give people general warnings, such as those issued by ICOM—the International Council of Museums' red list procedure—which can issue generic warnings saying that it is aware, for example, that looting of statues is taking place in Sierra Leone. That is important if we are to use the Dealing in Cultural Objects (Offences) Act 2003, under which we must demonstrate that the dealers knew or believed that the objects were illicitly removed. In order for that knowledge or belief to be created, it is in our interest to spread the knowledge so that dealers have no reason not to be aware of specific problems. The database is important, so I hope that the Minister can indicate what progress has been made with it.

The final issue on the shopping list of preventive measures is that of guidance to assist the public. That emerged from fairly positive discussions that we had recently with eBay, the online auctioneers, which indicated a willingness to co-operate in trying to ensure that illicit material is not advertised on its site. We are trying to put together a tool kit to enable it to do so. It

also said that it would point people towards guidance that would assist them in establishing whether an object was illegal, but as we examined that matter further, we realised that there was no definitive and authoritative set of guidance available.

The production of such guidance would require work by Government lawyers and civil servants, but would be well worth doing, particularly because many people who deal in that kind of material on eBay are not dealers in the traditional sense. If we are to require legal compliance from those people, we must offer them an easy and straightforward link to such guidance. I suggest that the Department for Culture, Media and Sport is the obvious body to provide that guidance, so that people can find out easily what their responsibilities are with regard to export licences, the Dealing in Cultural Objects (Offences) Act 2003, heritage legislation and the Treasure Act 1996. If people do not have that source of information, they can continue to plead ignorance. We should be proactive in offering them that kind of resource.

A single, definitive guide of that kind, accessible as a link on the internet to anyone who was offering material online, would also be a valuable resource for anyone who works in that area; for finds liaison officers, for example, who advise people, such as metal detectorists, on whether their material is saleable. It would be helpful for such information to be available and accessible.

The National Council for Metal Detecting has a strong view on enforcement measures. It knows that there are criminal elements—the kind of criminals who will engage in any activity that is perceived to be easy. The criminal approach is, "If I can make a fast buck, I'll do it, providing the risks of being caught and prosecuted are very low." The NCMD is clear that there should be prosecutions from time to time, to send a message out to the metal-detecting community that nighthawking is an activity that should not be engaged in.

In that context, the Crown Prosecution Service recently decided to drop the prosecution of a Mr. Robert Duquemin who was alleged to have removed a hoard of coins from a scheduled ancient monument in Wiltshire. That has caused an enormous amount of dismay because it sends out the signal that such activities are low risk. It should be made clear that, from a legal point of view, such activities are high risk and that prosecutions will take place. I hope that the Minister will examine that case, and will use her offices to press the prosecuting and law enforcement agencies to enforce heritage legislation. It would be helpful if the Department for Culture, Media and Sport sent out the message that such prosecutions are important.

There is particular concern that the heritage value of the items stolen is not properly considered when decisions about prosecutions are taken. The cash value of a hoard of Roman coins could be modest—£20 to £50—and would fall outwith the normal Crown Prosecution Service guidelines for prosecution. However, the heritage value could be far more significant, particularly if one considers the damage that might have been done to the archaeological site to recover those items, even if their intrinsic cash value is low.

Mr. Tam Dalyell (Linlithgow) (Lab): We have spent an unconscionable number of hours on relevant legislation such as the Wildlife and Countryside Act 1981. I am dismayed that more has not been made of just a few prosecution cases "pour encourager les autres".

Mr. Allan: Absolutely. One of the models that we might examine—this was suggested to me by someone in an e-mail—is wildlife legislation. In that context, people occasionally have been prosecuted for offences such as the removal of birds' eggs. Although those prosecutions are only occasional, when they hit the headlines they have a significant impact on the collectors of birds' eggs. We need the equivalent prosecutions in the heritage field; we have not had sufficient cases "pour décourager les autres". I hope that the Minister will signal the importance of the prosecution side.

I understand that if one is in the police, Customs and Excise or other law enforcement agencies, one is constantly being set targets. In the midst of that, heritage can seem like a low priority item.

Mr. Robert Key (Salisbury) (Con): There is another dimension to this problem. The police are perfectly keen to catch people removing archaeological finds illegally, but when such cases get to the Crown Prosecution Service, which is all about prioritising, the priority of heritage is very low. When the police get the call, therefore, they do not bother because they say it is a waste of time because the CPS will not proceed.

Mr. Allan: That was a helpful intervention. In the Wiltshire case, it was initiatives by the local police force that got the thing going, but they have felt pushed back, because, after doing all that work—they took forensic samples to prove that the soil around the coins came from the scheduled ancient monument and not another site—the case was sent back by the CPS. My suspicion is that it such cases are given low priority because of the low cash value of the items involved. CPS guidance should be clarified so that if significant heritage value is involved and somebody has committed a huge heritage crime by destroying an archaeological site, that is taken into consideration, and not the fact that the coins are worth £20 or £50. The role of the CPS is critical.

During our discussions with eBay, which have been interesting in terms of clarifying how things can and should work, the arts and antiquities squad at Scotland Yard has been helpful. The squad is willing to act as a conduit. If it is told with reasonable certainty by a competent authority that material on eBay appears to be an illegal antiquity, the squad will ask eBay to be involved in what it calls a notice and takedown procedure. It gives eBay a notice, and eBay in return agrees to take down the material of which it is notified. I hope that we make more progress on that, as it would be a helpful development.

As soon as one engages with the specialist crime squads at Scotland Yard, one realises how short of staff they are. If this is to be an area of priority for the DCMS, encouragement, support and resources for the squads that must police the legislation that we introduce would be enormously helpful. We should take any opportunity to call for additional support. I recognise that that is not directly a DCMS responsibility, but that Department sets the climate within which decisions on resources are taken.

[Mr. Allan]

I now turn to policy development and monitoring the effectiveness of the measures that we are taking. I make a direct plea to appoint a successor body to the illicit trade advisory panel—ITAP. I have no doubt that the Dealing in Cultural Objects (Offences) Act 2003 was possible only because of the existence of ITAP. The panel brought together all the interested parties and created a climate in which constructive discussion could take place about how best to introduce legislation. That enabled the legislation to be introduced and proceed smoothly through Parliament. Had ITAP not existed, I have no doubt that we would have ended up in one of those awful battles, whereby the trade lobby would have resisted the archaeologists and the issue would have been seen as highly contentious and divisive. In the end, people worked together constructively.

ITAP proved its worth in Parliament and in several other recommendations that it made to Government, some of which have been taken up. ITAP was set up on an ad hoc basis in response to a Select Committee report some years ago. I urge the Minister to set up a more formal body, which brings together archaeologists, museums, dealers, metal detectorists and officials to keep the agenda fresh. There will be great disappointment if ITAP is disbanded without a successor body in place.

The Government would derive huge value for money from such a body. It is not an expensive undertaking to set it up, as the people who take part do so willingly; they want to be engaged with it. It is not a costly business, but the value to the Government would be enormous and would pass any cost-benefit analysis.

My next request relates to the internal operation of Government. We need a bit of the much-fabled joined-up government that we have been promised for the past seven years or so. When we consider archaeological matters, we look to the Department for Culture, Media and Sport as the lead agency. However, on the enforcement of the legal measures, which we are talking about today, we need to look to the Home Office and Customs and Excise. The local archaeologists work for local authorities that answer to the Office of the Deputy Prime Minister

A lot of our concerns about planning, listing and scheduling monuments are to do with the ODPM, rather than the DCMS. We highlighted that in the all-party archaeological group report and said that that kind of "joined-upness" was essential in archaeology, because even people who work in that field are saying, "Who is taking responsibility for this?" The fear is that nobody takes responsibility and this issue falls through the cracks between the Departments. This is a complex matter and an interdepartmental working group on a structure for archaeology that crosses all Departments would be a major advance.

I have set out an extensive, but not expensive, shopping list containing quite modest measures that, together, would do much to tackle the illicit trade in antiquities. I hope that the Minister will be able to indicate positive support for those measures. I think that were she to do so, she would have significant support inside and outside the House.

2.21 pm

Alan Howarth (Newport, East) (Lab): We should all be very grateful to the hon. Member for Sheffield, Hallam (Mr. Allan) for securing this debate. I congratulate him on his speech, just as I congratulate him on the Dealing in Cultural Objects (Offences) Act 2003, which he introduced and took through the House.

I am grateful to you, Mr. Deputy Speaker, for calling me to speak. Normally, I should not be speaking, because I have a rule that I do not interfere with my ministerial successors; they have enough problems without finding me under their feet. However, I am concerned about a number of the issues that the hon. Gentleman has called to our attention. I am particularly apprehensive that the Government may be about to divest themselves of an important resource in the illicit trade advisory panel.

The subject of our debate is important by any standard. It is important if criminal activity is persisting and if we are dealing with thieving, the desecration of sites and significant problems of money laundering through international organised crime, as I think we are in some aspects of the illicit trade in antiquities. It is even more important because we are contemplating the roots of our civilisation. We can, through good archaeological and museological practice, recognise, understand, conserve and honour the origins not only of our own civilisation in the west, but also of Islamic civilisation. The illicit trade dishonours and disgraces all who participate in it, whether they are in Baghdad or St. James's.

When I had the privilege to be Minister for the Arts, I became increasingly, and intensely, concerned that as a Government we were at that stage doing too little to tackle the illicit trade and that we lacked a coherent policy on archaeology. Let me record my admiration for officials in the cultural policy unit and the heritage department of the DCMS. It is always appropriate for Members of the House to press Ministers to raise their game and do better, but there have been occasions—although certainly not today—when hon. and right hon. Members have, if I may put it this way, slagged off Departments a little too broadly. I deplore that when it occurs.

If there is one individual who sharpened my awareness of the problem of the illicit trade in antiquities, it is Lord Renfrew of Kaimsthorn. I think that everybody here today would pay tribute to his enormous authority and concern to ensure that we get public policy right.

When I was Minister, successive Governments had been faffing around over the UNESCO convention for some 30 years. There was some obfuscatory advice coming from the Lord Chancellor's Department, for example, which I did not believe had looked seriously at the issue. It was advising my Department that accession to the UNESCO convention would, in some not very clearly specified senses, be inconsistent with the proper principles of English law. I was tempted to ignore that advice but it was, in practical terms, impossible for me to do so.

I also recognised that there were some genuine difficulties with the UNESCO convention, such as the vagueness of its terminology and the possibility that, if we took it seriously and literally—it is our custom in this

country to take rather seriously and literally the international conventions and directives to which we subscribe—we might create a fairly oppressive, bureaucratic system.

There were doubts, for example, about what the meaning of the term "inventory" might be. It was with some relief that I was advised by Ms Lyndell Prott of UNESCO that, in the world of UNESCO, an inventory does not really mean an inventory, and that it would be okay; we would be able to handle that.

Equally, there would be a requirement to supervise archaeological explorations; one can imagine the practical considerations of that. There were obvious difficulties. There was also the requirement to ensure that the trade complied with all the stipulations of the convention, and that registers were kept. All that risked creating some impractical and rather oppressive situations.

My predecessor in office, my hon. Friend the Member for Stoke-on-Trent, Central (Mr. Fisher), who I am glad to see here today, asked officials to consider whether, as a fallback position, it might be preferable to subscribe to UNIDROIT, and they had been carrying forward that work; but I came to the view that the whole process was going nowhere. We were also in considerable difficulty over export licensing, notwithstanding the extremely conscientious work of officials in the cultural property unit. However admirable their work might be, there was a problem, in that Customs and Excise did not regard the enforcement of export licences as high among its priorities.

I came to the view that we needed to form an expert panel that would advise the Government, enable us to achieve some definitions, map the extent of the problems that we needed to address, advise us about the nature and extent of them, make specific recommendations to us about policy, and—assuming that we were able to implement those policy recommendations—thereafter invigilate progress. I set up ITAP—the illicit trade advisory panel—which deals with illicit trade in cultural objects. Its terms of reference were

> "to consider the nature and extent of the illicit international trade in art and antiquities, and the extent to which the UK is involved in this"

and

> "to consider how most effectively, both through legislative and non legislative means, the UK can play its part in preventing and prohibiting this illicit trade, and to advise the Government accordingly."

That was appropriate at that stage and, I think, still expresses a current and continuing need.

We were fortunate that some immensely distinguished individuals were willing to serve on the panel. I pay particular tribute to Professor Norman Palmer, a professor of law at University college, London, who chaired the committee, and the experts from museums, academia, the art and antiquities market and the specialist press, who became members of the panel. As the hon. Member for Sheffield, Hallam suggested, it was not particularly easy to persuade people with those diverse interests to work together, but they were willing to do so. I believe that they did so very successfully, and were enormously helpful to us all.

At the same time, I instigated the formation of an interdepartmental official group. It was necessary then, just as it is necessary that there should be such a group now. A wide range of Departments apart from the DCMS should take a serious and responsible interest in the field of archaeology: among them the Home Office, the Department of Trade and Industry, the Ministry of Defence, the Office of the Deputy Prime Minister, and also Customs and Excise. This issue, as the hon. Member for Sheffield, Hallam said, is a classic instance of both the importance and the difficulty of achieving well co-ordinated Government policy and practice.

The hon. Member for Sheffield, Hallam was, if I may say so, incorrect historically when he said that the intention was to set up ITAP as an ad hoc body. I envisaged ITAP as being a permanent feature of the scene. It was on my initiative that we set it up. Indeed, the Select Committee was annoyed when it learned that we were setting it up because it found that the Department for Culture, Media and Sport was doing its job and, in a way, we had shot its fox. All that was rather petty. We were working on a common agenda. The problems were obvious and important, and the recommendations of the Select Committee, which tied in closely with our thinking, were an important contribution to the evolution of policy during that period.

Neither the Select Committee nor the Department itself would have been able to muster the expertise that, fortunately, we had available to us on the panel. They could not have been a substitute for the panel. The panel was essential to us. It worked very quickly and reported with 16 recommendations in December 2000. I shall say a word or two about its principal recommendations, the first of which was that we should subscribe to the UNESCO convention. The panel's recommendation gave great power to my elbow and the Department was able to persuade the Government that that was the right action to take. It was an important step forward.

It was recommended that a criminal offence of dealing in illegally removed cultural objects should be created. It was an enormous disappointment to me that the Home Office, which never ceases to churn legislation through Parliament and had two or three Bills in the next Session, was unwilling to incorporate those rather modest provisions in one of its Bills. However, thank goodness, the hon. Member for Sheffield, Hallam stepped into the breach and, with support from the Department and sufficient support from the Home Office, it has been possible for the offence to be put on the statute book.

There have been greater difficulties about export licences and export control. In its progress report in 2001, ITAP recorded what it thought it would be appropriate to do, including, importantly, that the export licensing unit should take account of any evidence of unlawful removal, including illicit excavation of an object from a third country in which the object was located before the country of its last location. That was endorsed by Baroness Blackstone, as the Minister. ITAP had recommended that there should be spot checks. We learned three and a half years later from the European Commission that there was a legal difficulty with mounting spot checks. It was

[Alan Howarth]

disappointing that it took so long for the European Commission to furnish us with that advice. It demonstrates that stamina is essential in such proceedings. We continue to need to mobilise our forces—intellectual, administrative and diplomatic—to achieve the results that we want.

There have been problems in establishing the databases that were recommended in the original ITAP report. Let us remember that, even if we are successful in establishing a database of tainted items, it will not cover those items that are in the ground and may yet be dug up, looted and put on the market improperly and illicitly.

Some of the work that ITAP and the Department envisaged in the year 2000 is complete, but some policy is unclear, and implementation has proved difficult.

The combination of the Treasure Act 1996 and the portable antiquities scheme provides an excellent model. It goes with the grain of human nature because it recognises the enthusiasm of amateur archaeologists and metal detectorists and their desire to be able to keep the objects that they find. Because it recognises and, to as great an extent as is proper, accommodates their energies and enthusiasms, it is workable, in contrast to the absolute and comprehensive prohibitions that other countries in Europe and elsewhere seek to impose. However, its success depends on the services of the finds liaison officers. Without them, I dread to think what will happen in our country. We will revert to a situation in which people wander around finding things and digging things up, and archaeological finds are not recorded. That would be a tragic setback. It would be popular with archaeologists and the wider public, who care very much about archaeology and this part of our heritage, if the Government were able to find the resources to ensure the continuation of the portable antiquities scheme.

We always knew that there would be a problem, because when we managed to persuade the Heritage Lottery Fund to finance the first phase of the scheme that we have had in recent years, we knew that in the end it would depend upon a more permanent source of governmental funding. I fear that we shall still be in difficulties if that is left to local authorities on their own, unless it is made a mandatory requirement, which seems improbable. I hope that the Department will be able to find resources for a scheme of grants to allow the portable antiquities scheme to be maintained.

Internationally, we now have the archaeological catastrophe in Mesopotamia. I congratulate the DCMS and the British Museum on the energy with which they responded to the crisis as it broke. The Institute of Field Archaeologists has recently advised us, however, of how dire the situation is. Only some one-third of the objects looted from the national museum in Baghdad have been recovered. The institute asked whether we could provide funds for training to match the funds that are being provided by the Americans, the French and the Germans. It also asked us to provide further support for the British Museum and the British School for Antiquities in Iraq. It would be wonderful if the Department found the resources to do those things.

Against that background, I was therefore surprised when in February the Government announced that they expected ITAP to produce its final report towards the end of the year and that the panel would be dismantled. I assumed that that was because the Department did not have the staff to enable it to service the panel. That is a real consideration; the Department is leanly staffed, and nobody would suggest that it is extravagantly resourced, so one has to recognise that choices need to be made. I do not know whether my right hon. Friend the Minister will be able to tell us whether the problem is that the DCMS lacks the resources both to service a continuing policy review by ITAP and its monitoring role, and to support the administrative effort of implementing and enforcing existing policy and the interdepartmental co-ordination that we all want to see.

I know that this is an anxious spending review for the Department and that my right hon. Friend the Minister wants to do the best that she can for museums, heritage and archaeology. I would note only that the money that it would cost to provide support for a better effort in Iraq, for the portable antiquities scheme and to sustain ITAP would be a fraction of the money that is being spent to support the coalition in Iraq. It would be so tiny as to be indiscernible in the national accounts, and yet it would make a significant contribution to the re-establishment of a peaceful and humane order in Iraq.

Policy is not complete and needs to evolve. The hon. Member for Sheffield, Hallam drew attention to the eBay issue—the problem of trading on the internet. I should have thought that invigilation was part of implementation. It is desirable to keep ITAP. Is there a problem with the Nolan rules? ITAP would have its fifth birthday in May 2005. I do not think that the Nolan rules should be regarded as the law of the Medes and Persians. I also think that I recollect not only that it is in order to renew members of the body for a second term of office but that there is specific reference to highly specialised advisory functions, where the Government cannot just fish another member of the great and the good from the public appointments unit pool. I hope that there would not be an insuperable difficulty in ensuring that ITAP continues beyond the end of this year.

Its members are prodigiously distinguished. They work pro bono. They are not expensive to support, but without them both the DCMS and the Government's interdepartmental effort will be less able to achieve what they need to do. That expert and independent help is needed. I know that my right hon. Friend the Minister for the Arts is always, in her ministerial dealings, courteous and positive. She will certainly be courteous and positive to the members of the panel and I hope that she will be able to tell us that she is willing to reconsider the decision that was announced in February.

2.40 pm

Mr. Robert Key (Salisbury) (Con): I congratulate the hon. Member for Sheffield, Hallam (Mr. Allan) on securing the debate. It is an important opportunity to discuss the subject in hand.

I am sure that we are deeply grateful to the right hon. Member for Newport, East (Alan Howarth) for recalling the wonderful things that he achieved as a Minister. I am bound to say that I was a founding Minister at the Department of National Heritage and that as I established the new Department and went from capital to capital negotiating with culture Ministers who

had had large Departments for a century or more, it did not feel like faffing around. However, he saw it as faffing around and we were all pleased to be put right and to be put in our places.

I will simply record my thanks to Mr. David Mellor, who was my Secretary of State for some time, to Lord Brooke, who was a most distinguished Secretary of State, and to that most civilised of permanent secretaries, Sir Hayden Phillips, who gave a new opportunity to archaeology in the establishing of the Department of National Heritage, which is now the Department for Culture, Media and Sport.

It would be a surprise if the Member of Parliament for Salisbury did not have something to say about this matter. More recently, the Salisbury hoard has been a subject of much debate. Anyone who has the privilege of being the Member of Parliament for the constituency that includes Stonehenge, who celebrated their 10th birthday on top of a barrow on Cranborne Chase and who is guardian of the Pitt Rivers collection in the Salisbury and South Wiltshire museum, will have something to say about it.

Mr. Allan: This may be a cheeky question to ask the hon. Gentleman. However, is he a long tunneller or a short tunneller?

Mr. Key: I would love to have been a long tunneller. We are talking about the controversy over a tunnel under Stonehenge, Mr. Deputy Speaker. At the public inquiry, the long tunnel was the one thing that united everybody—from the druids to the Department. However, the Treasury said no, and that was it. We are now in the middle of a public inquiry about the short tunnel. That, at least, was a development.

Mr. Deputy Speaker (Mr. Frank Cook): Order. Perhaps the hon. Gentleman might point out the relevance of that to the subject of antiquities.

Mr. Key: The tunnel will go underneath one, Mr. Deputy Speaker. However, I will now return to the subject of the debate, and you are quite right to reprimand me.

This morning, I clicked on to the eBay website, typed in "artefacts" and discovered a number of items for sale. One listing read:

"Anglo-Saxon Bronze Artefacts measuring up to 37mm in length. Good luck with the bidding."

It cost £7.99. I discovered an "impressive medieval iron spur". The winning bid for it was £19.99 and its description was:

"Complete medieval iron spur as found and yet to be cleaned. It is complete with rowel and measures 150mm in length. Good luck with the bidding."

I then discovered the pages of thanks, and in relation to the medieval spur the buyer had e-mailed and written:

"Medieval Spur is superb—I wonder who originally wore it? Great eBayer thanks!"

That was just one of 239 pages of thanks that had been sent to one website that sells artefacts.

Therefore, I am grateful to the hon. Member for Sheffield, Hallam for telling us what he has been talking to eBay about. That is an issue that we must address and I hope that the Minister will tell us where the DCMS has reached in its discussions with eBay. It is making lots of money. I daresay that it is technically correct, but I believe that it has a moral responsibility and I hope that it will acknowledge that.

The illicit trade, including unreported treasure finds, is sometimes news. That was the case on the BBC's 6 o'clock news on 19 May. However, eBay is now the largest marketplace for antiquities in the UK. I believe that the DCMS must be more proactive on that matter.

I shall concentrate on the lack of co-ordination across Government in tackling archaeological problems such as that. The Office of the Deputy Prime Minister is responsible for local government, and some areas of local governments, notably county councils and unitary authorities, have responsibility for our heritage and for funding museums. I say in parenthesis that most of those local authorities, sadly, are cutting their budgets for museums; mine is, and I regret that very much.

The Department for Education and Skills clearly has a locus, as does the Department for Environment, Food and Rural Affairs, which is responsible for agri-environment schemes. As I know well from its activities in Salisbury, on Salisbury plain in particular, the Ministry of Defence has a great deal to be proud of in its support for archaeology and for the maintenance of the archaeological environment.

Then there is the Department for Transport. When I transferred from being Minister at the Department of National Heritage to being Minister for Roads and Traffic, I was appalled at the desecration of many archaeological sites over many years.

I hope that there can be more co-ordination. The all-party parliamentary group on archaeology, in its excellent report that I am delighted to endorse, recommended that there should be far more joined-up government and that the DCMS should establish an interdepartmental committee on archaeology at ministerial level, which would include the Office of the Deputy Prime Minister, the Department for Education and Skills and DEFRA.

The report suggested that the departmental representatives should meet and maintain a small, strong team to provide policy advice to the DCMS, at least one member of which should be an expert on archaeology seconded to the Department.

The DCMS should also ensure closer co-ordination on archaeology issues among its architecture and historic environment divisions, its museums, libraries and archives division and the cultural property unit. The Department should play an enabling role in bringing together representatives from the sponsor bodies.

Finally, we need a single, non-governmental organisation to lobby for archaeologists. The Council for British Archaeology, the Institute of Field Archaeologists and the Institute of Historic Building Conservation, and possibly other organisations, should have a review under an independent chairman to ascertain how they could better lobby for archaeology in general.

[Mr. Key]

As a lifelong advocate of archaeology, I regret to say that it is much neglected in this country. The state of archaeology is not too bad, but catalogued today have been some of the consequences of not having a tight enough grip upon that world. Resourcing is a major issue, of course; it always is. The quality of graduate entrants into archaeology is a problem too.

However, there is no doubt that planning policy guidance 16 has resulted in a phenomenal increase in funding for archaeological work, much to the advantage of the constituents of mine who work for Wessex Archaeology, the biggest and best of the contracting archaeologists, including those in the field of marine archaeology. Its headquarters are, needless to say, in Salisbury. The consequences of PPG16 have been tremendous, but there is a problem with the capacity of museums to take and store material, and that has to be addressed with resources.

Above all, the wider context of the debate should be seen in the role of archaeology in the life of our nation. There is a lack of knowledge of history, heritage and archaeology in the curriculum. The Minister knows all about that; I am glad that she is responding to the debate, because she may wish to comment. The lack of archaeology in the curriculum probably contributes to a low sense of identity, of pride of place and of social identity in our wider communities, and that is regrettable.

However, the more of these debates that we have, to raise the issue gradually up the agenda—we may be talking about small items for sale on the internet or the great issues of the archaeological damage done in Iraq and Mesopotamia—the better, because people will realise the importance of looking backwards if we are to understand how to move forwards.

Mr. Deputy Speaker: Order. Perhaps I should remind all right hon. and hon. Members that I am required to call the first of the three winding-up speeches at 3 o'clock, 30 minutes before the conclusion of the debate.

2.50 pm

Mr. Tam Dalyell (Linlithgow) (Lab): I thank the Minister for her optimistic answer to Question 2 on Monday on portable antiquities. I raise the question of reciprocity and incentives, a subject covered under item 12 of the brief given to us by the British Museum. I will not go into the brief in detail for the sake of time, but it is important because it raises the question of whether items that were taken, possibly as long as 150 years ago, should be repatriated. I am chairman of the court of the university of Edinburgh, and we are under intense pressure to return to Ethiopia religious artefacts of great importance that were taken by British forces in the 1860s. What does the Minister's Department think about the return of valuable objects?

There is a review of treasure trove in Scotland and it has been recommended that Scotland needs a team of finds liaison officers similar to those in England and Wales. Does the Minister agree that that would be helpful in ensuring the reporting of treasure in Scotland, and that the role could not be satisfactorily undertaken by museum development officers as the Scottish Executive suggested? Does she also agree that that demonstrates what a great success the portable antiquities scheme has been in England and Wales? The Government should ensure its long-term funding, and that funding should be ring-fenced to ensure continued delivery of the project's aims.

2.52 pm

Hugh Bayley (City of York) (Lab): York is an important place for history and archaeology. It is a centre for the application of science and technology to archaeology, as carried out at the environmental archaeology unit at York university and the conservation work of York Archaeological Trust.

The Council for British Archaeology is based in York. The council's portable antiquities working group met yesterday. It is the executive arm of the standing conference on portable antiquities, which includes some 30 archaeological organisations. I agree with the hon. Member for Salisbury (Mr. Key) that there should be greater co-ordination of the voice of archaeology in Britain for lobbying purposes, but the council plays an important role as an umbrella body.

The council has asked me to raise two questions. The first relates to the replacement for the illicit trade advisory panel, which my right hon. Friend the Member for Newport, East (Alan Howarth) established when he was the Minister for the Arts. It has done important work; I pay tribute particularly to the contribution of Peter Addyman, the director of the York Archaeological Trust. It set out a detailed agenda that called for, among other things, the creation of a database for stolen cultural objects. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Don Valley (Caroline Flint) told the Culture, Media and Sport Committee last November that the Home Office would provide start-up funding to establish such a database. A report was due to be published earlier this year setting out the plan for establishing a database. What progress has been made on that?

I realise that creating a full database would be costly; the estimate is about £15 million, but why cannot it be funded in the long term by the trade in cultural objects? The arts market in Britain has a turnover of some £4 to £4.5 billion a year, so one third of 1 per cent. of the turnover would pay for a database to be constructed and maintained in perpetuity. London is an important centre for the art market and it would add to its prestige and importance if it were seen to be taking a lead in supporting such a database.

The Council for British Archaeology asked me to ask the Minister about the interdepartmental body being established to oversee the enforcement of legislation. It is clear that interdepartmental co-operation is needed when one considers the respective roles of the Minister's Department and the Home Office in relation to the database. How will the interdepartmental body work and how will it obtain advice from the archaeologists—the experts in the field—on the work that it is doing? Now that the illicit trade advisory panel has been wound up, it is important that professional archaeologists have a continuing input in discussions with the Government about the implementation of their policies.

2.56 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I join hon. Members in congratulating my hon. Friend the Member for Sheffield, Hallam (Mr. Allan) on securing the debate and in helping him to prod the Minister and the Government on the issue. I am optimistic in that respect, as a debate in Westminster Hall last week prompted the Deputy Leader of the House of Commons to say that the debate had triggered the Government into taking action. I hope that a precedent has been established that will be followed today and that my hon. Friend will receive supportive answers to his probing questions.

My hon. Friend drew attention to the export licence regime and the need to tighten it up. The Government's reply to the Select Committee's report in paragraph 18 states:

"Since the meeting in early 2003, the Department for Culture, Media and Sport has been considering this issue in detail, undertaking research and consulting others in order to move the issue forward. In particular, the Department is exploring the position with the European Commission."

It would be helpful if the Minister updated the House on the progress of those explorations and said whether the point was being reached when there would be some concrete developments. Without an efficient export licence regime, a key barrier to the illicit trade, and a weapon in preventing it, is missing.

What my hon. Friend the Member for Sheffield, Hallam said about prevention is important; permanent damage is done to a heritage site if artefacts are removed without care and attention and traded round the world. Connections with the original heritage and the chance of our having the maximum understanding of where we come from and the cultures that went before us are lost for ever. If we can do more to tackle the illicit trade, we can do more to prevent the loss of our heritage and the despoiling of our history.

My hon. Friend praised the portable antiquities scheme. If it is to continue, we need to identify how it will be funded and I hope for positive news from the Minister on the subject. The hon. Member for Linlithgow (Mr. Dalyell) asked what was happening in Scotland, which is a matter for the Scottish Executive, but it will be interesting to know what contacts there are between the Minister's Department and the Scottish Executive to co-ordinate best practice, and about joined-up government within UK-reserved areas. When something that is seen to be successful is established here, what information is passed on to the Scottish Executive?

Mr. Dalyell: The Dealing in Cultural Objects (Offences) Act 2003, which tries to curb dealing in tainted cultural objects, is not law in Scotland, as the hon. Gentleman knows.

Sir Robert Smith: I did indeed know that. He reminds me to congratulate my hon. Friend the Member for Sheffield, Hallam on all his hard work on that Bill. As the former Minister, the right hon. Member for Newport, East (Alan Howarth), said, it was amazing that, given the conveyer belt of legislation coming out of the Home Office, it was only through a private Member's Bill that the legislation was introduced. I congratulate my hon. Friend on successfully seeing it on to the statute book.

The other challenge is the establishment of a database. Again, that seems to be drifting, but perhaps the Minister has good news for us. At the third bullet point of paragraph 5 of the Government's response, they made the point that the second phase in the database's development was due for completion in April, and that they would produce a detailed strategy for the development of a pilot project. Now we are into May. I hope that today's debate is a chance to hear what stage that database has reached.

The hon. Member for City of York (Hugh Bayley) talked about the potential for funding that database through the private sector. The database will be dealing with several low-value artefacts, which are not necessarily part of the private sector mainstream, so for it to be successful it may require the public sector to take a lead role in its establishment. If we are to encourage organisations to behave responsibly—if we are to put public pressure on organisations such as eBay to recognise the important role that they can play—a public database that can be consulted seems an important part of making that pressure almost irresistible from the point of view of the trade.

Similarly, clear and effective guidance for the public will help people police themselves. There is a dangerous misunderstanding; any one individual may feel that they are not doing much wrong, although they may be aware at the back of their mind that what they are doing is not quite right. They do not realise that they are not the only individual involved. The sum activity of lots of individuals doing a little bit wrong can do so much collective damage over time. As I have said before, things can be irreplaceable once the damage is done, and good education and public information will help to get that message across.

As has been said, effective, high-profile prosecutions get into the media. For example, prosecutions involving birds' eggs have been effective, and most people now realise how important sensible behaviour is in that field. The dropping of prosecutions sends a dangerous signal if it is done just because of the value of an item. It is not the value alone, but the effect on heritage that is at stake. The message must be sent to the CPS that that is this House's concern.

Mr. Allan: In the run-up to this debate, I was told that all police forces have wildlife liaison officers to deal with specialist wildlife crime, but only a couple have a heritage liaison officer. There is clearly a disparity.

Sir Robert Smith: Yes, that sends out a clear signal. As the hon. Member for Salisbury said, if police are slogging away with finite resources and do not expect the CPS to take things forward, a signal is being sent there, too. In the Government's response, they reject the idea of targets for this crime by saying in the third bullet point of paragraph 8:

"We are looking to minimise the number of targets on forces to allow them more flexibility to focus on their own local problems and priorities."

If the Government genuinely want to minimise targets, the distortion will be less if this specific crime does not have targets. However, I worry that the police still have a lot of targets. Certainly, when I speak to police forces, I am told that their concern is how targets drive

[Sir Robert Smith]

priorities. Although the police try to cover all crimes, if something is being measured, they will try to meet that Government target. If the Government do minimise all targets, however, forces will be free to concentrate on the problems in their areas, and that may remove some concern.

I have looked at the briefing notes for this debate and have heard what has been said today. Much of what has happened appears to have been galvanised by the setting up of ITAP. There is concern that with its winding up, there is no longer an external input to keep the Government's mind focused on these issues. Some of the recommendations have been implemented while others are still very much in the pipeline. It is important to maintain the ability to bring outside voices into the Government.

Clearly, joined-up government and internal co-ordination is important, but the focus of an external voice making the concerns outside clear to the Government and maintaining that dialogue has certainly proved valuable in other sectors. My constituency experience of the oil and gas industry has made a huge difference to my understanding of the Department of Trade and Industry. It might be less so in respect of the Treasury, but I support bringing the industry and the Government together in a permanent way so that feedback can always be achieved. Again, I hope that the Government will reconsider their position.

I do not regard the hon. Member for Salisbury as a faffing-about sort of person. To be fair, he deserves to defend himself from that accusation. He, too, emphasised the importance of joined-up government and cited practical examples of how we need to develop, with the internet, new means of tackling illicit trade that is carried out without people realising it. We want to put more moral pressure on eBay so that it recognises that if it wants public acceptance, it has to work effectively and have the moral authority of playing its part in not promoting an illicit trade.

The understanding of our origins is something we can do only one time round, when artefacts are found. It is crucial that we tackle the illicit trade. As my hon. Friend the Member for Sheffield, Hallam said in his opening remarks, it is a matter of prevention rather than cure. We need to prevent the crime from happening in the first place. We can play an important role. If this country can break the cycle of the trade and ensure that no illegal trade is passing through here, it will play a major part in removing the pressure that causes the crime in the first place. If the Government can stop the illicit trade, they will be taking a major step forward in protecting our heritage and that of other countries whose artefacts are traded through our nation.

3.7 pm

Mr. Boris Johnson (Henley) (Con): I congratulate the hon. Member for Sheffield, Hallam (Mr. Allan) on securing this important debate on a subject about which I am passionate. All hon. Members who have spoken so far have alluded to Iraq, which, of course, is very much on our minds at present. Despite all the horrifying images of present-day Iraq, matters might improve eventually in that country. If and when life returns to something like normality there, Iraq will need one thing, above all; tourism. People like you, Mr. Deputy Speaker, and I should go there.

I am not saying that there should be an organisation called "Simply Mesopotamia", but it would be wonderful if people were attracted by the cradle of civilisation, the ziggurats at Ur and the hanging gardens of Babylon, such as are left after the depredations of Saddam. In their present post-Saddam incarnation, fascinating they remain. That was why those of us who supported the war were so dismayed to see the looting of the museum in Baghdad at the moment of liberation.

I wrote a very angry piece denouncing the disappearance of the Warka vase, the squatting Arcadian king of 2500 BC and the golden bull's head harp of Ur. It later turned that some of our anger was a little overdone, because those objects were found not to have been stolen. A great many objects were finally recovered. I was in Baghdad a few days after its fall. I was standing in the grounds of the museum when people kept coming with great cardboard boxes full of cuneiform seals and returning them to the curators, who were overjoyed to recover them.

Mr. Mark Fisher (Stoke-on-Trent, Central) (Lab): Is the hon. Gentleman aware that the all-party group heard evidence last week from the British School in Baghdad? Of the 40 most prized objects that were initially looted, only 20 have been returned.

Mr. Johnson: That is exactly the point that I was about to make. We have to take back some of the more wounding things that we said about the Pentagon and how it guarded the museum, and perhaps we have to withdraw some of the allegations, which we saw in some of the newspapers, about a conspiracy between the Pentagon and the American Council for Cultural Policy. That may have been exaggerated. However, many wonderful things were lost and there is still considerable looting. It is only right that the current policy of the people of Iraq should be retentionist in the extreme, to use the jargon. They should hang on to their patrimony.

Mr. Allan: Does the hon. Gentleman agree that one of the real disgraces is that there are ongoing police investigations, as I understand it, into dealers in the United Kingdom who are dealing in material taken from Iraq in contravention of all the sanctions and selling it to buyers in the United States? After all the publicity, that is disgraceful.

Mr. Johnson: That makes it all the more important that we should listen to everybody who has spoken so far and supported the work of ITAP, which insists that there should be a database of all these things.

We should consider the most terrible thing about the loss of antiquities of this kind; I do not just mean the vacant case in the museum, or the empty plinth, because people know what has been lost. If we analogise cultural assets with the human mind, people may not be able to remember the first 100 lines of "Lycidas", but they know what they cannot remember and there is a blank spot somewhere in their mental catalogue.

The most unsettling things are the "unknown unknowns", to use Donald Rumsfeld's immortal phrase in his brilliant summary of all the epistemological

possibilities in world. The terror of Alzheimer's is not only forgetting things, but not even knowing the things that have been forgotten or lost. That is why we need the records and the database of objects—tainted items as they are called—that may have been stolen. Only if we have that do we have the hope of restitution. It would be a good thing if the database included generic descriptions of things that might have come from Iraq, because the Iraqis do not even know that they have lost many of the things that are currently being traded.

I have to make a confession. The hon. Member for Sheffield, Hallam spoke eloquently and said that we must all be careful to avoid falling into the trap. I have a slightly guilty conscience, because I have in my pocket a cultural artefact of potential cultural and historical importance, which I shall produce for the benefit of hon. Members. It is Tariq Aziz's cigar case, which I liberated from the house of the former Iraqi Foreign Minister a few days after the war. That object was at one time as close to the former Foreign Minister's bosom as Saddam Hussein himself. I do not believe that I was wrong. Had I not taken it, a hidden hand would have removed it. The important fact is that I faithfully and openly recorded the date and location of the discovery in a daily newspaper, together with its exact provenance. If any democratic successor Government in Iraq—as I hope there will be—decides in the normal way to apply for the restitution of this cigar case, I should be happy to give it to them. If they think that Tariq Aziz deserves to be reunited with it, that is fine.

I adduce that point trivially and frivolously to make a point, although I hope that it is not entirely trivial. The key element is transparency, and knowing where things come from and how they fit.

Sir Robert Smith: It is dangerous to say that looting is acceptable as long as it is transparent. People's behaviour in a war zone, especially that of legislators, should be a bit more cautious.

Mr. Johnson: I count myself as chastised by the hon. Gentleman. I think that I have preserved this artefact for the greater edification of others, and I am willing to restore it to its rightful owner if and when he is acquitted or convicted of his various crimes. That is why I approve so strongly of the portable antiquities scheme, not only in registering objects that have been discovered but in trying to invigilate the trade in them.

I salute the work of my hon. Friend the Member for Salisbury (Mr. Key) in setting up the portable antiquities scheme, under which 150,000 objects, some of them very stunning, have been notified to the public since 1997. The rich earth of this country is constantly bringing forth new treasures. Like my hon. Friend, I spent this morning looking at some of the extraordinary things that are for sale on eBay. A Celtic silver coin was going for £4, and a half-groat from the time of Henry VIII was going for only £5.50. There are some amazing bargains. It would be wonderful if the origins of these things were clearer and we could be sure that we were not being invited to buy something that was stolen.

We must face the fact that there will be a great deal more excavation in this country in the coming years. There are plans to build many more houses in south-east England. Gravel pits are being imposed in south Oxfordshire by regional government. During the digging up of the beautiful area around Dorchester and Sandford, who knows what things will be found? It would be very sad if that archaeological site were destroyed. It would be even sadder if the things that were discovered were lost, and disappeared into the great magnetic maw of eBay.

That is why it is vital that we keep track of them. We do not want to stop all the trade in such antiquities. Far from it; we want to encourage people to value these objects. The things on eBay are grossly under-priced and some are under-priced because they are dodgy. We should stop that. It would be great if the Minister did what she could to stop this cultural memory loss and the terrible sense not only that we have mislaid something and cannot remember where we put it, but that we are not quite sure what it is that we may have mislaid.

ITAP and the portable antiquities scheme provide important ways of stopping this haemorrhage without stopping the legitimate trade in art and antiquities. That is why I hope that the Minister will feel able to give them the support that is shared by everyone in this Chamber.

3.17 pm

The Minister for the Arts (Estelle Morris): First, I congratulate the hon. Member for Sheffield, Hallam (Mr. Allan) on securing the debate. I find myself surrounded by experts, either by training or through a constituency interest. I think that this is the most expert group of MPs that has ever met to discuss an issue, and I have an awful feeling that Members know most of the answers that I am about to give. Nevertheless, I shall try to respond to the issues raised.

I also want to take this opportunity to congratulate the hon. Member for Henley (Mr. Johnson) on his appointment to the Opposition Front Bench. I did not have the chance to do so during Question Time because he chose to major on sport, but he might return to home base at the next Question Time. I hope that he enjoys his time speaking on behalf of his party.I also hope that the hon. Gentleman does not repeat too many tricks like the one he just produced. I thought that he was about to announce that he had purchased something from the eBay site, but perhaps one possible crime in an Adjournment debate is as far as we should take things. I must say that some of the excuses he gave for having the cigar case are ones that I have heard from many people who have objects that should not be in their possession. However, I have no doubt that somebody will read the record of what was said, and in the interests of access we all ought to get a look at the case.

I turn to the serious issues in this discussion. I want to address several matters in the ten or so minutes that I have. I was going to talk about the achievements that have come out of the ITAP report since it was published because there are many of them, but I will not; I would be giving a list of things that people knew about and I would not have the time to address the important issues that have been raised. However, I want to put on the record that I think that it was an exceptionally high quality report and I congratulate the former Ministers who are responsible for that. I pay tribute to my right hon. Friend the Member for Newport, East (Alan Howarth), without whose initiative we would not be discussing the report today, to the work of Professor

[Estelle Morris]

Palmer and his team, and to my officials in the DCMS who have moved forward rapidly, given the slow way government sometimes works.

I am proud of and pleased with the progress that has been made in signing the UNESCO convention and, in conjunction with the hon. Member for Sheffield, Hallam, in helping to guide the Dealing in Cultural Objects (Offences) Act 2003 through Parliament. However, as hon. Members have said, a number of matters have not yet been fully implemented, and I think that the most appropriate thing to do is to give a progress report on them.

I will start with the portable antiquities scheme. I have been hugely impressed by that scheme and I am determined to ensure that it continues. I should point out for the record that the DCMS has invested £1.5 million to ensure that it survives. It is true that the Heritage Lottery Fund cannot continue to fund it, as that is not in its nature, even for small projects. I accept that if the scheme is to continue, the DCMS core budget must pick it up.

All that I can say is that as an advocate of this sector of the DCMS's responsibilities, I have done whatever I could to ensure that the scheme is included, in big letters, in the bid. When we know how much money we have been allocated from the Treasury, I will do all that I can to ensure that the scheme continues. I cannot say anything beyond those assurances. However, any change would not be for a lack of wonderment on my part at the scheme, those who run it or the museums.

I have had the opportunity to speak to some metal detectorists, whose hobby has become far more than that; it has changed their lives. We talk about the importance of such work because it helps us understand where we have come from as a nation and race and where we might be going. It had a great effect on those men and women, who have dug up from the earth things that have helped to inform the rest of civilisation about itself, and I am great advocate of that.

In response to my hon. Friend the Member for Linlithgow (Mr. Dalyell), I dare not tread into the matters of the Scottish Parliament, but if Scottish Ministers were interested in talking about the portable antiquities scheme or anything like that, I would be more than delighted to respond.

Let us turn to the trickier issue of the stolen objects database. There is no doubt that work on it has been too slow. Having traced back what has happened, I believe that the Select Committee was right to criticise both Departments for the slow pace at which they have worked. Why that has happened is irrelevant—it has happened and the work has been slow—so I shall talk about where we are now.

I have had meetings with Home Office Ministers, and we have jointly funded the second phase of the work, which reported in April and May this year. Let me be honest; the consultants' report has not meant that we can immediately begin work on implementation. That has been the problem and is why this is a tricky area for debate. I cannot say in all honesty that, having received the report, we can now go at full speed ahead. We now have to return to some other issues, and given what the consultants have said, I have two important concerns to pick up on.

The first question is about who pays. We envisage that the database could and should be self-financing, which would mean, as my hon. Friend the Member for City of York (Hugh Bayley) said, members of the trade paying for its use. Their willingness to do that is now less certain than before, and mention was made of the value of the goods on the database being part of the reason for that. The second question is about how helpful the database will be for enforcement through the criminal justice system.

Our plan now is to commission further work. Although the first report is completed, I cannot say that its recommendations will be acted on as soon as I had hoped even this time last week. I am more than happy to keep the all-party group and the House fully informed on that. Given how ashamed I was about previous slow progress, I will personally do what I can to ensure that progress is made as quickly as possible.

On public guidance, we have two guidance notes on the website, including information on the Treasure Act 1996. The UNESCO legislation database is also being prepared, although it is not an easy task. Some 26 pieces of legislation have already been identified, but there have been problems when nations have provided that information electronically. Six sets of information supplied by nations were not in a form that UNESCO could use. The legislation database is on its way, but more slowly than we thought.

There is better news on the export licensing regime. Hon. Members were right that the difficulties have been in the wording of the regulation to carry out spot checks on objects of non-EU origin. They were also right that we need an amendment, and we have submitted a paper to the Commission requesting an update of the legislation. That should be discussed at the next meeting of the advisory committee on cultural goods in November; I hope that that will be the way forward.

I reassure my hon. Friend the Member for City of York that the cross-Whitehall group met for the first time this week. Whether the hon. Member for Sheffield, Hallam wishes to claim that as an example of an Adjournment debate again doing great things I leave to him. However, the group is meeting now and will, I hope, go on meeting.

Everyone has mentioned ITAP. I am, coincidentally, meeting Professor Palmer tomorrow; that date was in my diary before this debate was. I have an open mind on this subject, and I have no wish to avoid doing what I can to implement the report. The reason why we suggested that the panel no longer meet was not because officials could not service it; we are a pretty lean Department, but not that lean. In fact, the reason was the one to which my right hon. Friend the Member for Newport, East—and perhaps others—referred. The panel has been in place for four years now, and a committee set up outside the Nolan regulations would not normally continue beyond that.

Mr. Fisher: Does my right hon. Friend not accept that the work of the panel should continue? If it will not meet again, it is her responsibility to establish something that will take its work forward.

Estelle Morris: Absolutely, and that may well be what I decide tomorrow, if the establishment of such a body needs to happen and I am persuaded by the arguments that I have heard. If someone is looking over one's shoulder, it is much better if their sole reason for doing so is because they are passionate, and not because they have other interests. I am very happy for a body to be established; I can see no disadvantages to that. I was nervous about allowing a committee that was outside the Nolan regulations to continue, because the advice that I was getting from officials was that that was not quite the way to do things. It was not quite proper, and there could be criticisms.

I will meet Professor Palmer tomorrow; that might be a way forward. It may be appropriate to then write to the hon. Member for Sheffield, Hallam and copy the letter to Opposition spokesmen to let them know what I decide. If the case is made, there is no disadvantage to what hon. Members propose. I am happy to take on board all the representations that have been made. Quite honestly, the establishment of such a body would give power to the Department's elbow in terms of enforcing and enacting provisions. I would sooner finish my time at the Department having implemented the ITAP report than having failed to do so, and if there is anything that I can do to assist that, I will.

On the eBay point—I refer also to the Wiltshire case and the issue of implementation—the eBay website clearly needs attention. I thank the portable antiquities scheme and the hon. Member for Sheffield, Hallam for the conversations that they have had so far. I think that the takedown route is the right way forward. We are continuing to talk to the British Museum, eBay and others.

I do not think that this has been mentioned by anyone: we think that eBay should display information on export licensing and regulations on the website, so that the person who gets to the website genuinely not knowing that they might be about to engage in illegal activity will at least have that brought to their attention. We have been talking to eBay about that.

I take the point that has been made about working across Whitehall. I am not one for setting up groups just for the sake of it. There is a real danger in Government of setting up a cross-party group so that one can say that that has been done, even if it does not actually change anything. I would rather look to the heritage protection review paper, the response to which will be published in June, to see what is said.

We have had a gallop through most of the issues raised by hon. Members. If there is any point that hon. Members feel particularly strongly about to which I have not responded, I will happily do so in a letter, but I do not think that there is anything I have left out. I finish by thanking hon. Members for pushing the DCMS, so that we can take action on this important area of national activity. I know that they will continue to do so, and I promise to work closely with them.

Breastfeeding

3.29 pm

Mrs. Annette L. Brooke (Mid-Dorset and North Poole) (LD): I am pleased to have finally secured this debate. It seemed appropriate to raise issues relating to breastfeeding close to breastfeeding awareness week, which was, of course, earlier this month. The Minister will be aware that two relevant early-day motions were tabled that week, both attracting more than 70 signatures. One notes that the UK has one of the lowest breastfeeding rates in Europe and also identifies some of the many health benefits from breastfeeding. The other highlights issues relating to baby food marketing. I want to make it clear at the outset that I consider it an important matter of personal choice for a mother how her infant is fed. However, the provision of facts, support and encouragement for breastfeeding, and regulation of the marketing of baby milk, all help to support an informed choice.

I acknowledge that the Government are supporting important initiatives, but there is always more to be done, given the advantages of breastfeeding and the disadvantages of not doing so. The health benefits of breastfeeding are well known and I shall quickly mention a few. The risk of gastroenteritis, respiratory, urinary and ear infections, eczema and childhood diabetes are all likely to be reduced. There is widespread concern in Parliament and across the country about childhood obesity. That has been brought to a head, I imagine, by this morning's coverage on the "Today" programme of the leaked report.

In response to a recent parliamentary question, I was told:

"In 2002, the Committee on Medical Aspects of Food and Nutrition Policy reviewed the benefits of breastfeeding in its Scientific Review of the Welfare Food Scheme and stated that breastfed babies are less likely to become overweight as children. Since then, a further review in 2003, by Dewey et al, found that most large studies show a protective effect of breastfeeding against overweight in children and adolescents." —[*Official Report*, 17 March 2004; Vol. 419, c. 383–4W.]

I understand that further research is being carried out. I suggest that among all the other recommendations that are likely to emerge from the Health Committee's report when the final version is published and responded to by the Government, the starting point should be the baby's start in life or perhaps even the mother's diet. I am not an expert on that, but childhood obesity requires us to go right back to the beginning.

I visited a specialist children's dentist in my constituency last week and was surprised to learn of further benefits in relation to jaw development. There are also, of course, many health benefits for the mother, including reducing the risk of pre-menopausal breast cancer and ovarian cancer, not to mention aiding weight loss after pregnancy.

Around two-thirds of women start to breastfeed their babies in the UK. However, the last five-yearly survey carried out by the Office for National Statistics showed that 21 per cent. of mothers who started breastfeeding had stopped in the first two weeks and 93 per cent. of them would have liked to have breastfed for longer. Just one in five babies are receiving breast milk by the time they are six months old, although the World Health

[Mrs. Annette L. Brooke]

Organisation recommends that babies need nothing other than breast milk for the first six months of life. It contains everything that a baby needs. There are huge variations in breastfeeding rates according to social class, age and area, so it is important to tackle the inequalities.

Excellent work is taking place in many areas to support and encourage breastfeeding. I am particularly pleased that Poole primary care trust employs a breastfeeding co-ordinator and I congratulate Mandy Grant on her work. I recently attended the inaugural meetings of two new bosom buddies groups. One of my constituents, Julie Dyball, played an important role in the latest one to be set up in Upton. Through regular weekly meetings, it provides a social environment for mothers and toddlers as well as support from other mothers and breastfeeding counsellors. How does the Minister intend to ensure that good support is available across the country? Also, what support will he give to maternity units seeking baby friendly status? I am pleased that Poole hospital is likely to apply for that.

I have wondered about how I became quite so involved with breastfeeding because, until a year ago, I simply thought that I had been there and done that way over 30 years ago. I recall that my main motivation to breastfeed was based on economic grounds, an important factor for many mothers today, but perhaps not always recognised as there tends to be a lower rate of breastfeeding in areas of deprivation.

Once I started to talk to mothers in my constituency and members of the National Childbirth Trust, I became aware of how many dimensions, and obstacles and obstructions, there were to supporting breastfeeding today. On the support aspects, clearly it is important that there should be good training for all professional workers, including nurses and health visitors, who will be in contact with a new mother. I have been impressed by the work carried out by Bournemouth university on that issue. As a consequence of securing the debate, I received representations from the Royal College of Midwives—the Minister will not be surprised by that. Although the Government plan to recruit more midwives, the latest statistics from the NHS and the Royal College of Midwives annual staffing survey reveal that we are not recruiting as many as we need. That shortage has an inevitable impact on how much support midwives can offer women on acquiring skills such as breastfeeding. That is an important point, despite the nature of the lobby. The training of breastfeeding counsellors who work on a voluntary basis is also important. Schemes such as bosom buddies could not exist without voluntary support.

During my trip to learn about breastfeeding in this day and age, I was shocked when I asked local GP surgeries and local primary care trusts about breastfeeding levels in my constituency. The statistics all seemed incredibly good. I have thought about that and it seems to me that we must not be complacent. There is a danger of focusing on the percentages of women who start breastfeeding. It is important to have comparable data, across different areas, monitoring the first six months and beyond.

Last autumn, I learned from Poole PCT that guidelines were awaited, and I discovered from the response to a parliamentary question that guidelines for PCTs on the collection of statistics on breastfeeding initiation were made available to national health service staff on 28 November 2003. Are those guidelines being followed by all PCTs? What further steps is the Minister taking to ensure that there is good data on which to make further decisions?

On the cultural aspects, it seems that we have reached a strange position in society when some people become embarrassed at a mother discreetly feeding her baby in a public place. I was travelling on a crowded tube the other day, and a baby was crying. The mother addressed the situation quickly and efficiently. Result: happy baby and less stress for the other passengers, including me. Attitudes are slowly changing, but we have a long way to go. If a mother wishes to use a quiet and private place for feeding when she is out shopping, for example, the facilities are often poor, if there is any provision at all. Living in a tourist area, I am very aware that the facilities are lacking.

There can be no quick fix for societal attitudes, but leadership at a national and local level can clearly contribute over time. Support needs to come from society as well as from health professionals, family and friends. Greater understanding and positive attitudes are needed to encourage and support breastfeeding women and to enable them to carry on for as long as they would like. Ideally, breastfeeding should be a normal part of everyday life. I could not help but notice the contrast between the UK and Ghana during a visit I made to that country last year.

We have a strong call to make to the Government on the marketing of baby food. In 1981 the United Kingdom signed up to the international code of marketing of breast milk substitutes, adopted by the World Health Assembly as a minimum requirement to protect infant and young-child feeding, and hence their health. The international code is a unique and indispensable tool to protect and promote breastfeeding, and to ensure that the marketing of breast milk substitutes, feeding bottles and teats is appropriate.

It applies to all products marketed as partial or total replacements for breast milk, such as infant formulas, cereals, juices, vegetable mixes and baby teas promoted for children under six months. The United Nations Committee on the Rights of the Child has expressed concern about low breastfeeding rates in the United Kingdom and called on the Government to implement the code fully. Clearly, all the excellent supportive work and increases in breastfeeding initiation are undermined by company promotion that violates the code but is permitted by UK law. The market for breast milk substitutes is worth more than $20 billion; it is very big business. Monitoring by the International Baby Food Action Network found a surprising amount of illegal promotion as well as code violation.

Last year—I asked rather a lot of questions on this issue last year—I asked the Secretary of State whether he would take steps to ensure that jars of baby food could be labelled to say that breastfeeding is encouraged

for six months rather than four. The answer was comprehensive. It stated:

"Current European Commission legislation provides that weaning foods may be labelled as suitable for infants from four months of age. This is due to be reviewed in the new year in light of the World Health Assembly (WHA) Resolution 54.2 on Infant and Child Nutrition to strengthen activities and develop new approaches to protect, promote and support exclusive breastfeeding for six months."—[*Official Report*, 10 December 2003; Vol. 415, c. 502W.]

Can the Minister give me an update on that?

Ms Julia Drown (South Swindon) (Lab): I congratulate the hon. Lady on initiating this important debate. She explained the benefits of encouraging breastfeeding in this country and mentions World Health Organisation recommendations. It is estimated that 1 million babies may die across the world every year because of low breastfeeding rates. It is clear that a majority of people are in favour of breastfeeding and of doing more to encourage it, and we need to do more to approach the minority who are against it. Is it not crazy that breastfeeding is sometimes not allowed in workplaces or places that people visit even though it is safe to breastfeed in them? Of course, this place is one of those places.

Mrs. Brooke: I thank the hon. Lady for her intervention and endorse her comments about the worldwide situation. We are talking about 1.5 million children a year and a child dying every 30 seconds. Those are horrifying figures. There is also a great discrepancy between countries. At a reception here just a week or two ago, we heard that Brazil has introduced a strong law, which is well implemented, and what a difference that will make. I appeal to the Minister for the UK to show leadership. We should have stronger laws and better implementation of them, which I am sure would provide a model for the rest of the world. I shall leave my comments on the workplace until the end, because that is perhaps the more controversial point.

It is now more than 20 years since the inception of the code. That leads us to ask what is happening. The early-day motion tabled by the hon. Member for Birmingham, Selly Oak (Lynne Jones) was very good and comprehensive. I shall not read it all out today, because it picks out the points that we have just covered, but it rightly says that something needs to be done.

Of course, international companies will find ways around the legislation and regulations that we have had for a long time because their profits are bound to be enormous. Just imagine the profits that might be had by international companies promoting their wares in countries such as China, where 20 million babies are born each year. It is big money, which is why we need changes here.

What I found quite surprising in the work of IBFAN and, indeed, local reports is that the problem is not simply a matter of not having strong enough legislation; it is also the extent to which the code is violated. A local supermarket had a particular promotion—I cannot remember whether it involved a two-for-one offer or extra reward points—but fortunately local members of the National Childbirth Trust took swift action, reported the matter to trading standards officers and action was taken. The work of trading standards officers, who enforce the narrow UK law, is to be commended, but they need more law to work with.

Another problem is that, in hospital or soon afterwards, many mothers receive gift packs that contain samples of complementary foods, breast milk substitutes and follow-on milks, or vouchers. Leaflets for mothers are sometimes found in clinic waiting rooms. Companies often give branded gifts to health workers, ignoring the explicit ban on direct and indirect contact with pregnant women and mothers of infants and young children. Telephone care lines and websites compete with those of the NHS and mother support groups, which are in turn promoted to mothers in leaflets, parenting magazines, direct mail and on product labels. Companies use the same brand name for a range of products. Infant formula is labelled "for use from birth" and one or more follow-on formulas are labelled

"for use with older infants".

Follow-on formula did not exist when the code was adopted and has been described by the World Health Assembly as "not necessary". Companies can widely advertise follow-on formula in the UK. It serves to promote infant formula with the same brand name and clever packaging, which tends to idealise artificial feeding. There is also a problem with complementary foods, labelled

"for use before six months of age",

which we desperately need to address.

Returning to obesity, my hon. Friend the Member for Hazel Grove (Mr. Stunell) recently tabled parliamentary questions on the link between the high-sugar content of baby foods and obesity in children, and asked what information is available on baby foods and sugar. We must highlight the facts about fat, salt, sugar and other substances contained in complementary foods.

The Minister should respond positively to IBFAN's well rehearsed call for action. It suggests three strategies: a change in Government policy, which would include the prohibition of materials on infant and child care that are produced or sponsored by companies with an interest in infant feeding; new legislation implementing the code's provisions for feeding bottles and teats, including a ban on promotion; and revised legislation that would fully introduce all the revised EU directives.

On education, in the process of preparing questions I discovered that GCSE syllabuses on child care do not even cover the international code on the marketing of breast milk. That is appalling. Through my parliamentary questions, and having pursued the matter with the Qualifications and Curriculum Authority, I have received a commitment that the syllabuses will be amended when they are revised. That action will be implemented at the earliest opportunity. So that was a success, although it has opened up how much more must be done in education.

Will the Minister liaise with his colleagues in the Department for Education and Skills, because teaching about breast feeding versus bottle feeding should ideally involve bringing a professional into the classroom? There is a lot of scope in personal, social and health education for sensibly promoting breastfeeding, which means tackling the matter from the beginning. There is much more that can be done, but, incredibly, text books do not cover the 1981 code.

[Mrs. Brooke]

I have left the subject of the workplace until last, because I thought that that might bring some of my colleagues into the debate. There have been splendid initiatives on child care and on making it easier for mothers to return to work, but those sometimes introduce a third factor of having to give up breastfeeding. It is a tragedy when Government policies, in effect, work against each other. I am the last person in the world to want to introduce bureaucracy and put difficulties in the way of businesses, especially small businesses, but what surveys have been conducted on what would make it easier for mothers to continue to breastfeed when they return to work? I would not want to pronounce on the solutions to that, but surveys should be conducted.

We should think outside the box a little. Greater flexibility is probably needed, such as the ability to take a longer lunch hour. I would hope that larger companies provide suitable places for breastfeeding. If we are to have a holistic policy that is about the health of children, that policy must be examined from all angles and take into account the concerns of the Department of Trade and Industry, the DFES and the Department of Health. I hope that the Minister will take a lead across the Departments on those important issues, to help us to succeed in bringing our breast-feeding levels at least up to those of other European countries.

3.50 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I congratulate the hon. Member for Mid-Dorset and North Poole (Mrs. Brooke) on securing the debate and on taking an interest in a subject that, as she said, she thought she had left behind many years ago. However, she shares that interest with my hon. Friend the Member for South Swindon (Ms Drown). I am sure that this will not be the last time that we discuss the subject.

Breastfeeding provides the best possible start in life and has considerable benefits for mother and baby. As the hon. Member for Mid-Dorset and North Poole said, those benefits continue long after breastfeeding has ceased. That is why, in line with the World Health Organisation code, the Government recommend exclusive breastfeeding for the first six months of a baby's life, with continued breastfeeding along with complementary feeding after that.

The Government also recognise the positive impact on public health that will occur by increasing levels of breastfeeding. That will be particularly significant among mothers from disadvantaged groups. Indeed, two of the Government's priority areas for health improvement—cancer and coronary heart disease—could be positively affected by increasing breastfeeding levels. For example, mothers who breastfeed are less likely to develop pre-menopausal breast cancer and are more likely to lose the excess weight that they gained during pregnancy. Breastfed infants are five times less likely to be admitted to hospital with common infections, such as gastroenteritis or respiratory infections, during their first year of life. Moreover, there is emerging evidence that breastfed infants are less likely to become obese in later childhood.

As far as reducing health inequalities is concerned, mothers from low-income groups are the least likely to initiate and to continue breastfeeding. "Tackling Health Inequalities: a Programme for Action", launched by my right hon. Friend the Secretary of State in July last year, sets out a framework with a strong focus on the prevention of health inequalities. It highlights the need to increase breastfeeding levels, especially among low-income groups.

The infant feeding survey in 2000 found that 71 per cent. of mothers initiate breastfeeding. However, there are striking differences in breastfeeding levels, related to levels of education, geographical location and age. For example, in the UK, 85 per cent. of mothers in higher occupations initiate breastfeeding compared with only 52 per cent. of mothers who have never worked. Some 78 per cent. of mothers aged 30 or over initiate breastfeeding compared to 46 per cent. of mothers aged less than 20.

That is why we have made a commitment in the NHS plan to increase support for breastfeeding and have set a target in the priorities and planning framework for 2003–06 to increase breastfeeding initiation by 2 per cent. per year, focusing in particular on women from disadvantaged groups. The Commission for Healthcare Audit and Inspection will be inspecting against an indicator to monitor progress towards meeting that breastfeeding initiation target.

In addition, a national service framework for children is being developed to set standards across the NHS, the social services for children and young people, and maternity services. Breastfeeding will be included in the development of that national service framework, which we hope to publish in July. The hon. Lady asked what the Government will do to ensure that there is consistent performance in increasing initiation rates. Those two elements—the indicator and inspections by the Commission for Healthcare Audit and Inspection, and the national service framework for children—will be particularly relevant. Further work is also being undertaken by the Health Development Agency, which has appointed two collaborating centres in maternal and child nutrition. Their work will include increasing the body of evidence on what encourages breastfeeding and moving that evidence into practice.

Last year, the three-year infant feeding initiative was successfully completed. It was supported with just under £3 million from the public health development fund. The overall aim was to consider ways to increase breastfeeding rates among disadvantaged groups. As part of the initiative, 79 best-practice projects were funded. The majority were local projects looking at best practice and practice development.

The Department of Health commissioned an evaluation of the 79 projects and the findings were published in a report in December last year. The report makes clear the important contribution the projects made to understanding how women from disadvantaged backgrounds can be supported and encouraged to breastfeed. The strategies and lessons learned from the 79 projects need to be shared and disseminated to those supporting and encouraging mothers to breastfeed to assist them in delivering the priority and planning framework target. For example, some of the key findings relating to antenatal education

and peer support programmes support other research findings, which means that midwives and health visitors have a key role to play in increasing breastfeeding rates.

I acknowledge the comments made by the hon. Lady about the recruitment of midwives. That is exactly why the Government, working with the Royal College of Midwives, have developed a six-point action plan to improve the rate of recruitment. I note what she says about lobbying from the RCM, but I assure her and the RCM that we are making significant progress. I wish I could wave a magic wand and produce all the midwives that we need, but I cannot.

We have produced a practical, user-friendly resource pack for health professionals, based on the evaluation of the projects and current research evidence, and plans for its dissemination are in place. The resource pack has drawn on the experiences of all those involved in breastfeeding. Genuine local partnerships involving health professionals, the voluntary sector and mothers enable communities to identify and prioritise local need and ensure that effective interventions and resources are targeted on the areas with the greatest need. The commitment in the NHS plan to reform the welfare food scheme will also ensure that children in low-income families have access to a healthy diet and will help to bring equality to mothers who are breastfeeding.

We consulted on proposals for reform towards the end of 2002 and published our response to the consultation setting out our intentions to introduce a new scheme in February. The healthy start scheme provides vouchers for fresh fruit and vegetables as well as liquid and infant formula milk from the beginning of pregnancy, and an additional voucher from birth for the first year will be available to all mothers. Breastfeeding mothers have long felt that they lose out and the new scheme redresses the balance. It will also increase the choice available to all mothers in the scheme. Healthy start will free the NHS and child health clinics from the obligation to supply infant formula milk to mothers on the scheme, which will enable health professionals to concentrate on what they do best: providing high-quality care, advice and support to pregnant women and their families.

We are taking other steps to raise awareness of the issue: national breastfeeding awareness week, funded by the Government, is an annual public health campaign and is a main vehicle for raising awareness about the health benefits of breastfeeding. The hon. Lady referred to this year's campaign, which took place two weeks ago, in support of the priorities and planning framework target to encourage new mothers and mothers-to-be to "give it a go". Although the evaluations of this year's campaign have not yet been collated, the media coverage on breastfeeding was supportive and all the broadsheet press mentioned the campaign.

National breastfeeding awareness week is channelled through the NHS. Last year, health professionals distributed more than 1.25 million pieces of material produced by the Department of Health, professionals and voluntary organisations, who also helped to generate more than 550 regional press reports about breastfeeding during last year's campaign.

The Government are committed to the promotion and support of breastfeeding internationally, which brings me to the concerns that the hon. Lady expressed about the World Health Organisation's international code of marketing of breast milk substitutes. The World Health Assembly adopted the WHO code of marketing breast milk substitutes in 1981 prior to the development of what are now called follow-on infant formula milks. The WHO code, which the Government support, aims to protect and promote breastfeeding and establishes principles for ensuring the proper use of breast milk substitutes, including their marketing and distribution.

Rules on the composition, labelling and advertising of infant formula are harmonised throughout the EU by the EU directive on infant formula and follow-on infant formula. The principles of the WHO code relating to the labelling, advertising and provision of information about infant formula are incorporated—

4 pm

Sitting suspended for a Division in the House.

Paper Industry

4.15 pm

Jonathan Shaw (Chatham and Aylesford) (Lab): I am pleased to bring to the attention of the House an industry of which Britain should be proud. It makes a massive contribution to the manufacturing base, with a turnover of £3.5 billion. It directly employs some 30,000 people and indirectly employs another 250,000. My constituency has the largest concentration of paper and board manufacturing in the UK, employing about 1,000 people with 1.4 million tonnes of production. The paper industry is a good employer; it offers well-paid jobs with good industrial relations.

In Britain, we consume 12.6 million tonnes of paper and board every year. The UK market is the sixth largest in the world and the second largest in Europe. The shape of the economy can be benchmarked against the consumption of paper and board. If the economy is doing well, the newspapers get fatter; if the newspapers get thinner, there is uncertainty or a downturn in the economy. Advertising, rather than the quality of journalism, determines the weight of the satchels carried by newspaper boys and girls to our front doors every day.

The 80 mills in the UK account for 40 per cent. of domestic production. The majority of paper and board is now imported. Since I held a debate four years ago, the industry has faced many challenges. The then Minister went on to become Secretary of State, which shows that Ministers who take a close interest in the paper industry enjoy good fortune, so I am sure that the Minister is taking note. Four years ago, the strength of the pound was a primary concern for the industry, as it was for most exporting businesses. The situation improved last year. Performance in export markets is up and that is welcome. However, it has not returned to the level of 2000. Throughout the 1990s, production and consumption grew year after year, but that halted on 11 September 2001. One mill in my constituency, Aylesford Newsprint, felt the effect immediately. Despite a successful economy, there was a loss of confidence, advertising reduced and newspapers became thinner.

The purpose of the debate is to build on the paper industry's work on engaging with the Government. It must assist the Government to meet recycling levels and carbon emission levels by investing in high-quality combined heat and power plants. Those objectives are mutually beneficial not only in terms of the bottom line. The paper industry has the desire to fulfil its potential for the common good in a sustainable way.

Over the past four years, the industry has organised a new trade body—the Confederation of Paper Industries—which represents recovered paper as well as paper and tissue manufacturers and converters. The industry is developing a sustainable development programme to identify how it can improve its environmental performance. Its strategy covers the whole paper cycle, from raw material production to disposal. It also incorporates elements such as training, health and safety, staff turnover and sickness rates.

Over the past few years in particular, the industry has developed a constructive dialogue with Ministers and officials. The all-party group on paper-related industries, which I chair, encourages industry representatives to speak to Members of Parliament so that we can understand the needs of the industry and what the industry can do for the British economy and environment.

The paper industry is the largest recycler of paper in the UK and is the largest exporter of recovered paper. Last year, 2.2 million tonnes of paper were exported, with the majority going to Asia. Progress has been made on the materials used. In 1991, wood pulp accounted for 43 per cent. of production, but that has now reduced to 24 per cent. There has been investment by the industry and support from the Government. Most recently, £17 million from the waste and resources action programme contributed to an increase of 30 per cent. in recycling at the UPM Kymmene mill at Shotton in north Wales.

The Government set targets for local authorities, which have made a significant impact in the collection of household waste for recycling—rightly so, because doorstep collection is popular; people want to be able to make their contribution to protecting our environment. In 2001–02, 87 of the 375 local authorities did not offer a kerbside collection. That number has now fallen to just three. A health warning to attach to that might be that not all kerbside collections are as good the next. Aylesford Newsprint, working with my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), has produced an atlas—a league table—of those who are performing well and those who have much more to do.

As a consequence of that situation, the market for raw materials has stabilised, which is a crucial factor for the industry. It must have a guaranteed supply of material. Running an operation such as Aylesford Newsprint requires 500,000 tonnes a year. In the early days, when that mill was commissioned, the fluctuation of the cost of the raw material meant that considerable costs had to be built in and it penalised the company for many years. However, now there is continuity. That has not happened by accident, but by the industry working as partners with local authorities to help to develop long-term contracts at agreed prices. That is good for the industry, local authorities, the environment and Britain. That type of commercial environment can create the confidence that is needed for investment, which might increase the UK's ability to provide a greater proportion of the domestic market than it currently does. For once, our collection rate is at 54 per cent., although it is still one of the lowest in Europe.

Recycling has taken a big leap forward, and the industry and local authorities are to be congratulated on that. The next step is to examine how we collect that raw material and how we measure it. Tonnage-driven rates have caused unforeseen problems. Local authorities are driven by considerations of weight rather than of quality. Therefore, a reduction in quality inevitably happens. The quality of the raw material is vital for the paper industry to produce the quality product that consumers want. To illustrate the point, the number of councils that offer a dedicated paper and card collection dropped from 117 in 2001–02 to 55 in 2002–03.

Many materials are all lumped together, which causes significant problems. If recovered paper comes into contact with grease, food or glass, it is contaminated and cannot be used. If we are to take the next step in recycling, we must separate materials at the doorstep. It

makes no sense to separate them after collection, particularly when one of the key materials is redundant. The message from the industry is that we have made a good start—the industry played its part in that—but we need to move away from purely considering tonnage to considering quality. There is brass in muck, but there is more brass for everyone if the muck is of a better quality.

I hope that the Minister will note that and give it some attention, particularly when he is in discussion with colleagues from the Department for Environment, Food and Rural Affairs and the Office of the Deputy Prime Minister. I know that he has met industry representatives and is aware of the significant investment of people, time and systems that has gone into implementing European legislation on pollution prevention control, which has cost the industry £4 million.

I am proud of the Government's environmental achievements. We have not done enough, by any means, and industry has to play its part. The industry appreciates that the Department of Trade and Industry has set up the regulatory impact assessment as a way of ensuring that UK industry is not unfairly affected on the European scene before environmental legislation is implemented. We are six years ahead of the game on pollution prevention control. Some of the industry complains about that, but I hope that it will mean that we will be in a more competitive position than our European competitors when they implement the PPC in the years to come.

Investment in good quality combined heat and power plants is a major plank of the Government's strategy to deliver on climate change. My hon. Friend will be aware that there are just 19 CHP plants in operation in UK paper mills. Sadly, at least five projects have been shelved. The reason for that, which he will understand, is that gas prices have doubled. They doubled in 2001, and the bill for the paper industry alone increased by £50 million. It remains high, which means that investment in CHP has not reached the expected level.

A plant costs around £10 million. Officials from the Department of Trade and Industry, the Treasury and the Department for Environment, Food and Rural Affairs visited a CHP plant at a paper mill in Kent a few months ago and the problems were explained to them. The industry has proposed that if power companies were obliged to include CHP as a percentage of their output, in the same way that they are obliged to do for renewable energy, investment might be kick-started. Has the DTI given serious consideration to that proposal?

The industry is concerned that the Government think that the solution for reinvestment in CHP will be achieved by an increase in electricity prices. Can my hon. Friend confirm that that is not a serious solution and is not desirable? He will realise from the number of mills that I have mentioned that CHP mills are in the minority and the rest rely on electricity. With the cost at £10 million for a new plant, a huge hike in electricity prices would have a devastating effect on the paper industry, which already faces considerable challenges.

Will my hon. Friend confirm that that is not the Government's solution? Will he also confirm that he is keen to seek new ideas and solutions to unlock the desirable CHP investment that we all want, so that we reach our climate change and Kyoto targets? Furthermore, what consideration has he given to the increased gas prices arising from the EU emissions trading scheme? There is uncertainty in the industry about how CHP will be treated in the new regime. I should be grateful if he shed some light on that matter.

I understand that the European co-generation directive provides that member states should consider heat demand as well as electrical power demand in assessing their overall energy needs. That is welcomed by industries, including the paper industry, because it makes the importance of heat more central. However, there is concern that the UK has not fully embraced that approach and remains wedded to the sole consideration of electrical demand. Again, I should be grateful if my hon. Friend commented on that.

The industry is a good employer. The industrial relations that are enjoyed between the employer and the main union, the Graphical, Paper and Media Union, are constructive and in many ways exemplify modern partnerships in the workplace. Yet despite that positive working relationship, the industry had an accident rate that was twice the level experienced by the rest of manufacturing industry, and a fatal and major accident rate that was equal to, or in excess of, the construction industry. In 1998, the industry experienced two fatalities and had an accident rate of 23.4 per 1,000 employees. Everyone agreed that things had to change.

In 1998, the paper and board industry advisory committee set out its target to reduce accidents by 50 per cent. Four years ago in this Chamber, I strongly criticised the industry for its lack of progress. However, its safety record has improved considerably. The total injury rate is 16.6 per 1,000 employees. That is a major achievement, but everyone, including the unions and employers, agrees that more needs to be done. That does not just involve the unions and the employers; there has been a tripartite approach. The Health and Safety Executive has been effective in that partnership. However, there is concern among the unions and employers that the reduction in the number of HSE employees means that it will not be able to play such a constructive role in future. Perhaps my hon. Friend could comment on those concerns.

Britain should be proud of this industry, which makes a considerable contribution to UK plc and also the UK environment. It wants to continue the current constructive dialogue to find solutions that enable the industry to go forward in a highly competitive market. In addition, it should supply far more to the domestic market so that we no longer have to import so much.

4.30 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Nigel Griffiths): I congratulate my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw) on securing the debate. He has given me the opportunity to praise this industry and to acknowledge his close interest in this sector over a number of years. Indeed, I am grateful for the advice that he has given me as a Minister in his capacity as chair

[Nigel Griffiths]

of the all-party group on paper-related industries. In fact, his is one of the best-informed contributions that I have had the pleasure of listening to as a Minister.

My hon. Friend has given the Chamber details of the contribution made to the economy and to employment by the UK paper industry. The sector, which includes pulp and paper products, employs 93,000 people in more than 2,400 companies and contributes a staggering £11 billion a year to our economy. It covers a wide range of key products from newsprint to packaging, fine papers to health care. Large companies like St. Regis, as well as smaller independents like Tullis Russell in Fife, compete with multinationals that also make a significant contribution to our economy.

Aylesford Newsprint, to which my hon. Friend referred, is a world-class facility. I am proud that the Department of Trade and Industry helped it with financial investment to ensure that it has built this fantastic capacity. It now produces 1 per cent. of the world's production of newsprint. Its newest machine, the PM14, has set five world records for newsprint production. About a third of the mill's production is exported to Europe, making a valuable contribution to our balance of trade. The company owns and operates 2,145 banks for recycling, which is a terrific contribution to the recycling aims that we all share. It has achieved Investors in People ISO 14001 and ISO 9002, which reinforces my hon. Friend's message about the respect it pays people and the fact that it sees its work force as its most valuable resource.

This year I have already had two meetings with the key sector representatives: the Confederation of Paper Industries came in with Chris Blackford of LINPAC, and Martin Gale of UPM-Kymmene, Don Coates of St. Regis and Peter Mansfield of Cheshire Recycling have all been to see me and given me high-quality briefings. We discussed the key issues affecting the industry, including recovery and recycling.

I join my hon. Friend in praising the 370 councils that now offer recycling facilities. They have worked with the Government to meet our targets, but I am alarmed at the trend towards mixing paper for recycling with metals, glass or other materials that contaminate the paper. I am pressing for this trend to be reversed. Co-mingling makes it much more difficult to recover quality paper products. Although the industry and I appreciate that the need for other vehicles to be involved in collection weighs heavily on resources and depletes our environment, I am sure that there are solutions that are cost-effective, good for the environment and good for the industry in question. I am also aware of the corrugated case and, like my hon. Friend and the industry, we want to see as much of that recovered as possible.

My hon. Friend highlighted the role of combined heat and power and emissions trading, and I was pleased also to discuss that in some detail with industry representatives. I recognise that the increase in gas prices and lowering of electricity prices in recent years has affected investment decisions in CHP. After I met industry representatives, officials from the DTI went to Aylesford Newsprint, in my hon. Friend's constituency, with colleagues from the Department for Environment, Food and Rural Affairs and the Treasury to learn more about the issues and, I hope, help come up with some of the solutions.

My hon. Friend rightly asked about the industry proposal for power companies to have an obligation to use CHP-generated power. A CHP obligation would be the surest way to ensure that the CHP 2010 target of 10 GW is met, but I am advised that it would be expensive relative to the carbon saved. We showed our commitment to CHP by publishing the UK CHP strategy four weeks ago on 26 April. It sets out a framework to support the growth of CHP capacity in the UK and to enable the CHP industry to meet the challenges ahead. I am keen to work with the industry to seek solutions and unlock CHP investment, and I am determined that the Government should help the paper industry to maximise its contribution to the UK economy.

My hon. Friend also mentioned industry concerns about the impact of the European Union emissions trading scheme, in particular on gas prices. As a form of low-carbon generation, CHP plants should benefit above other less efficient forms of energy generation. The impact of the scheme on CHP capacity is difficult to quantify, but modelling work has suggested that it would be in the range of 100 to 400 MW by 2010. Considerable uncertainty exists about the likely price of carbon, and the final impact on CHP will depend on decisions yet to be taken on the implementation of the EU's emissions trading scheme. We are grateful for the representations that my hon. Friend and the industry, both individually and collectively, have made to us, and they will help us reach a better-informed conclusion.

My hon. Friend also mentioned the EU co-generation directive. CHP is a highly fuel-efficient energy technology that puts to use the waste heat produced as a by-product in the electricity generation process. We have had that in the United Kingdom for a number of years, and the situation has not changed with the co-generation directive. The point that I want to emphasise is that it will not place the importance of heat more centrally than it is now.

We have heard about health and safety issues, which I know that the industry takes seriously. I am grateful for the positive steps that have been taken to set the challenging target to the industry of a 50 per cent. reduction in accidents. I understand that the industry has reduced the number of accidents by 29 per cent. in the past three years, and I pay tribute to everyone in it, including the unions and work forces, for their efforts in securing that improvement. I know that they will now redouble their efforts to reduce the accident rate further. All accidents are avoidable, and best practice is the way towards a zero accident rate. The industry and Department recognise that more work is needed, and I shall ensure that the Department works with the industry to monitor that and give every assistance possible.

I am delighted that the CPI is developing its sustainability strategy for the industry. It is consulting stakeholders for their views, including my Department and environmental groups. I am also glad and proud that the DTI part-funded an image study. It was published last year and found that the industry could work with us to highlight the positive achievements that it has made in sustainability and, in particular, managed

forests. I represent a constituency in Scotland and I know that that is of particular interest to a wide group of hon. Members, including my hon. Friend.

The CPI recognises that there is room for improvement. It is addressing the issues so that companies in the sector have the tools to improve sustainability across the board. As with all challenging companies at the forefront of technology, it has set itself an ambitious goal to make the United Kingdom paper industry the first truly sustainable sector. It is about to publish its strategy and I am confident that if any one sector can be in the lead and make such an achievement, it is that excellent sector. We are liaising with it to ensure that we can showcase what it achieves.

If there are points that I need to cover in more detail, I shall write to my hon. Friend. We have a close and warm dialogue on the sector and we both feel strongly about it. I have some good news for him and the Chamber. In spite of being a Minister who runs a high-tech office, has state of the art computers and electronic document management at the latest cutting edge level, my office is far from being a paperless office—something to which my staff will attest. The future of paper with a Minister like myself is very bright. I congratulate my hon. Friend again on securing the debate and on his well-informed contribution to it.

Question put and agreed to.

Adjourned accordingly at eighteen minutes to Five o'clock.

Westminster Hall

Thursday 27 May 2004

[MR. DAVID CHIDGEY *in the Chair*]

Judicial Appointments/Supreme Court

[Relevant documents: Judicial appointments and a Supreme Court (court of final appeal)—First Report from the Constitutional Affairs Committee, Session 2003–04, HC 48-I and -II, and the Government's response thereto, Cm 6150.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Jim Fitzpatrick.]*

2.30 pm

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): It is a great pleasure to serve under your chairmanship, Mr. Chidgey.

I pay tribute to my colleagues on the Select Committee on Constitutional Affairs for the work that they do, and to our tremendously hard-working staff and special advisers. The subject of the debate is the Committee's report on the Government's proposals for judicial appointments and a supreme court. It was published on 10 February, and much has happened since, some of it influenced by what the Committee said. The Constitutional Reform Bill was published later in February, and the Government produced their response to our report in April.

In March, the House of Lords decided to remit the Bill to a Select Committee. In the course of that debate, several noble Lords referred to the Committee's stated view that such fundamental changes in our judiciary should be dealt with in a measured way. We argued that the Bill should be treated as a draft Bill and dealt with over two Sessions. Our objective was met by a combination of the Select Committee procedure in the Lords and agreement that there should be a carry-over motion to allow the Bill to come to the Commons early in the next Session. I thought all along that that would be a sensible solution, and I am glad that it was adopted. I did not always have the full endorsement of my Front-Bench colleagues in that matter, but one cannot always have that, especially when one is Chairman of a Select Committee.

The draft nature of the Government's proposals is emphasised by their willingness to table substantial amendments, which I welcome. Some of those amendments arise from what became known as the concordat—the unprecedented agreement between the Lord Chancellor and the Lord Chief Justice through which the judges sought to safeguard judicial independence following the planned abolition of the office of Lord Chancellor. I rather admire the Lord Chief Justice's alacrity in involving himself in the matter; his negotiating skills are also admirable. The concordat is an unusual and remarkable feature of the processes that have been used to deal with this matter.

It is not my purpose to rehearse the arguments for and against change, although other hon. Members may want to do so. I broadly support the changes, although members of the Committee hold a range of views about them. In almost all our findings, we agreed unanimously on the issues that need to be resolved and on the care that needs to be taken over so fundamental a change to a judicial system that is internationally renowned for its probity and independence. I do not intend to dwell on the profoundly unsatisfactory way in which the proposals emerged from a Cabinet reshuffle without any of the consultation and preparation that should have preceded the announcement of such major changes. The Government's embarrassment at announcing the abolition of the Lord Chancellor at 6 pm only to find that he had to be resurrected in time to sit on the Woolsack the following morning is well enough remembered.

I shall concentrate on how the proposals have since evolved and on important issues that still need to be sorted out if the judiciary is to remain independent and be seen to be independent. I begin with the creation of a judicial appointment commission, a proposal that the Committee had already explored in a report on the Judicial Appointments Board for Scotland. The proposal has gained much more widespread acceptance than first seemed likely, although it is has evolved into a proposal for three or even four distinct systems: one for supreme court judges; one for senior judges; a continuing, if only temporarily, role for the Secretary of State in appointing magistrates; and the judicial appointment commission, which will handle the bulk of the main judicial appointments above the magistracy and district judge level.

A separate appointments system for the supreme court is essential because it would cover all three jurisdictions of the United Kingdom whereas the judicial appointment commission that would be set up under the Bill is an England and Wales body. It is clear that anxieties in the judiciary have led to a stronger role for the judges under the chairmanship of the Lord Chief Justice in appointing Appeal Court judges and other senior judges. The commission will have a lay chairman, but not an inbuilt lay majority. It is extremely rare for the Constitutional Affairs Committee to hold a vote, and, thankfully, even more rare for the Chairman to call a vote and then be defeated, but that is what happened when the Committee took the decisive view that the Chairman should be a judge. The Government took a different view, and I agree with them.

The Committee strongly believed that the commission needed to give leadership in implementing strategies to widen the field of applicants for judicial office. We also recommended that the commission, not the Government, should define "merit"—the key criterion for judicial appointment. I welcome the fact that the Government have accepted both those recommendations. Concerns remain about some of the work done by the Commission for Judicial Appointments—a rather confusingly named body in the present context—but it has done much valuable work in auditing and monitoring the appointments process. It is not clear how successfully that work will be done in future, given that the new judicial appointment commission is hardly the proper body to audit its own activities—nor, for that matter, is the Department for Constitutional Affairs, which is part of the Executive, the proper body. There seems to be a gap, and we need to find a way to fill it.

[Mr. A. J. Beith]

Some of the concerns voiced by the judiciary about changes to the appointments system were associated with a wider concern about the loss of the office of Lord Chancellor, who was a voice for the judiciary in Cabinet. It is a tribute to recent Lord Chancellors that the office is now seen in some way as being above politics. That was hardly a characteristic of some of the fiercely party political Lord Chancellors of the past. However, the fact that the office is so much praised at the point of its disappearance is a lesson for the Government, who underestimated the extent of the anxiety that abolition of the office would create. That anxiety is summed up in paragraphs 13 and 14 of our report. Paragraph 13 states:

"Whoever carries out the functions of the office of Lord Chancellor will be in charge of the Court Service and will play a central role in the administration of justice. Part of that role is the protection of the judiciary from political pressure in Cabinet and, when necessary, in public. There is a radical difference between on the one hand a Lord Chancellor, who as a judge is bound by a judicial oath, who has a special constitutional importance enjoyed by no other member of the Cabinet and who is usually at the end of his career (and thus without the temptations associated with possible advancement) and on the other hand a minister who is a full-time politician, who is not bound by any judicial oath and who may be a middle-ranking or junior member of the Cabinet with hopes of future promotion."

I quote that paragraph in full because it sums up many of our anxieties about the post of Secretary of State for Constitutional Affairs in relation to the judiciary, and it expresses a view that is widely held among the judiciary.

The anxiety has in part been addressed by transferring some of the Lord Chancellor's functions directly to the Lord Chief Justice. However, that does not deal with all the concerns—and they tend to increase every time that the Home Secretary makes a speech, particularly when he tells the Police Federation, "We only want judges who help us," or makes other fairly inflammatory comments whenever he loses a court case. The Committee suggests that the post of Lord Chancellor should remain at least until the reforms have settled down. Others have suggested that the Attorney-General take on some of the Lord Chancellor's functions, as is the practice in some Commonwealth countries whose systems are based on ours. The Government cannot ignore those concerns. Their objective is to demonstrate that the judiciary is wholly independent of the Executive and the legislature, but it would be a failed reform if it generated more anxiety about judicial independence than exists now.

The proposed supreme court is not a supreme court in the American sense, but a replacement for the Law Lords, whose place as part of the legislature would be seen as inappropriate in any constitution that we might recommend to a new democracy. The Committee drew attention to several features of the proposals that had not been thought through. For example, the original proposals seem to have been prepared without a proper understanding that the Law Lords are not an English court. They are the final court of appeal on civil matters for all three jurisdictions—Scotland, Northern Ireland, and England and Wales—and they do not hear criminal cases from Scotland. Their judgments on Scots law cases are binding only in that jurisdiction. Those and other points about the Scottish position have now been addressed or are being addressed. The Committee's work helped to ensure that that was done, but we have not seen similar progress on the questions of the court's funding and the status and accountability of its officers.

At present, the Executive have no role in the funding of the Appellate Committee of the House of Lords or in the appointment of those who serve and administer the court. Funding is voted by Parliament as part of the House of Lords budget. Arrangements similar to those covering the House of Commons Commission's role seem to me to be the appropriate mechanism for the new court. If a Secretary of State is to present the budget, he will have a considerable potential power over the court—power of a kind that does not now exist in relation to the Appellate Committee of the House of Lords, the body that the supreme court will replace. It is also profoundly unsatisfactory that the Bill does not give the supreme court the power to appoint its own officers—for example, an administrator and a registrar. All those matters will be controlled by the Department for Constitutional Affairs, which will decide what posts are required, provide staff for them and have charge of the court's records. That is not a satisfactory expression of independence for a court that decides disputes between the state and the citizen. It is not even good management practice, because the court's officers will serve two masters.

A further concern is that the supreme court will be expected to introduce a principle that does not operate in the House of Lords, namely that civil business should be self-financing solely from fees. In recent years, that policy has been applied in the English court system, but not, I believe, in Scotland. Lord Hope of Craighead estimated that, if applied, such a policy would cause an immediate 900 per cent. increase in fees, which is clearly unacceptable. Litigants would certainly prefer to stay with the current system if the alternative is an astronomical increase in fees.

There are also concerns about the appointment system for the supreme court. The Government's original proposal that two to five names should be submitted to the Secretary of State who would choose one has been changed to one preferred by the majority of the Committee, namely, that one name should be recommended, which the Secretary of State could reject or refer back if he had good reason. Without that change, the fear of political interference would hang over the appointment system and the supreme court. I therefore welcome the Government's change of view.

The Committee also recommended that the Government should not be in a position to pick and choose who of the supreme court judges can be made a life peer on retirement. That is a dangerous power of patronage, which we do not want hanging over the court, and we believe that it should be all or none. The Government suggest that it be all—that every supreme court judge should be made a Member of the House of Lords on retirement—but, of course, reform of the House of Lords may determine the issue differently, and the final answer might be none. None the less, I think that the Government accept the all-or-nothing principle that we set out.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): One of our recommendations was that, in line with most other public service appointments, vacancies in the new court should be publicised and open to application.

Perhaps that recommendation was so mild that the right hon. Gentleman has not paused to consider it, but is not it extraordinary that a Government who are so committed to equal opportunities have rejected that proposal?

Mr. Beith: The hon. Gentleman rightly draws attention to one of the Committee's recommendations that I have not listed; there are so many that I will not have time to mention them all. The only argument against that recommendation that carries any weight is that the pool for such positions will be small—perhaps comprising only about 50 candidates—but that is not reason enough to reject it. In our evidence sessions we discussed the possibility that lawyers who are currently in academic posts and who have great knowledge of areas in which the court will make legal interpretations would be appropriate candidates, but that they might not be seen as such unless there was an open application process. The Government should reconsider that issue.

Accommodation might be seen as a secondary matter, but it has proved crucial to how the court will be launched and how it will initially be viewed. The Committee had definite views about the need for the court to be housed in quality accommodation. We said in our report:

"In the nineteenth century the great reform of the court system involved the removal of the courts from Westminster Hall",

next to which this Chamber is located, and which had been

"their historic home for centuries, to the Royal Courts of Justice in the Strand. The new court of final appeal for the United Kingdom requires a building which is functionally effective, but which also reflects its authority and significance."

I think that that is generally accepted, but can such a building be found and made available in a reasonable period of time? What if it cannot? That consideration led to the recommendation at paragraph 111 of the report:

"Delay in finding and making available such accommodation has raised the possibility that the new Court might continue to sit in the House of Lords. Given that the principle argument is that the highest court should be seen to be separate from the legislature, it seems perverse to implement the change in a way which leaves many of the same judges sitting in the House of Lords doing the same job in the same place, possibly with the same staff seconded by the House of Lords. If more time is needed to establish the Court as a distinct body, the timing of its introduction should be adjusted accordingly. Such an important change should not be rushed."

That seems pretty obvious to us, and that view was echoed by a number of witnesses, including Lord Bingham when he spoke to us again this week.

There have been difficulties. Lord Bingham and the judges believe that the two main courtrooms in Middlesex Guildhall, which is one of the candidates, are too much in the character of a court for a criminal trial and are not appropriate to the seminar style of a supreme court engaged in legal interpretation. The other courts in Middlesex Guildhall are not much different in scale or style from the Committee Rooms in the House of Lords that are used now, but Lord Bingham describes them as attics in a museum. Some might say the same of some of our Committee Rooms, but that is another story.

My view is that appropriate facilities could be created in Middlesex Guildhall or elsewhere, at least as a temporary court. However, the judges are understandably wary of temporary accommodation that might become permanent. If London cannot provide accommodation, why not try Edinburgh or Cardiff, or a major provincial city such as Newcastle? Until temporary or permanent accommodation can be found that is acceptable and viable for judges and court users, the court should not be brought into operation and the Law Lords should continue to sit in their present form under their present constitution. That should either be written into the Bill or be made clear in a ministerial statement. The commencement order should be worded, or at least implemented, on that basis. When the purpose of a reform is to change the perception of a court that is otherwise recognised to be doing its job satisfactorily and to be above any criticism on grounds of political bias, it makes no sense if the institution is replaced in a way that does not make the change apparent.

Vera Baird (Redcar) (Lab): Does the right hon. Gentleman, like I do, think that the Law Lords are acting as trade unionists in this argument? Lord Bingham is saying, "My lads are not going anywhere that is not at least as prestigious as the place that they have now." To refer to the point raised by my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson), perhaps advertising and widening the scope of membership of the Law Lords has been laid low as a negotiating ploy, because the Law Lords are utterly opposed to anybody other than themselves being eligible for membership. Does the right hon. Gentleman think that negotiation has been going on?

Mr. Beith: I would like to think not. Certainly, most of the interventions made through the Lord Chief Justice by the judiciary have led to positive improvements in the Bill. The Committee has been ready to support the judges when we felt that their independence ought to be safeguarded and in other areas. Of course, there comes a point where it is not down to the judges to say, "We will not have any of these buildings." I teased Lord Bingham with the thought that, if the judges persisted in ruling out a wide range of possibilities, some might suggest that he sounds like a pop star who refuses all the hotel suites the management have to offer. However, the judges made perfectly fair points about the way in which the court should be conducted and the fact that it needs to have decent facilities. They do not want to be in the House of Lords, of which some of them would be full Members and others not. Those are perfectly reasonable points but, at the end of the day, a decision will have to be made to make accommodation available, and the list cannot be endless.

Mr. Edward Garnier (Harborough) (Con): The former Solicitor-General, the hon. and learned Member for Dudley, North (Ross Cranston), and I have an interest in Middlesex Guildhall as we both sit there from time to time as Crown court recorders. It is a mistake to think of the accommodation problem in Middlesex Guildhall only from the point of view of the future supreme court. There are eight or seven Crown courts in that building, and nobody seems to have thought about what accommodation the Government will provide to replace the eight or seven Crown courts that will be lost if the supreme court is established there. There is plenty

[Mr. Edward Garnier]

of work for those Crown courts to do, but where will they sit if and when the supreme court moves into that building?

Mr. Beith: The hon. and learned Gentleman is right. Middlesex Guildhall is a busy courthouse containing numerous courts sitting all the time. That is not the only problem that the Government have when they consider court accommodation. There is a desperate need for new facilities for the commercial court: we have quite inadequate commercial court facilities in London and the busy commercial court makes substantial export earnings for this country. A number of accommodation issues need resolving, and I hope that a reasonable solution can be found within a reasonable period. However, the Committee and I do not want a fundamental reform to be introduced in such a way that does not make it apparent that it has taken place. If the same people are continuing to sit in their Room in the House of Lords and the only thing that changes is that their judgments are no longer delivered in the Lords Chamber, the steps involved in the reform would not have been justified.

My last point concerns the judiciary's relationship with Parliament. One issue that came up quite a bit in our discussions was the disadvantages of withdrawing from Parliament the expertise that serving Law Lords can bring to debates on important matters. Although there are differing views about how important that expertise is and how readily other peers with substantial legal experience could fill the gap, it is clearly desirable—for that reason and several others—that communication between judges and Parliament can develop in ways that undermine neither the proper separation of the judiciary and Parliament, nor the proper independence of the judiciary from Parliament. On the basis of its own experience, the Committee believes that communication can develop in that way.

When I took on the chairmanship of the Committee, one of the first things I did was to go and see the Lord Chief Justice. We discussed ways of enabling judges readily to appear before the Committee, so that they could give us their advice on issues on which they were knowledgeable and experienced. We worked out appropriate arrangements, which have been wholly beneficial to the Committee. Senior judges and judges from other levels of the system have given evidence on a wide range of issues, including court practice and legal aid. They gave evidence when we were preparing our report on the Children and Family Court Advisory and Support Service, when they spoke of the courts' experience of dealing with problems in the service. We have benefited hugely from their advice and, incidentally, from that of visiting chief justices from other jurisdictions, who have also given us evidence.

Mr. Dominic Grieve (Beaconsfield) (Con): In view of the fact that it is possible for judges to give evidence to the Select Committee and to express sensible points of view without contaminating their independence or integrity, is it not a bit difficult to see why there is such an objection to their doing the same in the House of Lords?

Mr. Beith: The argument about their presence in the House of Lords does not derive from the way in which serving Law Lords carry out their responsibilities in that Chamber, because they are extremely careful. If a Law Lord comments on legislation during its passage and it then becomes an issue in court, he does not sit in the case. However, that judges have found ways of handling the situation properly and without compromising their integrity does not detract from the argument of principle. The judiciary and the legislature are not the same thing, and we would not recommend to any other country that some of their legislators should also be judges. In this country, the anomaly also persists at another level, because some Members of Parliament, including members of the Committee, sit as recorders—but that is another story.

Vera Baird: Is there not the extra factor that, since 2000, the Law Lords have taken a voluntary vow of silence in the Chamber on any issues on which they might adjudicate? Consequently, they cannot speak on precisely those issues on which they have the most expertise.

Mr. Beith: The hon. and learned Lady quite properly considers the issue from the other standpoint. The care with which the Law Lords limit their contributions to parliamentary debate places a limitation on the availability of their expertise. We should therefore seek that expertise in other ways.

Some argue that we should not go through with the changes, and that we should keep judges as legislators. People are entitled to that view, but the issue that the Committee has been considering is whether we can develop ways in which judges can communicate with Parliament if the changes go through. It has been suggested that Joint Committees of both Houses should be involved in the process, and my Committee is not the only one to which it would be appropriate in some circumstances for a judge to give relevant evidence. However, our focus on the constitution and legal affairs has made it easier for us to develop a working method and ground rules that have made judges comfortable with coming before us. I am optimistic that we can readily make progress on the issue if the reforms are carried through, as I expect they will be.

I emphasise that the reforms are fundamental. Nothing quite like this has been carried out in our system for hundreds of years. I support the reforms, but that does not blind me to the dangers involved in getting them wrong. That understanding has created a lot of common ground between people who have different points of view about the issue. It is important to take the opportunities presented by the Lords procedure, by subsequent discussion in the House and by the Select Committee report to deal with the concerns that I have raised and others that hon. Members will no doubt raise this afternoon.

2.55 pm

Ross Cranston (Dudley, North) (Lab): We are all grateful to the right hon. Member for Berwick-upon-Tweed (Mr. Beith) for the leadership that he has given to the Constitutional Affairs Committee since it was established. The quality of the report is a demonstration of that. We should also thank the Clerk, Roger Phillips, and the staff, and our special advisers, Professor Le Sueur and Dr. Kate Malleson.

I should declare my interests, as I always do when the Committee sits. I am a barrister and recorder. I should also declare a non-registerable interest: I was a member of the committee of the Commercial Bar Association, which submitted a quite detailed response to the Lord Chancellor's Department, or the Department for Constitutional Affairs, as it is now called, on this matter.

It is important to consider the constitutional background. Our system seems to me to work on a delicate balance between the three arms of government—the Executive, the Parliament and the judiciary. It is premised on the importance of trust and mutual respect between those three arms of government. We see that mutual respect set out in "Erskine May" in the various rules that determine whether we can comment on judicial decisions, such as the sub judice rule. There are rules about making disrespectful comments about judges or reflecting on a judge's character or motives. Those rules are for parliamentarians rather than for Ministers, and perhaps we should reflect more on them, because they are important.

In my previous guise, I argued several years ago that it was important for the courts to develop a stronger notion of judicial deference. In human rights decisions, the European Court of Human Rights developed the notion of a margin of appreciation, and when the Human Rights Act 1998 was passed, the courts in this country developed a counterpart doctrine involving a notion of discretionary judgment for Ministers. They have also developed notions that Governments are in the best position to assess pressing social need. Judicial deference is important if we are to maintain the delicate balance that I referred to.

Mutual trust and respect come out of the knowledge in each branch of government of what the other branches are doing. In many areas of life, ignorance breeds suspicion, which is why when some of the Law Lords who were not in favour of the change came before the Committee and said that they learned a great deal from, for example, sitting in on debates in the other place, their words had a certain resonance for me. I appreciated the point.

If we are to establish a supreme court, we must think about other methods of enabling the three branches to gain knowledge and appreciation of what the others are involved in. For example, the other day the Chief Justice of New Zealand came before the Committee and said that the most effective Chief Justice of New Zealand had been a former Prime Minister of that country. He knew about how Government worked, and was therefore a more effective judge. Our academic adviser, Professor Le Sueur, has, in another guise, argued that the criticisms by Home Secretaries in the present and previous Governments might indicate that there are inadequate channels of formal communication between the different branches of government.

My second constitutional point, which I shall make more briefly, is that there is a need for democratic accountability. We have a system of representative democracy, but an aspect of that must be political input in, for instance, judicial appointments. On page 121 of volume II of our report, Professor Hazell, who was a distinguished civil servant before entering academic life, writes:

> "Appointments to the judiciary are too important to be left to the judiciary alone, or to a Judicial Appointments Commission. The judges would be perceived to be a self-appointing oligarchy, especially if the Commission was chaired by a senior judicial figure."

In considering the proposed changes, it is important that we maintain the principle that there should be democratic accountability. How that is achieved is a matter for argument, but the principle points to certain conclusions about, for example, the institutional arrangements for appointing judges.

Also important when considering the changes are what I would call contextual principles, such as the excellence of our current bench. There is no doubt that our courts and the decisions that they deliver are respected throughout the common law world. The other day, for example, the Chief Justice of New Zealand said that English decisions are still widely used and will continue to be so, despite the abolition of appeals to the Privy Council.

That respect is coupled with the importance of the merit principle in the appointment of judges. That was especially important in the Combar submission to the Department on the changes. We were concerned about maintaining the standing of the commercial court. More than half the litigants before the commercial court come from other jurisdictions; they do so because of the quality of the judges of that court. It is universally acknowledged that we must retain the merit principle and the excellence of our judiciary.

Secondly, we have a problem with diversity, which we set out in the report. The facts speak for themselves. Paragraph 134 points out:

> "Of the 12 Lords of Appeal in ordinary only one is a woman."

That has been true only since this year, when Dame Brenda Hale was appointed to the Appellate Committee of the House of Lords. The report also notes:

> "Of the five Heads of Division, only one is a woman",

that

> "Women make up only 7.9 per cent. of Lord Justices of Appeal and 5.7 per cent. of High Court Judges"

and that

> "There are no ethnic minority judges sitting in the High Court"

and above. The consultation paper suggests that building a wider recruitment base, for example, by drawing from solicitors and employed lawyers, will produce greater diversity. The Committee was persuaded of that argument, and there have been changes in the last couple of years. I commend the sterling work that Sir Colin Campbell and the other members of the Commission for Judicial Appointments have done to introduce modern methods of human relations into judicial appointments, but more has to be done.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. and learned Friend also accept that there is a need to measure effectiveness? In my county, Gloucestershire, where we have recently had a change of circuit judge—I will not say whether the situation has got better or worse—the criminal justice board has made it clear to me that there has been a difference in the number of

[Mr. David Drew]

cases that are being seen, the effectiveness with which they are being dealt, and so on. It is vital that we have the best candidates possible so that we can select the most effective judges.

Ross Cranston: Yes, I do. It is acknowledged that judges these days must have a knowledge not only of the law, but of what is sometimes called case management. They have to be sufficiently knowledgeable of how to handle cases so that they are dealt with efficiently. That was the thrust of the Woolf reforms that were introduced. I should declare an interest in that respect, as I was one of Lord Woolf's consultants during that inquiry. Following the inquiry, judges have become much more aware that more needs to be done to introduce efficient methods for the courts' operation.

Mr. Dawson: Is not my hon. and learned Friend implying that we should be a lot more robust than we have been when considering merit? Perhaps we need to consider the full range of talents that a judge might need and confront whether we can select judges from a wider pool than we have done until now.

Ross Cranston: I take my hon. Friend's point. In a recent speech, either Baroness Hale of Richmond or somebody she quoted said that merit is in the eye of the beholder. However, I believe that there are objective criteria for measuring merit, especially in this area of judging. None the less, I accept the point, as does the Committee in its report, that the pool must be widened in order to increase diversity.

The third contextual point relates to judicial decision making. It has long been recognised that judges make decisions that have important social, economic and political ramifications. Lord Robson, a Law Lord in the first part of the 20th century, said that judges were

"handling disputes that are legal in form but political in fact."

Lord Radcliffe—one of our outstanding judges—wrote some famous articles and delivered some famous speeches and lectures in which he spoke about the fairy tale that judges do not make law. More recently, Lord Browne-Wilkinson, who was a senior Law Lord, said in relation to the Human Rights Act 1998 that judges have to give

"moral answers to moral questions."

This morning, I looked at the House of Lords website for the judgments delivered in May. There are a limited number of judgments on the site, but one can see the point illustrated that important social, economic and political decisions are being made. There was the Naomi Campbell case, which resulted in an important decision about privacy; an important decision about capital gains tax; a decision on whether the police were discriminating by refusing to accept as a constable a male-to-female transsexual; and a decision about whether someone in Northern Ireland was entitled to a funeral payment. I am not suggesting that those decisions are political in any way; they are made according to law, but every law undergraduate knows that there is a range of choices in judicial decision making. I used to quote the lecture that Lord Justice Scruton gave in 1923, which was published in the *Cambridge Law Journal*, where he talked about the importance of class background and questioned whether a judge can be sure that he or she is acting impartially. Lord Scruton was an outstanding commercial lawyer who was important in influencing the drafters of the uniform commercial code in the United States. A traditional judge, he was acknowledging that background factors can have an influence and that decisions themselves have important implications. Is the law on tax or social security going to be changed as a result of the decisions that I have mentioned? Will the Press Complaints Commission have to change its code of practice as a result of the Naomi Campbell decision? What about the implications of that other decision for the Gender Recognition Bill, which the House has just examined?

The right hon. Member for Berwick-upon-Tweed touched on my fourth point. There was no golden age during which political considerations were excluded. He was probably alluding to the famous statement by Lord Salisbury, who said:

"There is no clearer statute in that unwritten law than the rule that party claims should always weigh very heavily in the disposal of the highest legal appointments."

He went on to say:

"Within certain limits of intelligence, honesty and knowledge of the law, one man would make as good a judge as another, and a Tory mentality is ipso facto more trustworthy than a Liberal one."

I make no comment on that particular choice. Lord Halsbury made openly political appointments of Conservative MPs that would not be possible today. There is much more rigorous scrutiny and transparency, and one can imagine what the press would say if an appointing body or a Secretary of State for Constitutional Affairs made a number of appointments on overtly political grounds. That does not mean that those on the bench at present have no political background, either in local government or as active members of political parties. Some of them have, but they have been appointed on merit, and not because of their political background.

Mr. Garnier: To extend that point further, I dare say that the hon. and learned Gentleman would deprecate the blocking of the promotion to the higher ranks of the judiciary of Mr. Justice Donaldson, as he then was, by a Labour Government who disapproved of the way in which he had interpreted trade union relation laws—to the disadvantage, so they thought, of their trade union friends. The hon. and learned Gentleman is making a delightfully apolitical speech, but I trust that he will permit that slightly political note of dissension to enter into our discussion.

Ross Cranston: I take the view that appointments and promotions have to be made on merit. In the case that the hon. and learned Gentleman mentions, I would say—even though I might make myself unpopular with my hon. Friends—that the appointment should have been made.

I was coming to the point about the need to make imaginative and, in some cases, controversial appointments. Sir Michael Kerr was a great commercial judge who, in his memoirs, said that Morris Finer and Peter Pain, who turned out to be excellent judges, would not have become judges had not Elwyn-Jones been Lord

Chancellor. I commend the former Lord Chancellor, Lord Mackay, on his imaginative appointments: he made Lord Bingham Lord Chief Justice and Lord Woolf Master of the Rolls, and he appointed Sir Steven Sedley and Sir John Laws.

In paragraph 123 of our report, we quote the Society of Black Lawyers, which makes a point about Lord Irvine of Lairg. The society said:

"There has been some, but not substantial, improvement to the appointments' system for the ethnic minority. This has largely come about as a result of the personal attention to appointments . . . paid by the Lord Chancellor, Lord Irvine of Lairg . . . He actively encouraged ethnic minority applications".

Mr. Peter Herbert of the society is quoted in the report saying:

"I think the issue with the Judicial Appointments Commission is that it will, generally speaking, appoint people who look like, sound like it."

In other words, we have to be cautious about the notion that we will solve some of these problems by appointing a commission. He went on to say, and I agree with him, that any commission has to have a diverse membership. He also said that there ought to be a special appeal process for when the commission gets something wrong. The Select Committee recommended that the commission make active efforts to promote diversity of the kind that were made by Lord Irvine of Lairg. I underline that this afternoon.

There has to be individual involvement, so that appointments can be imaginative and, in some cases, controversial. Committees can make appointments, but they will not necessarily do so in the most imaginative way. Typically, committees make safe appointments.

That leads me to certain conclusions about the way in which judges are appointed. We ought to have recommending commissions for appointments to the High Court and above; there has to be political involvement in a non-party sense; the Minister making the appointment must have a real choice; and it is necessary to avoid the dead hand of a committee. There is a notion that politicians have to be kept completely out of the process—that the political process is somehow corrupting and we as politicians cannot make decisions non-politically. There is a cult of the non-political, which we saw 10 years ago in the Institute for Public Policy Research report on the UK constitution, and which we see to some extent in the Judges' Council submission about the supreme court, which suggests that future appointments largely be made by the existing members of the supreme court . The cult of the non-political is criticised by Professor Robert Stevens, who gave evidence to us, in his subsequent writings. He said unkindly, and possibly inaccurately, that there were elements of Mussolini's corporatism about it. That is a salutary warning. We have to be careful about saying that politics can be taken completely out of the process. The members of any appointment committee will come to the job with particular values: they may not be political, but they will have social values or non-party political assumptions, and so on.

Supreme court appointments are too important to be confined to the existing members of the supreme court. We struck the right note in paragraph 57 of the report, where we talk about broad principles, saying that

"the process must be transparent; it must have the confidence of the Government, the judiciary, the legal profession and the public—it must be clearly merit-based and the independence of the judges must be assured; it must allow for an increase in diversity, where possible."

However, we warn that

"there must be some level of democratic accountability in the process."

I favour a recommending committee on supreme court appointments that puts forward a number of names, from which one will be chosen.

The right hon. Member for Berwick-upon-Tweed raised the issue of confirmation hearings, which we rejected in our report. Confirmation hearings have had a bad press, particularly as a result of what happened in the United States when Professor Robert Bork was nominated to the Supreme Court, but rejected, and Justice Clarence Thomas of the Supreme Court was subjected to great criticism before the Senate committee. We heard strong evidence from Sir Thomas Legg, the former permanent secretary to the Department, who was in favour of confirmation hearings. He has said:

"The fact that MPs and peers are not competent to judge the professional qualities of the candidates is not relevant to this issue. The same will be true of the lay members of the judicial appointments commissions across the UK. Parliamentary confirmation will not bring the new Court into the political arena any more than it will be anyway, and may help to keep it out. The question is one of transparency and, above all, legitimacy—of which the new Supreme Court will need as much as it can get."

As the right hon. Gentleman said, senior judges have been open with us, and I think that they would say that we have treated them with respect. It is possible that that points in favour of greater involvement by the House in the appointment process.

I apologise for having talked for longer than I thought I would. I commend our report to the House. The debate is well attended, which shows the level of interest in the subject. We will continue to give attention to this important issue.

3.20 pm

Mr. James Clappison (Hertsmere) (Con): I begin by declaring an interest as a non-practising member of the Bar.

I warmly congratulate the right hon. Member for Berwick-upon-Tweed (Mr. Beith) on the way in which he chaired and led the Select Committee on Constitutional Affairs, and I, too, thank others who have helped the Committee. I also congratulate him on the way in which he opened the debate. I strongly agree with the approach that he took, which he has taken throughout the proceedings of the Committee. He has made no secret of his general support for the proposals, but whether or not there is support for them, it is clear that they are here for us to examine. His attitude and that taken by the other members of the Committee has been to make positive contributions to improve matters as much as possible and to take a responsible approach to a subject of great importance.

[Mr. James Clappison]

In advocating a responsible approach, I would not like that position to be thought of as implying approval of the course to which the Government have turned their hand. It is hard to think of a more deeply unnecessary set of reforms than the ones that the Government have proposed and that are being embodied in their Constitutional Reform Bill. To call them change for change's sake would be to flatter the rationale that lies behind them. The first point made by the Committee in its report is extremely important. It is that our present system for appeals works well and that it therefore enjoys the highest possible standing not only in this country, but throughout the world.

I do not believe that, in making their case, the advocates of reform or Ministers can point to a single example of a way in which the present arrangements do not work well in practice. They advance their case on the basis of perception. In their response to our report, we are told:

> "Having an independent Supreme Court will also increase public confidence in and understanding of the judicial system, as it will be demonstrably separate from the legislature."

I was not aware of a shortage of public confidence in the work of the House of Lords at present. I do not know whether it will improve by being so demonstrably separate from the legislature and whether such matters exercise my constituents.

Mr. Dawson: Is not the hon. Gentleman being extraordinarily complacent in his view of the current situation in this country? Given the levels of participation in our democratic society, is it not fair to say that there is a crisis in confidence in respect of some of our institutions? Is it not important for precisely that reason that we emphasise the split between the legislature and the judiciary?

Mr. Clappison: We are constantly hearing new rationales for the reform. It seems entirely novel to suggest that there is a link between participation and confidence in democracy and the existence of an appellate court in the House of Lords.

Peter Bottomley (Worthing, West) (Con): Let us consider the issue the other way around. No one has argued that changes to the judicial role of the House of Lords meant that the turnout came down to 59 per cent. at the general election. We must search in other areas for an explanation of that.

Mr. Clappison: As my hon. Friend rightly said, the House of Lords is one of the few institutions in this country in which there is demonstrable public confidence and which works well.

Vera Baird: I agreed with my hon. and learned Friend the Member for Dudley, North (Ross Cranston) when he said that there is widespread confidence among other judicial systems in the House of Lords, and that will not change because it is detached from the legislature. I am less sure whether there is widespread public confidence in it. To start with, I am not sure that the public actually understand who in the House of Lords decides these cases. They might think that they are decided by retired trade union leaders and people who have sold curry for a lifetime who have been given peerages. People simply do not know.

Mr. Clappison: Whether or not that is so, the hon. and learned Lady makes an important point. I understand her point of view, but given the quality of certain recent appointments to the House of Lords, I do not know whether she thinks that the institution will be improved by the proposed change in the way in which Law Lords exercise their responsibilities and participate in the House of Lords.

I noticed that, when the hon. and learned Member for Dudley, North (Ross Cranston) criticised the House of Lords, the most recent set of complaints that he could find went back to 1896 and Lord Salisbury. The hon. and learned Gentleman will know that the present arrangements of the House of Lords have been in place since 1878. It seems a bit late in the day to discover that they undermine the confidence of the public, but the Government are astute at discovering constitutional threats that no one else can see. After all, the reform is part of a package of reforms that came about as a result of the abolition of the office of the Lord Chancellor.

In the Government's eyes, it is no defence of the post of Lord Chancellor or a great asset of that office that it has a continuous history, in a recognisably modern form, going back at least to the Reformation. I refer to the Reformation because I know that the Minister is keen to emphasise in his website that, although the office of Lord Chancellor dates back to 1066, there are very few similarities between the post-Norman conquest Chancellor and today's Lord Chancellor. I do not know whether Regenbald, the first Lord Chancellor in 1066, would recognise Lord Falconer, but it is at least certain that Lord Falconer's predecessor, Lord Irvine—a very distinguished Lord Chancellor—could see some similarities between his position and that of one of his predecessors, Cardinal Wolsey, to take us back to the Reformation. I accept the Minister's case if what he is saying is that that does not go back far enough. Perhaps he is prepared to argue that 500 years of history is not long enough for us to see how the office of Lord Chancellor will pan out.

I have a helpful comment about the Minister's website—and I declare an interest, because the present Lord Salisbury is a strong supporter of the Conservative party in Hertfordshire and does a lot to assist it, and Hatfield house is close to my constituency. I draw the Minister's attention to the fact that on his website, the Lord Chancellor of 1591, the first Lord Burghley, is described as William Lecit. I believe, with my schoolboy knowledge of history, that his name was Cecil, not Lecit. I do not think that Lord Salisbury would like to see his esteemed ancestor being called William Lecit on the Lord Chancellor's website. However, that is a small point.

As I understand the Minister's case—he will correct me if I am wrong—the reason for the abolition of the office of Lord Chancellor is that although nothing untoward has happened yet, there is a risk that that office will result in dangerous constitutional interference from the judiciary. I am more than happy to pay tribute to the way in which distinguished Lord Chancellors of all parties, including the present Lord Chancellor's

predecessor, have discharged their responsibilities; they have upheld the highest standards. The hon. and learned Member for Dudley, North quoted the evidence that we received from the Society of Black Lawyers. His tribute to the forward thinking of the previous Lord Chancellor was well merited; the same is true of the House of Lords in its appellate capacity.

I agree with the views expressed by Lord Nicholls in another place that:

"a new Supreme Court would be deprived of some of the advantages of the present arrangements. At present, the court of final appeal in this country is known throughout the common law . . . as, simply, the 'House of Lords', because of its long and distinguished history, and it is still a name to be conjured with. A new court would be just that—a new court; and would be distinct and different from its predecessors. It would have to start from scratch, build up its own reputation under a new name, in a new place".—[*Official Report, House of Lords,* 12 February 2004; Vol. 657, c. 1228.]

I wholeheartedly concur. If there is any complacency in the process—the word was used earlier—it is the complacency of those who are removing an important part of our constitution from its previous home and running the risk of damaging its reputation. That is where the complacency lies, if any complacency there is.

One of the possible causes of damage to the standing of our highest court of appeal arises out of the question of where the new court is to be located. Given that, as the right hon. Member for Berwick-upon-Tweed rightly said, the rationale for creating a supreme court and removing the appellate court from the House of Lords is to separate it from the legislature and to have a new location for it, it is very important that the question of where it is to be located does not drag out into a debilitating affair that does a lot to damage to the standing of our highest court of appeal and might put a question mark over it that is currently not there.

Peter Bottomley: The location and name of the court are issues that matter, but what matters even more is that when the Government brought forward this proposal, they did not say that its inevitable consequence is that the costs of running the court, beyond the salaries of the judges, will go up two, three, five or nine times. So far as we know, the Government still intend that those who bring cases before the court will have to pay those vastly increased fees. The one issue that does not seem to come into the question of where the court will be located is the cost to those who will appear in front of it.

Mr. Clappison: My hon. Friend is right. I think that the Minister will have to answer some of the questions about the likely increase in cost when he responds.

If the Government are going to avoid the debilitating effect on the reputation of our highest court of appeal of prolonged discussion about where it will be located, they owe it to us to answer a few straightforward questions today. That there will be a new location for the court is central to the Government's rationale, and it is now becoming one of the most discussed features of this reform. The Minister should give us a few straight answers as to what the Government's latest thinking is on the location of the supreme court.

I specifically ask the Minister to tell us whether the Government will be prepared to consider an interim solution in which the new court continues to sit in the Lords or in some other temporary home. That is one of the possibilities that has been canvassed to the Committee, so I think that he could tell us today whether it is a possibility as far as the Government are concerned or whether it is their intention that the court should not come into effect until a suitable building has been found as a permanent home. That is the prospect that seems to have been briefed to at least one newspaper. On 17 May, *The Times* quoted an official as saying:

"An amendment is being drawn up which would say that the Court does not come into effect until a suitable building has been found. This could take several years—especially if a new building has to be built."

Can the Minister at least throw some light on what is happening and what the Government are planning?

Can the Minister also give us an assurance that there will be full consultation with the Law Lords? On Tuesday, we as a Committee had the privilege of taking evidence from Lord Bingham, as the right hon. Member for Berwick-upon-Tweed mentioned. Lord Bingham did not seem over-enamoured with the idea of a temporary solution.

If the final court of appeal ever moves from the House of Lords, there will have to be changes in its funding and administration because of the move and its removal from the parliamentary vote. I therefore urge the Minister to take full account of the following strong recommendation from the Committee:

"The new court will require a completely new set of arrangements for its administration which recognise its absolute need for independence and its United Kingdom role."

It would be very strange if the court were removed from the House of Lords in order to give an appearance of independence from the legislature, but its funding and administration, which are important questions of fact rather than appearance, were transferred to the Executive.

On Tuesday, we heard very persuasive evidence about the desirability of budgetary and administrative independence from Professor Scott, an eminent academic authority in this area. Although I do not agree with the right hon. Member for Berwick-upon-Tweed about the need for a new court and the background to the proposal, as a new court is to be created, I strongly endorse what he says about the desirability of giving it as much authority as possible over its own operations in respect of its staffing and budget and of making it as administratively independent as is possible.

Mr. Grieve: Does my hon. Friend also agree that, to return to an earlier point, it is necessary to look at cost? There is not only the cost of the building that is moved into, but the annual administrative running costs. The public will need persuading about the value for money that they are getting. We know that there will be a chief executive, who I cannot believe will cost less than £100,000 a year; I suspect that the figure will be higher. That already constitutes almost two thirds of the annual running costs of £183,000, excluding judicial salaries, of the existing House of Lords.

Mr. Clappison: My hon. Friend is right. There is likely to be a substantial increase in cost—and it is a cost to both the taxpayer and to litigants. We all need to be

[Mr. Clappison]

aware of that. The point that I want to make to the Minister is that whatever budget the new court receives, it should have as much autonomy as possible over that budget and the decisions that are taken in respect of it. My hon. Friend is right to make the point that there will be a considerable expense for the taxpayer.

Peter Bottomley: Will my hon. Friend explain that the matter is not only about spending within the budget, but about ensuring that that budget can be set by the court and not set as part of a public spending round within a Department, where a permanent secretary has many other responsibilities?

Mr. Clappison: My hon. Friend is right. Again, that point was in accordance with the tenor of Professor Scott's evidence to the Committee on Tuesday.

I will briefly discuss the judicial appointment commission. The creation of such a commission has also been made necessary by the abolition of the role of Lord Chancellor. As far as I am concerned, the system of appointments under the Lord Chancellor worked well. As our report makes clear, the office of Lord Chancellor has produced judges who are highly regarded internationally and have the utmost integrity. Some of the comments that we heard about the old system were subjective and misplaced, and failed to take account of the high standards of appointment that were achieved under Lord Chancellors of all parties.

Vera Baird: If the hon. Gentleman thinks that the current appointments system is so perfect and that the comments to its discredit are so subjective, how does he explain the fact that only 5 per cent. of High Court judges and 7 per cent. of Court of Appeal judges are women?

Mr. Clappison: If the hon. and learned Lady can contain herself, she will hear the answer to that. The comment that I made about subjectivity deals with her point. She may have a different perception, but mine is that we have a high standard of appointment in this country and a high calibre of judge. As her hon. and learned Friend the Member for Dudley, North made clear, people are queuing up to bring their cases to this country because of the high calibre of its judiciary and its relatively high international standing. I did not say that the situation was perfect; there is always room for improvement. The question that she and her friends must consider, and perhaps be a little less complacent about, is whether the new system will produce as high a standard as we have been used to. I hope that the judicial appointment commission will at least aspire to maintain those standards.

When the Committee visited Edinburgh, I was heartened by what we learned about the Scottish experience and Scotland's operation of a judicial appointments commission, although the circumstances there are different from those in England. I invite the Minister to take into account the Committee's conclusion on the composition of the commission. It would be strange if leading members of the two branches of the legal profession were not included among the commission's members. The Government have accepted that in their response, and I also accept what they said in supporting the lay chair. I was one of those who argued in favour of the chair's being a judge, but they have made their decision and we must abide by it. The important thing is that the judicial appointment commission is seen to work satisfactorily.

I will briefly discuss the question of the criteria for appointment, because I know that other hon. Members wish to speak. Appointments to the judiciary should be made on merit and merit alone. This will disappoint the hon. and learned Member for Redcar (Vera Baird), but I do not believe that merit should be subordinated to any other considerations in respect of gender or personal characteristics. However, obstacles that are in the way of people of merit achieving judicial office should be examined carefully and removed. That certainly applies where such cases involve women. At the end of the day, appointments need to be made on merit.

Those are my views. I hope that I have not been too unfair to the Government, but it is hard to think of anything as unnecessary as those reforms. An old Chinese proverb says, "Do not lift up a stone to drop it on your own foot." It seems to me that the Government have blundered into a series of wholly unnecessary constitutional reforms, the rationale for which suddenly became apparent on the night of 13 June 2003, although the Minister has done his best to amplify it.

We are in this position thanks to the Government, but it is up to the Committee to produce constructive and positive ways of making the proposals work. They are important to the country, and it is incumbent on us to approach our job responsibly and to make them work as well as possible.

3.40 pm

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): I start with an apology: I have another commitment shortly after 4 pm, so I shall not be able to stay after that time. My apology is tempered by the fact that I could not resist taking part in the debate.

Like others, I pay tribute to the work of the right hon. Member for Berwick-upon-Tweed (Mr. Beith), who leads the Select Committee on Constitutional Affairs extremely well and who presented the report with his customary aplomb. I pay tribute also to the Clerk and to the Committee's specialist advisers, who have helped tremendously. The report comes at a crucial time.

I was amazed at the speech of the hon. Member for Hertsmere (Mr. Clappison). The Conservative party may have a good grasp on one line of history, but it does not look very far into the future and it does not recognise some of the pressures of the present. I would say that the separation of powers is a strong democratic principle with a notable pedigree. It is something to which we should attend this afternoon.

Mr. Grieve: Will the hon. Gentleman say which of those countries that have a separation of powers has a model that commends itself to him in respect of the judiciary? One that springs to mind immediately—I am half French—is France. That country has a nominal separation of powers, but judges making difficult decisions have to use laptops rather than their main computers, because of their belief that the latter could be

hacked into by the state's security service. I would be interested to know what model and what country he believes are particularly impressive.

Mr. Dawson: This country does not need to model itself on any one country's approach. Members of the Constitutional Affairs Committee heard clear evidence about the desire of the new democracies in eastern Europe to model their constitutions on that fundamental principle. However, when people from those countries come to Great Britain, with our proud democratic traditions, they are confused about how we operate. If we are to support countries that are emerging from totalitarianism into democracy, we need to set a good example.

I am pleased that the Government had a fundamental change of mind. I vividly recall an earlier meeting with Lord Irvine of Lairg in which he strongly resisted the sort of approach set out by the Government. My only wish is for the Government to take a more radical approach to other democratic principles—notably the principle that all Members of Parliament should be elected. I look forward to seeing real progress on the reform of the House of Lords. It is important to recognise that many people in this country hold its institutions, including the Law Lords, in considerable esteem, and that is also true across the world. It would be a fatal mistake, however, to rely on the principle, "If it ain't broke, don't fix it." We need to look to the future.

We also need to build confidence and rebuild support among people in this country. We need to build an understanding of how systems operate, going beyond the mythology that has evolved around some of our institutions. We need to approach the change with great care and sensitivity, and to build on the tremendous work that has been done over centuries, rather than throw out what has been achieved.

I recognise that there could be great difficulty over the question of a home for the new supreme court. I can think of hardly anything more detrimental to public confidence in a supreme court than monstrous expenditure on an enormous building and huge institutional running costs. We plainly need a proper headquarters for the supreme court, with the distinction that the institution demands. However, the place also needs to be functional and efficient, and to command, in all respects, the support and respect of the public.

I hope that the Government will be pretty tough on the judiciary with respect to the future of this building. It is a matter of perception, and there cannot be any question of a supreme court remaining in the House of Lords. It would not do at all. The Government may need to take on the trade union issues, as they have so aptly been called.

Mr. Garnier: It seems to me that much of the discussion about the home of the new supreme court is about what its outside should look like, and about whether it should look like the Supreme Court building in Washington DC or some great temple of justice. Clearly, what is important is what will go on inside it and how it will work.

Has the hon. Gentleman, as a member of the Committee or a Member of the House, and as someone who lives and works at Westminster, taken the opportunity that is available to him to attend a case being heard by the Judicial Committee, to see what the Law Lords do? It is not very far away. That would enable him to be informed about what has to happen inside the great new temple of justice.

Mr. Dawson: No, I have not done that; it is a great lack in my understanding, and I shall make the not very considerable effort to make such a visit before the Bill comes to the Commons.

Finally, I want to talk about diversity. It is important to quote the words of Lady Justice Hale, the first female Law Lord to give evidence to the Committee:

> "there are many more very able, capable, independently minded people of integrity who could make a contribution as judges than the ones who are currently regarded as the obvious candidates under the present system."

I have already said that I deplore the Government's response to the Committee, in which they said that they do not believe that vacancies in the supreme court should be publicised or be open to application, as most other public service appointments are. I hope that they will rethink that approach, as it is not in line with so much other Government policy.

I am also extremely disappointed that the Government appear to rule out directly appointing non-practising lawyers. The Law Lords operate at the level of a second-tier court of appeal and deal with policy issues and social issues that go far beyond the first level of appeal. It is quite wrong to preclude from taking part in the work of the supreme court lawyers who have an academic background or have worked in other spheres rather than having been directly promoted through the various levels of judges.

I am disappointed that both the Government and the Committee ruled out the idea of introducing a system of career judges at lower levels. We should move to a system in which people have a clear career path to follow, and from which they can divert occasionally. Women, and also men, may want to take time out from their career to take up family or caring responsibilities. I really do not see why that should preclude their continuing on their career path very soon after they have taken a break from it.

We need to establish a judiciary that reflects society far more and that deals with the appalling statistics of the gross under-representation of women and ethnic minorities at all levels within it. It will be a fine day for this country when we begin to deal with that issue and make great progress on appointments to the supreme court.

3.53 pm

Mr. Edward Garnier (Harborough) (Con): I do not want to follow too far the line taken by the hon. Member for Lancaster and Wyre (Mr. Dawson). However, I urge him, as I urged him in my intervention, to take the opportunity afforded by working here to go and watch the Judicial Committee at work. I also suggest that he jumps on the tube and travels two stops down the District line to Temple to watch the Court of Appeal at work. He will then be able to make an informed comparison between the work of the Court of Appeal, which is usually a three-judge court, with the work of the Judicial Committee. While the hon. Gentleman is in the

[Mr. Edward Garnier]

royal courts of justice, he should have a look at the work done in the civil jurisdictions by single judges sitting in the High Court. That is worth doing. I do not make these suggestions out of a sense of condescension, but I urge members of the Committee, and Members of the House generally, to inform themselves of the work done by judges if they can. I know that they have many other things to do, but if they have a minute, it is worth popping into the law courts just to see what is going on. As we all know, there is a Crown court just across the road; indeed, there are seven or eight Crown courts in Middlesex Guildhall. Again, it is worth having a look. When I did the job that my hon. Friend the Member for Beaconsfield (Mr. Grieve) now does, I used to urge my hon. Friends to go to their local magistrates court to see how the administration of justice worked.

Mr. Dawson: I appreciate the hon. and learned Gentleman's good advice, and I take it in the way in which I am sure it is meant. Those of us who have spent many years preparing social inquiry reports have a lot of experience of magistrates courts and Crown courts.

Mr. Garnier: I am sure that that is true. The great thing about the House of Commons is that it brings together people from diverse backgrounds, professions and occupations. I am sure that the Committee is enriched by having both lawyers and non-lawyers among its members.

Diversity was mentioned earlier. The hon. and learned Member for Redcar (Vera Baird) is a classic example of someone who would probably be on the High Court bench today had she not become a Member of Parliament. There have been plenty of suggestions that her practice and experience would have taken her in that direction, but she made a career choice to come to the House of Commons, as we all did. Obviously, her decision has precluded her from taking on the role of judge; it has taken an excellent lawyer, who happens to be a woman, away from the bench, albeit we now have the benefit of her participation in these proceedings.

Many women are now of an age and an experience that they would be suitable for promotion to the bench at all levels, and women are being promoted more often. I agree that it is a pity that not more women are being promoted, but the judiciary—as a bench—is none the worse a provider of justice simply because in the division or court that the hon. and learned Lady mentioned 7 per cent. of the personnel are women and 93 per cent. are men. I hope that I do not sound too complacent, but it is reasonably fair to say that the members of the senior judiciary and the circuit bench are widely respected men and women in the United Kingdom and outside it.

Of course, there are some oddities. I speak with some diffidence for two reasons. First, I am the most junior form of judicial life—a Crown court recorder, who is very part-time. Secondly, I must confess that my great-uncle—by marriage, I add rapidly—was in the early 20th century a Member of Parliament who became so tiresome to the Conservative Whips, because his interest in drink rather than in the public policy issues of the day meant that he was always wandering into the wrong Lobby and refusing to be pulled back, that the Whips approached the then Conservative Lord Chancellor and asked, "What shall we do with him?" to which the answer was, "Make him a judge," so off he went to become a circuit judge. That does not happen nowadays, and the courts are all the better for that. However, I digress—although I must commend the House authorities on the gently carbonated water with which they provide us.

In the hope that I have not overstayed my welcome, let me briefly congratulate the Chairman of the Committee and his fellow Committee members on their report and gently chide the Government for their somewhat inadequate response. They might be in a bit of a muddle and not quite sure what to do, having set this hare running last June. We are having to deal with the problem that they have created for themselves, and the Committee—perfectly properly and most effectively—has highlighted the constitutional and practical difficulties that have been thrown up by the reforms that were written on the back of an envelope last June.

I shall concentrate first on the office of Lord Chancellor. It is undeniable that his Department has taken on several new responsibilities since 1997: it now deals with the courts, tribunals, freedom of information and data protection, human rights, electoral law, reform of the House of Lords and other constitutional reform, judicial appointments, party funding, civil and criminal law, legal aid, and royal, Church and hereditary issues. Its budget is now measured in billions. In her article entitled, "The Office of Lord Chancellor: time to abandon the judicial role—the rest will follow", published in the March 2002 issue of *Legal Studies*, Professor Diana Woodhouse described the Department for Constitutional Affairs as

"a resource-hungry department at the centre of government, which operates under the same management and value-for-money regime"

as other industries. She went on to say that it has become a significant Department, and that the balance of the Lord Chancellor's functions has

"moved away from the judicial, towards the executive and political, a shift which means that increasingly executive responsibilities are being carried out by an unelected minister whose territorial boundaries are imprecise and subject to adjustment at his and the Prime Minister's dictate."

The DCA is blessed with three Ministers in the Commons, not one of whom, I believe, has been a practising lawyer. Actually, I might be wrong about that: one of the Under-Secretaries of State for Constitutional Affairs, the hon. Member for Tottenham (Mr. Lammy), is a member of the Bar. However, the Department is essentially an Executive Department with spending like any other, and that has changed the way in which commentators regard it.

The Lord Chancellor's role has been criticised by others, most notably Lord Steyn and other Law Lords. All the critics have presented arguments that are perfectly respectable, neat and eminently rational, but one of the strengths, and joys, of our constitution is that it is different from every other constitution, yet wholly capable of protecting citizens' rights and interests. We live by what is reasonable, not by what is rational. Our common law has provided as much, if not more, protection to the individual against the over-mighty state as the judgments of the supreme courts of countries

with written constitutions. No amount of fiddling with the Lord Chancellor's role will make a worthwhile difference to that.

It is true that the Lord Chancellor bestrides the constitution in a rather untidy way. We do not have a Justice Minister, but is our democracy the feebler for that? Are our judges Government stooges who do no more than the bidding of the politicians who appointed them? Are they appointed for their political views or their legal expertise? How many times since the Human Rights Act was passed, let alone before its enactment, have the courts decided cases against the Government? Does not the Home Secretary fulminate against the judiciary for applying the very laws that his Government have passed? Do our courts never award damages against the police or Government Departments? At a time when the Royal Navy, our troops and the Royal Air Force were engaged in the recent Iraq war, was not a private citizen granted £1 million in compensation from the Ministry of Defence for nuisance caused by noisy, low-flying RAF fighter jets over his house near Stamford? Are not the rights to strike and to demonstrate protected by the courts? Have Lord Irvine of Lairg and other Lord Chancellors—I accept that Lord Falconer of Thoroton does not sit judicially—given judgments in the House of Lords on political as opposed to strictly legal grounds, or ever threatened the legislature that unless it did their party's bidding, they would give judgment to redress the matter in the Committee?

In answer to those and many similar questions, Lord Irvine—a man with questionable political and diplomatic skills—can justly claim to have behaved entirely properly. Like him or hate him as a party politician, he was subject to the control of Parliament in all that he did as Lord Chancellor. Although the present officeholder, Lord Falconer, prefers a new departmental title and is also a Secretary of State, he is equally circumscribed by Parliament and convention—at least for now.

A previous Lord Chancellor, Lord Hailsham of St. Marylebone, made the following submission to the Council of Europe in 1979:

> "We have an omnipotent, omnicompetent and sovereign parliament and, to some extent, it reflects the will of the executive, but we have an independent judiciary and the function of the Lord Chancellor is precisely to maintain the independence of the courts of law and the judges. We have no written constitution and in the absence of a document we must rely on the integrity of a man. It is the function of the Lord Chancellor to fight, to his last gasp if need be, for the independence of the judiciary. He can perform that function only if he has a foot in all three camps."

That obviously means all three camps of the constitution. Politics is a business susceptible to fashion. The names and remits of Departments change as frequently as their political masters. The turf wars between the Home Office, the Office of the Deputy Prime Minister or the Department for Transport, Local Government and the Regions, the Department for Environment, Food and Rural Affairs, the Duchy of Lancaster, the Law Officer's Department and the Lord Chancellor's Department, as it used to be called, will surely wax and wane. No doubt the extensive political and executive role of the present Lord Chancellor will be different to that of his successor, whether he is a Labour or a Conservative Lord Chancellor. However, the vital and central role of the Lord Chancellor, which requires him to tread carefully along the three parallel but invisible lines of the British constitution, is justified and justifiable, even in the face of demands from political fashionistas. Although there may be room to restructure the remit of the Lord Chancellor's Department or the Department for Constitutional Affairs and to depoliticise the office of the Lord Chancellor, which is frequently and most usefully held by people of the highest intellect and legal experience who are beyond political ambition and above the hand-to-hand political fighting that is modern politics, the essential purpose and functions of the office should be maintained.

The office of Lord Chancellor is not bad because it is ancient; it is ancient because it is good. An office that has served this country and its constitution well for hundreds of years does not need to and must not be abolished to answer a seven-day political crisis over a cabinet reshuffle in June 2003.

Peter Bottomley: For the record, it was only during the period when there was no Lord Chancellor—a period of hours—that the Government, without the advice of the previous Lord Chancellor or the incoming one, managed to make such a mess of the judicial arrangements.

Mr. Garnier: I am afraid that that does not surprise me in the least—none the less, it saddens me. It is an act of constitutional vandalism to enter into this arrangement. My hon. Friend the Member for Hertsmere (Mr. Clappison) made this point in a rather more fluent and attractive manner, but essentially the Government have embarked on a wholly unnecessary and damaging constitutional reform exercise without looking round the corner to see the practical and constitutional consequences. The expense of setting up the new supreme court is a matter of tedious practical administrative detail, but one hopes that that would be the kind of small thing—not small in terms of money—that the Government would latch on to and deal with. It is their failure to comprehend what happens then, let alone to comprehend the huge number of statutory and other duties that the office of Lord Chancellor holds, that disappoints me, although it does not surprise me.

Mr. David Heath (Somerton and Frome) (LD): There seems to be a certain circularity in the hon. and learned Gentleman's argument. He has just told us that the office of the Lord Chancellor has served us well without any show of partiality over hundreds of years, but he opened his remarks by talking about his great-uncle by marriage who was appointed to the bench by a Lord Chancellor on the grounds that he was an incompetent Member of Parliament. It seems hard to reconcile those two facts.

Mr. Garnier: I do not want to bore the Chamber with my family history, but the short point is that even today some appointments slip through the net that should not. I am not suggesting that the current system for the appointment of judges is perfect. However, by and large it is pretty good and the number of not very good judges who get appointed is very small indeed. By telling him that little story, I had hoped to amuse the hon. Gentleman—I clearly failed—but no more than that. More to the point, it was an irrelevant anecdote. I

[Mr. Garnier]

cannot imagine that the Constitutional Affairs Committee, let alone the Chamber—and certainly not the Lord Chancellor—is in the least bit interested in my family history. If the hon. Gentleman does not mind, I will move on to the creation of a supreme court.

The Government's ostensible rationale behind the creation of a supreme court seems to be a purist approach to a separation of powers and an embarrassment that we do not enjoy that in the 21st century. Judges, it is said, should be entirely separate from the legislature and the Executive and should be seen to be so, so it is anomalous that the highest court of appeal is situated in one of the Chambers of Parliament. However, the British constitution is not purist: it has developed incrementally in an intentionally practical and pragmatic fashion. It would obviously be unacceptable for judges to become involved in party politics, and they have not done so. However, the ability of senior judges to represent the views of the judges to the House of Lords as a legislature—I take the good point that the hon. and learned Member for Redcar made in an intervention—is invaluable, all the more so when the House of Commons is, contrary to popular perception, almost a practising lawyer-free zone and when some Ministers adopt an increasingly antagonistic and often unfair attitude to the justice system and the judiciary. Equally, it is no bad thing for the senior judiciary to have some exposure to party political opinion. They do so by being Members of the House of Lords and being physically based in Parliament. That line of argument has been much better expressed in debates in the House of Lords over the past three or four months. If hon. Members have not read those debates, it is worth while doing so, to read people deploying the arguments rather more effectively than I have done this afternoon.

In addition, the current system represents good value for money for the taxpayer. The House of Lords, unlike most other supreme courts, costs little more the judges' salaries, which are modest compared with the earnings at the top of the Bar and the solicitors' profession. There is little administrative backup, the judges do not have assistants or advocates-general, and there are no referendaires. There is no cost for a separate building, let alone a separate secretariat. Above all, the Law Lords write their own judgments, so that their own reasoning and conclusions are reflected rather than those of their assistants. That cannot be said of the judgments of the Supreme Court of the United States, nor can it often be said of the judgments of the European Court of Justice or the European Court of Human Rights.

A supreme court would be much more expensive. Some Law Lords have already called on the Government to ensure that the new court will be able to discharge its functions effectively. The building must be dignified and fit for a co-ordinate branch of government, and the supreme court's resources must be sufficient. That may justified, but it will be expensive, and that expense will not produce much benefit, tangible or intangible, in attracting business from abroad—a point to which the right hon. Member for Berwick-upon-Tweed (Mr. Beith) referred in his opening speech. By contrast, a new commercial court—a project strongly demanded by the City of London—would bring real commercial benefit to the country as a whole. The quality of the judgments of a supreme court would not be better than those now delivered by the membership of the House of Lords—indeed, it may even be worse, if the new appointments systems substitutes political correctness for merit as the basis for appointment.

The starting question with the proposed creation of a supreme court must be: will it be a substantial improvement on the current system, given the costs of providing the new premises and creating a new bureaucracy, to which my hon. Friend the Member for Beaconsfield referred? Will the project be worth while? Given the other demands on a limited budget in the legal field, such as for a new commercial court, is the creation of a supreme court the best use of public resources? Unless the answers to those questions are clearly in the affirmative, there is much to be said for retaining the Judicial Committee in the House of Lords as our highest court. What we do not want is the Law Lords to be removed from the House of Lords and put into a temporary home while the Government thrash around looking for places in Somerset house, the royal courts of justice or Parliament square. I have even heard Centre Point being talked of a suitable place to put up the supreme court. The situation is utterly farcical. Such an enterprise ought to be planned and then implemented, not shouted from the rooftops and then worked backwards. We will end up with portakabin justice if we are not careful. I suspect that the more the proposal can be ridiculed and tested to destruction, the more the Government will come to see something reminiscent of common sense in their deliberations.

Another of the Government's apparent misunderstandings is that they must separate the Judicial Committee from Parliament, because of the European convention on human rights, which comes under the jurisprudence of the European Court of Human Rights, and the need to have a separate court. I suggest that that is a total misunderstanding of the judgment in the McGonnell case. I shall not bore the Chamber with the details—I can see that you are keen that I do not, Mr. Chidgey—but that was the Guernsey bailiff case. Those who follow the subject with greater keenness than I will know that in talking about "the Guernsey bailiff case", I have said enough. I can see the hon. and learned Member for Redcar warming up to talk to us about the McGonnell case. The Court said, in paragraph 51 of its judgment on that case:

"The court can agree with the United Kingdom Government that neither article 6"

of the convention

"nor any other provision of the Convention requires States to comply with any theoretical constitutional concepts as such. The question is always whether, in a given case, the requirements of the Convention are met. The present case does not, therefore, require the application of any particular doctrine of constitutional law to the position in Guernsey: the court is faced solely with the question of whether the Bailiff had the required appearance of independence, or the required objective impartiality."

The bailiff sat as a quasi-Minister and as a judicial officer during the course of a planning case.

I have criticised the Government for making up a doctrine of constitutional reform on the hoof to satisfy a little difficulty they had in reshuffling the Cabinet last June. I urge them, because I think that they are a

modernising Government, not to foist a rigid 18th century interpretation of the separation of powers on the 21st century British constitution, which, although is not written in one document, is incredibly flexible and pragmatically developed.

Mr. Grieve: My hon. and learned Friend may agree that that 18th century concept was the result of a great French philosopher coming to this country and failing completely to understand its constitution. The doctrine of the separation of powers was born of a complete misunderstanding of the independence of the judiciary, which was the part of the British constitution that he praised.

Mr. Garnier: Montesquieu's descendants in France look somewhat askance on their judiciary, the Irish have had problems with the way in which their judiciary is appointed, Mr. Berlusconi, the Prime Minister of Italy, spends all his time having little local difficulties with the Italian judiciary, and the Spanish judiciary is political, as we discovered during the Pinochet case. Let me finish with that case, since it is to do with the House of Lords.

When the robust Judicial Committee of the House of Lords made a mistake—when Lord Hoffman failed to declare an interest yet continued to sit on the appeal—the House of Lords as a judicial institution removed him from the Pinochet case and started again. That unfortunate episode demonstrates that our current system, for all its imperfections, has the strength to ensure that justice is done and is seen to be done. It can be done. We can appoint judges through the office of the Lord Chancellor and we can do justice to citizens of this country and foreign litigants who come to our courts to get justice done in the Judicial Committee of the House of Lords.

I urge the Government to pause and to think long, hard and carefully before they move on the plans that were drawn up on the back of that famous—not lavender, but some other colour—piece of stationery last June.

4.19 pm

Vera Baird (Redcar) (Lab): The envelope cannot be that famous if the hon. and learned Gentleman cannot remember what colour it was. It is many months since that occurred, but I think what he said is a parody of the reality. There has been much consultation and excellent work done on the proposals since then, as he, in a calmer moment, would know.

This is an excellent report. I add my congratulations to the right hon. Member for Berwick-upon-Tweed (Mr. Beith), who is obviously much respected by his Committee, as he is by the House at large—on the calibre of the Committee's deliberations, which have come up with such a good product.

May I declare an interest? I am a barrister, as if that were not obvious from what has been said. I apologise for not having been in the Chamber early enough to hear all the remarks made by the right hon. Member for Berwick-upon-Tweed. I thank the hon. and learned Member for Harborough (Mr. Garnier) for saying that I might have made it as a judge if I had not made a career change. I do not know whether that is right, but I hope that his view—that I would have been a successful woman in the judiciary—takes away what the hon. Member for Hertsmere (Mr. Clappison) tried to suggest: that I was being subjective when I criticised the failure to appoint women.

I shall deal first with the issue of the supreme court. There is an overwhelming case for it, of course, and I agree entirely with the way in which the right hon. Member for Berwick-upon-Tweed put it. It is clear and obvious that there would never be a design for a constitution that did not have the supreme court separate from the legislature. Despite his speech, the hon. Member for Hertsmere signed up to the report.

I take the constitutional principle for granted. I reiterate the point that I put to the hon. Member for Hertsmere: it is puzzling for the public to hear that a case is going to the House of Lords. One has to be something of a jurisprudentialist to understand that that is not the same body as we hear about on "Today in Parliament" from time to time. That lack of clarity is distinctly unhelpful in a modern society.

Mr. Garnier: I have had a long shot, and I do not wish to interfere too much in the hon. and learned Lady's arguments. However, she has made a point that is beyond the realms of reality. By the time a case gets to the House of Lords, the legal dispute is probably three, four or five years old. If the lay client, the litigant, does not realise the role of the Judicial Committee in the House of Lords by that stage, they are in need of some form of care and assistance.

Vera Baird: The hon. and learned Gentleman is very unkind. Although the case might be that long, its attachment to the House of Lords is very brief; they rush one on like mad. There is hardly time for the lawyers, let alone the clients, to understand the tortuousness of that bizarre anachronism.

That is what it is: an anachronism. The original final court of appeal was the House of Lords itself. By the 1870s, it had been realised that a few lawyers were needed there, so they were appointed through the Appellate Jurisdiction Act 1908. Perhaps I am being unkind; perhaps it was that more lawyers were needed than those who by accident were also peers. So proper lawyers were appointed. Then it became clear that only proper lawyers should take the cases on, so they sat in a little Committee Room. That is how it all came about. It had nothing to do with planning, its own innate virtue or constitutional principle at all. It is an historic anachronism; it just happened, and it is time that it was changed.

I went to the House of Lords for the first time when I was a pupil—a very young barrister. It was a very engaging occasion and I was not advocating, just watching. There followed the perfecting of their lordships' advice into a resolution of the House to make it a valid judgment. That meant that everybody came back a few days after the judgment, and a rigmarole took place in the main Chamber.

On that occasion, for some reason that I still do not understand, Lord Bridge, who presided over the court case—now hon. Members have a fair idea of how old I am—sat on the Woolsack while the other members of the Judicial Committee sat around. Then he moved away and proposed that the advice of the Judicial

[Vera Baird]

Committee be accepted by the House of Lords as a resolution. He then moved back to the Woolsack to ask who was content with that proposition. Not surprisingly, since it was their judgment, their lordships all voted for it, and it became a proper judgment. That was bizarre in the extreme.

It is all a performance. The hon. Gentlemen on the Opposition Benches regard that as neither here nor there in the average Tory day. It must happen at all sorts of times, in all sorts of places and in all sorts of ways. Let us be realistic, however. It is a sign of how difficult it is to compress such matters into the constitution. That somehow we have to use such a mechanism to bring an historic anachronism back into the constitution does not make sense at all.

I now want to make two serious and probably less amusing points. I took part in a case in the House of Lords soon after I got silk in which the presiding judge was considering whether the Committee would look at *Hansard*. Despite the hon. and learned Member for Harborough saying that there are not many practising lawyers in the House, the Chamber is full of them. Almost everyone here will know of the rule that judges do not look to *Hansard* to interpret the law unless there is an uncertainty and then the rule under the case of Pepper v. Hart is used, whereby *Hansard* can be consulted to throw light on the uncertainty.

In my view, there was an uncertainty in the case to which I referred. My colleague tried to persuade the bench that it should read *Hansard* to understand why the Lord Chancellor enacted a particular aspect of the human rights legislation. The bench did not find my colleague's arguments persuasive and refused to look at *Hansard*. However, on looking at *Hansard*, we found that three members of the bench had been listening to the Lord Chancellor explaining the legislation. Again, that is complete nonsense in the context of a proper constitutional principle.

During the case, I took colleagues through the Regulation of Investigatory Powers Bill, as it then was. The case concerned phone tapping and the Bill was on the stocks to alter the law about that. Clearly, it could be persuasive in respect of how the phone-tapping problem should be approached. Part of the way through the case, the court adjourned for lunch, and on his return, the presiding judge said that he had been lobbied over the luncheon suspension on how to vote on parts of the Act that I had just been taking him through.

Of course, such great brains can separate themselves from those pressures, and the fact that they know about *Hansard*, and know perfectly well what the purpose that they are refusing to look at is. They can take themselves away from the fact that they had been lobbied in a particular direction, and consider the purity of my arguments. However, it is almost impossible to say that such action looks like justice being done. It is difficult to be absolutely sure that even the best of people are not influenced either towards what they know, which they should not know, or, out of an excess of fairness, against what they know, which they should not know. That is more likely to happen with the House of Lords, which is of very high calibre. There are good reasons for the change.

Mr. Garnier: If the arguments put forward by the hon. and learned Member for Redcar have a logical purity to them, I assume that she wishes to remove the powers of the Deputy Prime Minister to interfere with planning decisions. That man could be influenced by local, regional or national political considerations when deciding whether to permit an inspector's decision on a new airport or a big planning matter to be overturned. Who knows? She is pursuing the line against a member of the House of Lords who discusses a particular statute. Given that it were a statute, presumably it had already been voted on, so she must want to take the same line in both cases of judicial conduct.

Vera Baird: No. First, the measure was a Bill then, although it is now a statute. If I called it an Act, I apologise. The person in question still had to vote on it; that is the point. Secondly, the hon. and learned Gentleman's guess is wrong. There is no logical parallel in his argument. If my right hon. Friend the Member for Hull, East (Mr. Prescott), or any other Deputy Prime Minister, takes into account an inappropriate matter when he is making a determination, he would be judicially reviewed, which cannot really be done in respect of the House of Lords.

The notion that the House of Lords Judicial Committee has contributed to the House itself is not easily to be discarded. As it says in its submission, there are 80-odd lawyers in the House of Lords; those on the Committee do not regard themselves as being the only good ones who can contribute—and they certainly are not. There are a great number of excellent lawyers, many with practical experience, who do not end up on the Judicial Committee but could, and should, be appointed to the peerage on their own merits.

The whole argument for having members of the Judicial Committee in the House of Lords is fundamentally flawed when one considers that they themselves, rightly, do not simply say, "If I have sat in the House of Lords legislative Chamber, I won't hear a case on the topic discussed." They say, "The problem is far wider than that; we have, since 2000, taken a voluntary vow never to contribute to debate in the House of Lords Chamber on any matters on which the Judicial Committee may have to make a decision." As such matters will inevitably encompass most of their experience and knowledge, they are, frankly, not likely to make a great contribution in the House of Lords Chamber.

Mr. Grieve: Why should that be the case? Surely their presence in the House of Lords Chamber, and their ability to network with those in the process of legislating, is valuable to them, both because of the contribution that they may make informally and because of the information that they will receive. Certainly they cannot be compartmentalised so as not to network at all. I dare say they find themselves networking informally at every dinner party that they attend. They would certainly be deprived of a forum in which they can receive a lot of informed opinion and make contributions.

Vera Baird: I do not think that the hon. Gentleman is right in the slightest. The notion that, having taken a self-denying ordinance on being present and

contributing in the Chamber, Law Lords would go round the back and have a conversation about the same issues is startling. They themselves do not feel that they make a major contribution; or rather, they feel that they cannot do so on the areas of their expertise. Therefore, they seem to fall into the category of being no better and no worse than any peer who is not a Law Lord. Their contribution must be in real doubt.

There is no doubt at all that there is a real need for Parliament and the judiciary to be close in an appropriate way; but this artificial method is not the right way. There is really no objection—if it is thought right, and if future appointments procedures allow it—to heads of division having peerages; that way, they can be present and the kind of informal, more general communication to which the hon. Gentleman referred can be ensured. However, it is not a plus for the current system that they sit in the Chamber, because the matters on which they sit have only a small ambit, and they have expertise on the very matters on which they do not sit.

What exactly is the opposition to the proposal? I shall come to the cost of the building in a minute. The Law Lords are, of course, split in their objections, so no objections come from the whole body. The split was six-four at the time of the paper, but now, mercifully, Lady Hale is there to show the way, and it will be six-five, because not only is she in favour, she is a positive advocate of the proposal. If we are to count enthusiasm, Lord Bingham is a huge enthusiast, too. Indeed, on another occasion many Opposition Members were cheeky enough to suggest that the proposal was his idea in the first place.

The Law Lords

"believe that the Law Lords' presence in the House is of benefit to the Law Lords"—

well, I am sure that it is, and that it is very nice for them—

"to the House"—

I dealt with that, and I think that it is not a major argument—

"and to others including the litigants"—

but in what way is not said. Let us get to the meat of it: appeals are heard in a unique and suitably prestigious setting for this country's final Court of Appeal. The Law Lords also refer to the fact that the House of Lords is recognised under that name throughout the common law world, but that, too, is a poor argument.

The Law Lords who support the proposed change regard

"functional separation of the judiciary . . . from the legislature and Executive as a cardinal feature of a modern, liberal, democratic state governed by the rule of law"

and

"consider it important, as a matter of constitutional principle, that this functional separation should be reflected in the major institutions of the state, of which the final court of appeal is certainly one."

I do not think that there is any difficulty in saying who has the better arguments there.

The rest of the opposition boils down to the building, does it not? I think that that is about the size of it. The Lord Chief Justice made a speech on 3 March, and, having set out some concerns, he said:

"These worries do not cause me to be wholly hostile to the idea of a new Supreme Court. However, if I had a vote on the subject, I would be in favour of deferring a decision, until I knew, first of all, the building which it is intended the Supreme Court should occupy."

We are facing a bit of basic trade unionism here, but I do not necessarily blame the Law Lords for that, because they should certainly have somewhere nice. However, I do not know whether the hon. and learned Member for Harborough remembers—he is the most likely person to do so—how much the Law Lords used to complain, before this idea was even mooted, about the abysmal surroundings in which they had to work. They had broom cupboards for offices and inadequate secretarial, library and clerical support. It is only since this proposal has come to light that they have started to realise how truly, truly wonderful it is to be a member of that particular boys club.

Mr. Garnier: I do not mind the hon. and learned Lady teasing me; that is fair game. However, I think it is beneath her to describe the Judicial Committee as a boys club. I thought she was better than that. Of course there are things that could be done to the structure of the House of Lords offices. In the debates at Easter, Lord Hope said that the only reason he has his own lavatory is that Lord Savile has been in Northern Ireland for so many years, at vast expense. That has freed up a lavatory, so there is no judicial problem there. There are lots of little jokes that we could tell about judicial lavatories and secretarial space, but that is not the meat of the great constitutional question. Where the judicial bottom goes is way down in the great decision-making process. I am sure that the Minister is not worried at all about that. His mind is entirely settled on the great constitutional issues that this debate throws up.

Vera Baird: It may well be beneath me to talk about judicial bottoms. I did not refer to the Judicial Committee as a boys club. What I wanted to say—and if I put it in an unguarded fashion, let me withdraw that—was that its members are extremely comfortable in the club-like ambience of the House of Lords, with all the prestige that it carries, and they refer to that. They are unhappy about the prospect of moving away from that ambience unless they know that they will get something equivalent. That is a bit of basic trade unionism. I do not particularly blame them for feeling like that, but it is the poorest imaginable reason for holding back an important constitutional change.

I want to talk briefly about diversity.

Mr. Clappison: The hon. and learned Lady is making her remarks in a very elegant way, but will she pause a moment to reflect on what I have to say? The rationale for this reform is to separate the judiciary from the legislature and to give it a greater appearance of independence. Does she not feel that there is a conflict between what she said about that and the remarks that she and the hon. Member for Lancaster and Wyre (Mr. Dawson) made about inviting the Executive to take a more robust line with the judiciary and to order them about, and with the complaints that they are trade unionists?

Vera Baird: I did not urge the Government to take a tough line with those trade unionists. I referred to them taking a tough line with the Government, and even suggested that the Government were being so soft that they were giving way on the question of public applications for membership of the supreme court in order to negotiate. If anything, I was complaining that the Government were being too soft. The hon. Gentleman has got the wrong end of the stick—not for the first time I am afraid, as in his speech he admirably displayed the ability to get the wrong end of the stick about diversity as well.

Labour research shows that, sadly, our new Labour Government have barely made any difference at all to the structure of the judiciary. You have heard the figures, Mr. Chidgey. Let me confirm that they go all the way down; it is not just one Supreme Court judge—one House of Lords judge. Women were allowed to come to the Bar in 1922. The fact alone that until 2004 there was never a woman in the senior court in the land makes the point about diversity.

Now that Dame Brenda has gone, there are, I think, two women judges in the Court of Appeal, out of 38. Seven of 107 High Court judges are women. There are no black or ethnic minority people in that sphere at all. Ten per cent. of circuit judges and 12 per cent. of recorders are women, and 36 per cent. of district judges are women. As to black and ethnic minority people, their presence on the circuit bench is 1 per cent.—I think that that means two people—and in the recordership it is 3 per cent.

What cannot be overlooked, although perhaps it is a minor point, is the way in which the appointments system works. The High Court is made up of silks. The circuit bench is made up of members of the Bar, and the district judges are solicitors. Everyone knows their place. One reason why there is not a career judiciary—I agree with my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) that there should be one—is that even when people are appointed, there is a sort of class distinction among judges, which does not allow that to happen. It never will, as long as the senior judiciary is in charge.

Seventy per cent. of judges are said to have been educated at public school and Oxbridge—that must relate to the High Court—and the present appointments system works primarily by taking soundings, by asking the judges who should succeed them. They generally think that people like them should succeed them. However, there has never been a detailed study of the office of a judge or the competencies required. There is no job description or person specification. It is hard to know how soundings of any kind can evaluate candidates against objective criteria.

Mr. Grieve: I do not want to encourage the hon. and learned Lady to continue for too long, because I am mindful that other hon. Members want to speak, but she has reached an important issue. Would she amplify how the criteria should work? Irrespective of whether the Lord Chancellor or a judicial appointments commission is making the decisions, the same issues are likely to arise about how to go about making an appointment. I should be interested to know what the hon. and learned Lady sees as the new criteria that should be considered to achieve the result of merit.

Vera Baird: I do not know whether that intervention was based on an underlying acceptance that the result cannot be achieved in the present system, but it is perhaps implicit. I shall come to that issue, of course. I might add that half of the 36 most recent appointments to the bench were not subject to any procedure. The people concerned were invited to join the bench. I am talking about the High Court, where no application is required.

The problem, to some extent, is, as everyone has said, less that those who have the plus of good soundings are not up to the job, than that good or better candidates whose backgrounds or gender make them less obvious members of the brotherhood are kept out by the bias in soundings. I make no bones about that. There are better black people and women at the Bar than some of the people who are on the High Court bench or the circuit bench. I have not the slightest hesitation in saying that the same applies to the Court of Appeal. There are some excellent people in, but there are some excellent people out, and some of the people out are better than some of the people in.

That is one weakness in the argument of the hon. Member for Hertsmere that the system is good enough now. When he asks why we should rock the boat, I say, because things could be better. Anyone but a bigot would understand that there is no clash between quality and diversity. If we widen the pool, we shall get more choice, so we shall get better people. That is a simple principle.

How are appointments to be made? Not as they are made now. I shall run through, for a minute, some of the atrocities that take place in the current system. Sir Colin Campbell, the First Commissioner for Judicial Appointments, relates some of the comments made about female silk applicants by senior judges. As everyone knows, silks become the vast majority of High Court judges, so discrimination at silk level becomes double discrimination when appointment to the High Court bench is being considered.

One woman barrister was reported, in all seriousness, to have poor dress sense; it was considered appropriate for a High Court judge to say that about a female applicant for silk. Another judge referred to the significance—Sir Colin Campbell is sufficiently discreet not to say how—of a woman's marital status; one can only assume that it was less than regular. A third commented that a woman candidate was

"not a natural leader of the profession".

Translate that into what it could possibly mean. Perhaps such things are not taken seriously? Yes, they are.

For the past few years, failed silk candidates have been entitled to interviews that feed back anonymously the material that informed those decisions. Many women have been told of other equally inappropriate comments. Allegations were made of "emotional" conduct in court, which were completely untrue, and an

official at the Lord Chancellor's Department told one horrified candidate,

"we know that gossip creeps in sometimes."

That did not reassure her.

One woman, believed to have had an affair that had ended 10 years beforehand, was told that some of their lordships still commented on it. They should never have commented on it in the first place, but they were still commenting on it to her disadvantage 10 years later—this to see whether she was good enough to become a senior advocate.

Another woman had worked out which judge had made a particularly unfair comment, and wrote to him. That was a tribute to her powers of cross-examination of officials in the Lord Chancellor's Department, who are not supposed make such disclosures. That in itself should have persuaded them that she was good enough for silk. The judge's reply to her letter praised her "real ability" and said that he wished her well for her future. That contrasted stunningly with the remarks that had been relayed to her through officials before the judge's identity was known. It should not happen.

Aptitude, intelligence and suitability across a range of qualities are easily measured by modern procedures. Last year, for the first time, a competency-based appointments process was used for appointing district judges. The commissioner, Sir Colin Campbell, was impressed. The high judiciary argue that that cannot apply to them. They say that the most able lawyers should not apply, but must be taken aside and persuaded to lend their vast ability to the public service. I do not think so. Do those godlike creatures not understand the need for fair procedures? If not, do they have the quality to be judges?

I referred to the argument about diversity, which has featured appallingly in this debate. Saying that the danger of diversity could lead to a reduction in quality turns logic on its head. The wider the professional pool, the higher will be the calibre of those who compete to be drawn from it. That, I would have thought, was completely straightforward.

The key to the hoped-for success of the commission is that it must not be dominated by the judiciary. The judiciary refuses to see that positively discriminating in favour of its already dominant brotherhood cannot continue, or nothing will change. There must be a lay majority on the appointments commission—and on the body that sets it up. I respectfully agree with the right hon. Member for Berwick-upon-Tweed that it should not be chaired by a judge.

The selection procedures for public service appointments are well established. They deal fairly with diversity, and they are open and clear. Those are the kinds of procedures that must be used to appoint the judiciary, which is clearly a public service. It will be a long job for the judicial appointments commission to bring those procedures into place. It will be an even longer job for it actively to widen the pool of available candidates. However, as soon as the forces of reaction allow it, those applicants that it can encourage to come forward will be dealt with professionally, rather than shabbily and discriminatingly, as they have been in the past.

I end by telling the hon. and learned Member for Harborough a story in two lines, rather like the one that he thought had fallen out of use. I was appearing in a case in a provincial Crown court, and I made a comment during the judge's summing up to the silk who was sitting beside me. He did not hear it. He was slightly deaf, so I said it again slightly louder. He still did not hear it. I repeated it three times—hon. Members know how weak one's comments seem when they have to be repeated for a third time. He still did not hear it. He turned to me and said, "Do you know Vera, I'm getting so deaf I'll have to go on the circuit bench." I will give you three guesses what his job is today.

Several hon. Members *rose—*

Mr. David Chidgey (in the Chair): Order. I must remind hon. Members that I will be starting the Front-Bench speeches at 5 o'clock at the latest.

4.50 pm

Mr. David Kidney (Stafford) (Lab): Thank you, Mr. Chidgey. Let us see if I can finish before that time.

I am not a member of the Constitutional Affairs Committee, but I especially wanted to be present today to praise it for its report. I am glad to have the opportunity to praise the right hon. Member for Berwick-upon-Tweed (Mr. Beith), who introduced this debate, for his excellent presentation of the report and the developments that have taken place since. He told us that members of his Committee had the temerity to vote against his opinion on the lay chair for the judicial appointments commission. I agree with his conclusion, not with that of the rest of the Committee. If he has a good enough memory, he will also remember that in the Chamber I have twice agreed with him on the process by which we carefully scrutinise the Constitutional Reform Bill. Like him, I support pre-legislative scrutiny, and I agree that what the House of Lords has done, against the Government's wishes, has given us much of what we wanted: a much a better pace for scrutinising the legislation. We can take time with something that is very important, and ensure that we get it right.

As I understand it, the Select Committee appointed by the House of Lords will complete its deliberations next month. Therefore, the decision to send the Bill there was not a case of batting this matter into the long grass after all. The legislation will come out of the Committee in a much better condition that it went in. I must pay tributes all round to those who stood their ground on that subject, and I am pleased to count myself as one of them.

In a moment, I want to mention solicitors. Therefore, I had better declare that once upon a time I was a solicitor, and was in private practice for 20 years. I stopped working as a solicitor as soon as I was elected to Parliament, but I keep my name on the roll of solicitors to this day. That is the interest that I must declare—although I am not making a job application today to become a judge under the new procedures.

I want to say how much I support the principle of establishing a supreme court, because it is wrong in principle that the people who interpret the laws and make the judgments upon them are also part of the legislature that deliberates and forms those laws. It is right to make the separation of powers in that specific case. It is wrong to talk about Montesquieu in that context, because in this country we do not have the kind

[Mr. David Kidney]

of separation of powers that he discussed. This is simply a matter of the narrower point about the independence of the judiciary from the legislature. As the right hon. Member for Berwick-upon-Tweed said, it is right that serving members cannot be members of the House of Lords, but when they retire they could be appointed to it, should an appointment process—and, indeed, a House of Lords—exist by that time.

Some of the issues that we have talked about, such as buildings, budgets and the dispute that might occur between the new supreme court and the Government, overlook the fact that the Bill is not yet law, and Parliament still has a role. There are issues for Members of Parliament to discuss about what kind of building would be suitable, when the court will be established and how the budget is to be dealt with afterwards. I would share the concerns of hon. Members who have spoken in this debate if there were to be a proposal before us that the fee income of the supreme court would be the entire budget for maintaining it in the future. Clearly, its role as the ultimate court of appeal on issues of great public interest and concern goes much wider than the narrow interests of the individual litigants before the court. I hope that we will be able to have our say, as Members of Parliament, on that in the not too distant future.

I will briefly discuss the supreme court appointments commission. I note that the Secretary of State has given way on the idea of one name being put forward for him to pass on to the Queen for approval. As I understand the composition of the appointments commission, it is possible that every member of it would be a practising member of the legal profession. I think that could be a worrying and inward-looking aspect of its new independence. However, I hope that it is not, especially because they are going to put forward only one name. I hope that we will take great care to ensure that there is a lay input in the membership of that commission. Clearly, on the independent judicial appointment commission proper, there will be lay representation, and I am pleased that there will also be a practising barrister and a practising solicitor. As I said earlier, I agree that the chairman should be a lay member of the commission.

I look forward to greater diversity in our judiciary as a result of the changes that will be made. I expect the best candidates to be appointed, but that is no excuse for poor methods of appointment. Surely, all potential candidates of merit must be encouraged to seek appointment. So far, the debate has focused on women and ethnic minority members of the profession, but I would like to mention solicitors, who are also under-represented in the judiciary. The Law Society tells me that research indicates that women, ethnic minority members of the profession and solicitors are all seriously under-represented in the senior ranks of the judiciary. In the case of women, they are under-represented even when allowance is made for the proportion that they form among lawyers of appropriate seniority.

My last point is about political accountability. Clearly, it is right that politicians of the day have an interest in what an independent judiciary gets up to, even if it is only the cost of the wallpaper for a judge's private rooms. We have a role to play. Therefore, it is right that the Secretary of State will recommend appointments of judges to the Queen, and that he or she will have a partnership role with the president of the supreme court in disciplining judges. It is right that a judicial appointments commission will produce an annual report, which will be presented to this Parliament and also to the Scottish Parliament and the Northern Ireland Assembly, and that the Select Committee will continue to take an interest in the role of the judiciary in the future.

Further to the debate on confirmation hearings, I should mention that I was on the Treasury Committee in the last Parliament when the shadow practice of carrying out confirmation hearings for members appointed by the Chancellor to the Monetary Policy Committee was developed. Clearly, we did not have the right to veto anyone, but we took an interest in the new members of the MPC and interviewed them shortly after the Chancellor had announced their names. I suggest to the Constitutional Affairs Committee that that is a good precedent for it to follow.

I look forward to a future in which we continue to have the great judges of independence, courage and intellect that we have had in the past, but I would like to think that they will represent our society in a better and fairer way, and that they will enjoy its confidence.

4.57 pm

Mr. David Heath (Somerton and Frome) (LD): I, too, congratulate my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) and his colleagues on producing an excellent report and on engendering a well informed and excellent debate on its content. My right hon. Friend was absolutely right not to dwell on the genesis of the proposals. I believe that we all agree that they were introduced in haste and, frankly, in a messy way. My great criticism is that that undermined, in some people's view, the merits of a proposal with which I wholly agree. Some of us would have gone further and created a fully fledged Ministry of justice. Indeed, every time we hear the Home Secretary speak, our resolve becomes even stronger that that should be the case. Nevertheless, creating an independent supreme court and removing the judicial process from the legislative and executive processes seems absolutely right.

It is disappointing that the arguments against the changes either fall in exactly the area mentioned by the hon. and learned Member for Redcar (Vera Baird)—that is, the trade union arguments of those who find themselves with a rather comfortable billet in the House of Lords and do not want to lose it—or are based on what is, in effect, blind reaction against change because people do not entirely agree with it.

I have listened to the arguments of the hon. Member for Hertsmere (Mr. Clappison) and the hon. and learned Member for Harborough (Mr. Garnier). They are based on the classical fallacy—if we are allowed to talk about classical fallacies nowadays—of post hoc, ergo propter hoc: because something turns out okay, it must be because of the system that created the circumstances. I simply do not accept that. To use an analogy, next Wednesday, the Under-Secretary of State may be able to point to a successfully run European parliamentary election system. If that is the case, it will not be because of the systems that he has put in place, but because of the

diligence and hard work of electoral returning officers up and down the country. Similarly, the fact that we have a well respected legal system, particularly at the higher levels, is not because of the systems in place, which no one would argue for, given a blank piece of paper, but because of the excellence of the people who have made the system work from within, sometimes through self-denying ordinance, but sometimes by applying their intelligence to the issues involved.

No one would create a system in which the court of final appeal was a committee of the upper House of the legislature. No one would create a situation in which the country's most senior judge was a member of the Cabinet, who also chaired one of the Houses of the legislature in his spare time.

Mr. Garnier: Will the hon. Gentleman give way?

Mr. Heath: I have very little time, but if the hon. and learned Gentleman is brief, I will.

Mr. Garnier: Would anyone create a system whereby the membership of the US Supreme Court is selected by the President on entirely party political grounds?

Mr. Heath: I certainly hope not, and also I hope that we shall not use Tallahassee as a model for our own future reforms.

Let me deal with the substance of the reforms. The hon. and learned Member for Redcar dealt with the issues surrounding the judicial appointments commission. The lay chairman plays an important role, and I am glad that the Government are sticking with that. I am glad that we have moved away from the idea of several names being put forward and towards a single name. However, any system that emerges will not be able to do the job unless it fundamentally alters a process that creates such a distorted view and conflates the principles of merit and conformity, asserting that only "people like us" are able to do the job. That change will come not from the top downwards, but from the bottom upwards.

We need a judiciary that better reflects society at all levels. I do not accept that we would sacrifice merit by encouraging diversity. That is the only way to create confidence in the system among those who use it. However highly we may rate our judiciary and legal system, many people go to court and do not have confidence in the system because it is so alien to their experience. I hope that we can improve on that.

In terms of the creation of a supreme court, the Minister will know of the problems of not considering the Scottish dimension from the beginning. I am glad that we have had time to think harder about the effects on Scotland. However, I am still not satisfied that there is a clear legislative road map—to use the cant term—to create the simultaneous legislation required to get the supreme court up and running and effective for Scotland. Will he tell us what progress has been made?

There is an issue about ensuring that funding does not come via a political route through the Department for Constitutional Affairs, which does not have a UK responsibility in this specific area. We must consider other models. I was saying to my right hon. Friend the Member for Berwick-upon-Tweed earlier that perhaps an analogy with the civil list process might be used. We must find a way of ring-fencing funding. We certainly must not accept self-funding from fees. I do not accept that approach for the other courts of England and Wales—we argued against it when debating previous legislation—and I certainly will not accept it for the supreme court.

We must also consider the position of the staff; it is not acceptable for them to be civil servants accountable to the Secretary of State for Constitutional Affairs. I hope that we will also examine the position of the Judicial Committee of the Privy Council. This will be an incomplete reform if we do not do something about that. It is nonsensical if other judiciaries still look to the House of Lords, albeit in a different form in the Judicial Committee of the Privy Council, as their court of final appeal. If we are going to do the reform it is sensible to do it in the round and achieve the objective for all.

Mr. Grieve: I am astonished to hear that last comment. Presumably there are foreign jurisdictions, which, for reasons of domestic convenience or possibly because of the small amount of internal jurisprudence, clearly welcome the role of the Judicial Committee. I find it difficult to understand why the hon. Gentleman should talk about getting rid of the judicial role of the Privy Council.

Mr. Heath: Those nations should be offered the convenience of the supreme court of the United Kingdom as an alternative. We should not maintain a relic for the convenience of other legislatures. We must grasp the nettle.

Much has been said about accommodation. That single item has the capacity to undermine the entire project for the Government and expose the proposals to ridicule. I have said from the very first day that we need to establish quickly where the court is to sit. It is not acceptable for it to camp in the House of Lords or move to some other temporary accommodation. I have always advocated Middlesex Guildhall, which would be an appropriate setting.

I have heard powerful arguments against anything that is too closely associated with the royal courts of justice or the inns of court, because of the associations with the English and Welsh legal system, which would not be appropriate for the supreme court. Wherever it is to be, the decision has to be taken quickly. It has to be taken in the best interests of the supreme court, consulting those who will use it and taking their views into account. By the time the legislation reaches this House, we must be clear what the solution will be.

The independence of the judiciary is a crucial factor. We have something in the Bill now, and that is an improvement on what was not there before, but it is not the last word to be said on the subject. The historic office of Lord Chancellor had one merit in establishing the principle of judicial independence. We have to replicate that, as a Secretary of State for Constitutional Affairs will not be able to do; indeed, there is some talk of retaining the title of Lord Chancellor. I will not accept a Secretary of State for Constitutional Affairs who has to sit in the upper House and cannot be a proper Secretary of State, as I would consider it, sitting in and available to answer to the House of Commons. I understand the arguments that suggest that the continuity of the term Lord Chancellor may be of value.

[Mr. Heath]

The Government's approach seems to be that the Lord Keeper of the Privy Seal is a sufficient weight of office to be used as a subtitle for the Secretary of State for Constitutional Affairs to maintain his position in the pecking order of Cabinet. I do not find that a very convincing argument. I advocated at one stage the title of Lord Keeper for the Chair of the proceedings in the House of Lords. It seemed an appropriate name; it is a historic one, and one with which people could identify. That seems to have been set aside. We need to look again at the role of the Attorney-General, and the role of the Lord Chief Justice as president of the courts.

The Minister may be able to tell what will happen to the Vice-Chancellor when there is no Chancellor. There are knock-on effects to these name changes, and they need to be examined—and while he is doing that, he might find out what the role of the permanent secretary is in the context of his subtitle of Clerk to the Crown in Chancery. What exactly does that mean? Why does it have to be maintained? Why is there no reference to it in the legislation? I should be interested in the Minister's response.

Because by the bizarre system that governs debates in Westminister Hall, those on the Front Benches have less time than anyone else to make their case, I must resume my seat at this point. I hope that we now make satisfactory progress towards these reforms, which I still strongly support, despite the Government, not because of them.

5.10 pm

Mr. Dominic Grieve (Beaconsfield) (Con): It has been a pleasure to listen to the debate. It is greatly to their credit that the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and the Select Committee produced a fascinating report, which tried to put order into the chaos that the Government created last summer. It clearly had some influence; even if it has not influenced the Government, it has certainly taken the other place to a position that, while it may not be identical to what was being examined or advocated by the Committee, certainly reflected some of its ideas.

I am conscious that I have a lot of ground to cover in the time available. I start with some basic principles, which I express on behalf of my party: I could not give a fig about the separation of powers or the theoretical constructs. As far as I am concerned, if the Government want to come up with proposals for improving the higher judiciary and achieving something better than there is at the moment, the criteria are simple: will what is proposed enhance judicial independence? Will it improve the quality of justice and of judges? Will it improve the quality of government? In its role, the judiciary is a major part of Government, even if it is seen as a separate arm of the state. Will it be cost effective? That is not a negligible matter, because as politicians we must persuade the electorate that it is worth having a building that will probably cost £50 million or £100 million to house a supreme court, with running costs that may run to several millions of pounds per annum, as opposed to the extraordinary cut-price court that we have at present. That is not the most major consideration, but it certainly needs to be taken into account.

I often agree with the hon. Member for Somerton and Frome (Mr. Heath), but although I agreed with some of what he said today, I profoundly disagreed with his critique of the absurdities of the present structures, which are borne of historical accident. Our country as it is today is born of historical accidents, and some of them are not very worthy accidents, but that is where we are and sensible people should try to build incrementally on what exists through improvement, rather than trying to overthrow the structures and citing theoretical models, as many of our continental partners have done.

I repeat what I said earlier: the state of the French judiciary—France is a country that I love very much—is inferior to what we have in this country. There is a greater degree of political interference and pressure in how judges carry out their functions, notwithstanding the theoretical models. That should be a cautionary tale in terms of what we are setting out to achieve.

There are three principal limbs to the proposals, one or two of which we have considered. I shall mention two briefly, and then focus on the third, which, in the context of the debate, is very important. First, I can see no earthly reason for getting rid of the Lord Chancellor; he is absolutely unique and quite exceptional, and his is an extraordinary office. It is true that he has turned into what he is only in the last 75 years, but this country has succeeded in creating a Minister who is also a senior judge by virtue of taking the oath—I do not think he needs to sit, which may be a function that can go—and in putting a judicial figure in the heart of Government to stand up for judicial independence. That was acknowledged by several hon. Members who participated in the debate.

The Lord Chancellor has an extraordinary function, which has worked very successfully, and it is nonsense to get rid of it to supplant instead the Secretary of State for Constitutional Affairs, who is already showing signs of being a highly politicised animal, which is making his role very difficult. One reason why the Lord Chief Justice is so worried about this transitional period is the pressures that he is under. We should retain the Lord Chancellor's function even if we alter some of the things that it does.

Secondly, there are arguments in favour of having a supreme court, but, realistically, if we set one up, apart from the fact that it may cost many hundreds of millions of pounds by the time the running costs have been assessed, I do not think that anyone will notice a substantial difference. That could be a profound reason for leaving things as they are, which is my inclination. We will not wake up with a new supreme court and suddenly think that it is radically different from what we have at the moment. Indeed, the Government's proposals make it clear that they do not intend it to be so different. The hon. Member for Somerton and Frome may be being a little more radical in saying that he wants the Privy Council to be absorbed into the court, but that might have serious international problems that he has not thought through.

I regret the proposal to remove the role of the Law Lords in terms of operating within a legislature. I think, as the Lord Chancellor does, that that practice creates a valuable degree of cross-fertilisation between the judiciary, the Executive and the legislature. Unless one can point out huge downsides to the arrangements, I would stick with what we have.

The hon. and learned Member for Redcar (Vera Baird) made some powerful points about the trade unionism of the Law Lords, but the truth is that the move makes them feel uncertain. They have a status and role in the building in which they operate. They are probably fearful that, because of the rather limited role of our court of final appeal—she knows as well as I do that it is not a supreme court, and that it never will be under these proposals—the effect of their removal will be their marginalisation. They object to using the building across the road, probably because it makes them feel rather marginalised. They may be wrong; in theory, they can operate out of broom cupboard, and that is one of their great merits.

Symbols matter, and that is one of the reasons why great anxiety has grown. It seems capable of being resolved only by giving the Law Lords a brand new multi-million pound building where they can express themselves in a completely novel manner in a seminar setting. That is an interesting indication of how rooted the anxieties are about how the changes will affect the way in which those involved are perceived. That is another reason why we should proceed with great caution, and why there cannot be such change without the building and structures having been fully identified, although I make it clear to the Minister that I resist the principle that is involved.

I shall address the other important points raised by the hon. and learned Member for Redcar. As she knows, we on the Conservative Benches have said that, broadly speaking, we are in favour of setting up a judicial appointments commission, and I do not resile from that position one bit. However, it has always struck me that we have never had a proper debate about how that commission will make a difference to the manner of appointment or whether we are putting into place a rather ponderous system, and losing the flexibilities of the old one without getting anything new out of it.

One thing that we hope to get out of the new system is transparency. I entirely share the view of the hon. and learned Member for Redcar that the current system is not sufficiently transparent. Let me give her an example, although she may disagree about what it shows. There is no doubt that the Lord Chancellor has the merit of being very flexible in being able to pick up what I might call the vibes of what is going on in the judiciary. Following on from what was said by my hon. and learned Friend the Member for Harborough (Mr. Garnier), at the end of the Pinochet case, the Law Lords were not in a happy state. There was some indication that their corporate cohesion was in danger of falling apart. The Lord Chancellor, then Lord Irvine, intervened swiftly and carried out several not-so-minor reshuffles at the top end of the judiciary, which quickly addressed and solved the problem.

I ask the hon. and learned Lady whether we can make sure that any judicial appointments commission is sufficiently tuned in and flexible to such situations. Rather than being some ponderous bureaucracy regulating appointments and then stepping back, it must be capable of intervening in the fashion that I have described, because that is one of the qualities of the system that we have at the moment. On her last points about under-representation, she may be surprised to discover that I have some sympathy with one of her points—

Mr. David Chidgey (in the Chair): Order. It is time for the Minister's speech.

5.20 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): I am grateful for your intervention, Mr. Chidgey, just at the pinnacle of the denouement of the speech of the hon. Member for Beaconsfield (Mr. Grieve). One rule in Westminster Hall is that the length of time for Front-Bench spokesmen is inversely proportionate to that dedicated to the debate.

I pay my own tributes to the whole of the Select Committee on Constitutional Affairs for the work and scrutiny that it has undertaken and, in particular, to its Chairman, who opened the debate in a very thoughtful and thought-provoking manner. The Government have tried to respond thoughtfully to many of the suggestions, some of which we warmed to more than others. I will try to roam through those as best I can.

We have had a very good debate, and my hon. and learned Friend the Member for Redcar (Vera Baird) gave a very good exposition of the case for many of the changes. It has been an illuminating afternoon in Westminster Hall.

Some of the key criticisms made not only in the Select Committee report, but elsewhere, were that the package of reforms for the creation of a supreme court, judicial appointments and so on were unwieldy and precipitate and that the legislative timetable was too restrictive to cope with such far-reaching reforms.

The criticism about undue haste is excessive. The first attempt to establish a final court of appeal separate from the House of Lords was made in the 1870s. For a reform to take 130 years would not normally be considered a sign of excessive speed in the outside world. Nevertheless, the criticism about parliamentary scrutiny of the Constitutional Reform Bill has been met by a decision in another place to refer it to a Select Committee that will report on 26 June. The Bill will then be committed to a Committee of the whole House in another place and continue through its normal legislative stages.

It has been agreed that the Bill will be carried over into the next Session to finish its passage in another place and that it will then be sent to this House early in the next Session. It will have therefore been considered by Parliament in two successive Sessions and will have received detailed scrutiny from a special Select Committee in another place as well as by our own very special Constitutional Affairs Committee in this House.

The Lord Chief Justice, Lord Woolf, made it clear that he feels that the position of Lord Chancellor, with its historic roles and responsibilities as head of the judiciary, Speaker in another place and a Minister, is unsustainable. The judges do not want to be headed by a party politician who in recent times has rarely, if ever, sat as a judge; they should be headed by someone who is a real judge. The Bill provides for the Lord Chief Justice to become the president of the courts of England

[Mr. Christopher Leslie]

and Wales and it makes it clear that he is not the Lord Chancellor. The Secretary of State for Constitutional Affairs will take on the executive functions of that office.

It is possible to argue that there should continue to be a Minister called the Lord Chancellor even if that Minister is not a judge and not the Speaker in another place. Lord Woolf has acknowledged that there is an emotional attachment to that view. I believe that to take that position would be misleading and confusing. The title of Lord Chancellor carries a distinguished history, and it is a very special post, combining the three arms of government—executive, judicial and legislative. The Secretary of State for Constitutional Affairs will not perform that historic role, whatever he or she is called. They will have some special responsibilities for protecting judicial independence, but they will do so as a Minister. The historic role of Lord Chancellor is drawing to a close and it is better for the title to end with it. The Secretary of State for Constitutional Affairs should be allowed to concentrate on their duties as a Minister.

Mr. Grieve: I am still a little puzzled by the references that the Minister made to the Lord Chief Justice. I listened to the Lord Chief Justice speak in the House of Lords on two occasions and that was not what he said. Indeed, he made it absolutely clear that he regretted the abolition of the post of Lord Chancellor, which he saw which he saw as a central protection of the judiciary. I am sure that the Minister would not want to mislead the House.

Mr. Leslie: I was referring to the wider reform that we are considering in the post of Lord Chancellor. It is true that the Lord Chief Justice has made recommendations about how we can enshrine the judiciary's independence. We have been trying to take on board many of those points, and I believe that the Bill succeeds admirably in doing so.

On the proposals to create a supreme court, we firmly believe that the creation of a United Kingdom supreme court is a necessary step to clarify the relationship between the legislature and the judiciary. It is no longer right that the highest appellate court in the United Kingdom sits within the legislature. My hon. and learned Friend the Member for Redcar made that point strongly. It has long been the case that peers other than the Law Lords take no part in judicial proceedings. Lord Bingham's statement of June 2000 severely limited the active participation of Law Lords in legislative proceedings.

The pretence that the House of Lords as a judicial and legislative body is the same entity is increasingly exposed as a pretence, as the right hon. Member for Berwick-upon-Tweed (Mr. Beith) implied. In fact, it is a damaging pretence. What would we think if an emerging democracy were to set up its own upper House of the legislature also as a supreme court? It is time to complete the work of those who some people seem to be suggesting are dangerous radicals, the first Earl of Selborne and the first Earl Cairns, who as Liberal and Conservative Lord Chancellors respectively tried in the 1870s to separate the House of Lords from the supreme court, but were thwarted by a Conservative backwoodsman. I believe that that change still needs to continue.

The funding of the supreme court was mentioned. We have included a robust clause in the Constitutional Reform Bill to guarantee future funding of the United Kingdom supreme court in a way that provides sufficient resources for the effective and efficient administration of justice, as well for management on a day-to-day basis by a chief executive. However, we believe that it is important to retain clear ministerial accountability for the expenditure of taxpayers' money and public funds.

On appointments to the supreme court, we have listened to the points made by the Select Committee and have changed some of our proposals. My hon. Friend the Member for Stafford (Mr. Kidney) asked about lay membership of the supreme court appointment commission. We now intend to secure at least one lay post. We have also reflected the model used for the judicial appointment commission for England and Wales, in that we see one name going forward to the Minister to recommend to the Crown as the better model to use.

The issue of the building and location for a future supreme court has created a lot of excitement and comment. Of course, the building has to be well equipped, suitable and not only easily accessible, but publicly identifiable as an institution that belongs to the whole public and the whole community. At the same time, we have to take account of value for money and ensure that it is not excessive in that respect. We are still looking for that building—the search continues—and we shall make our announcement in due course. It would be wrong to speculate about the potential sites on the shortlist, not least because of the need to protect the procurement interests for the taxpayer.

Many other points have been made, particularly about part 3 of the Bill and the judicial appointment commission for England and Wales. We believe that our proposals would improve not only the independence of that appointment process, but its transparency, although we feel that there also needs to be parliamentary accountability. That is why we have chosen the recommending model.

I heard what my hon. and learned Friend the Member for Redcar said about diversity issues in the judiciary. We believe that the commission is one way to improve appointment on merit, widening the pool of potential candidates from which selection can be made.

Our proposals are not only modernising, but are designed to enhance the independence of our judiciary. Today's debate is a foretaste of the many hours that we will spend in debate on the Constitutional Reform Bill—

It being half-past Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.